

Managing a multigenerational workforce

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Managing a Multigenerational Workforce

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Introduction A multigenerational workforce can present many challenges for organizations of today and are fast becoming a prominent issue for Australian HR managers. An ageing workforce and continual technological innovation are the main reasons attributing to the issues associated with a multigenerational workforce. To remain competitive organizations will need to utilize such a workforce to their advantage and this can be achieved through effective human resource development.

The differences between generations are known to occur due to major influences in the environment in which early human socialization occurs (Macky, Gardner & Forsyth, 2008). These influences can impact on a range of factors of an individual including personality, values and beliefs, which will generally remain stable throughout adulthood (Westerman & Yamamura, 2007). The changing nature of the socio-cultural environment will also influence generational differences as individuals of different generations will have been exposed to different events and experiences during their developmental years (Beaver & Hutchings, 2005).

A multigenerational workforce is an issue that cannot be ignored and the challenge then for organizations is to be able to manage, develop and maintain an effective multigenerational workforce. HR departments will need to recognize the demographics of their workplace and to implement an

organizational culture that values and rewards diversity (Holland & De Cieri, 2006). This article will aim to address the issue of a multigenerational workforce and its impacts on Australian organizations and HRD.

Using the case study of Mixed Ages Technology Corporation (MATC), the challenges and issues presented by managing and developing older and younger employees will be discussed. Then a brief summary of the case study will be followed by a discussion of strategies best suited for MATC to improve the morale of multigenerational workforces and HR's role in improving efficiency between the Baby Boomers and the Generation Y workforce

Issues and Challenges of Baby Boomers

The global trend of an ageing workforce and government policy directions towards reversing early retirement trends raises the issue of the costs to employers with an ageing workforce (Brooke, 2003). Recently Australian government policies are being directed towards retaining older workers and reducing costs of pensions, health costs of retirees and superannuation payments; which are estimated to cost the country \$46 billion between 2000 and 2031 (Brooke, 2003).

This is having a direct impact on Australian organizations as an increase in age of their workforces creates an increase of the human resource costs associated with older workers, consequently making older workers more expensive to employ (Patrickson & Hartmann, 1995). However another worrying factor of a mature age workforce force is that with the impending retirement of the baby boomers; organizations will lose a wealth of

experience, knowledge and skills that will be extremely hard to replace (Jorgensen, 2005).

Difficulty in replacing such skill and experience can be attributed to Australia's low fertility rate, and therefore a reduced supply of younger workers joining the workforce and the increasing skill shortages (Anonymous, 2006). This will lead to an increase of competition for talent and Jorgensen (2005) believes that organizations must look at new ways of retaining older workers and to make better use of their skills and experiences.

Organizations will have an increased need to retain older workers by creating career paths to help older workers to break out of career plateaus, and to retrain those whose skills have become outdated (Holland & De Cieri, 2006). Organizations that fail to address the ageing workforce issue risk future staff and skill shortages. The key to managing ageing workers is to actively identify strategies to retain, retrain and integrate older workers into their workplace and to capitalize on their skills, knowledge and experiences (Holland & De Cieri, 2006).

Managing and Retaining Baby Boomers Organizations need to be wary of losing a wealth of skills and knowledge that older workers possess through poor management (Beaver & Hutchings, 2005). As employees mature they are more likely to experience disengagement with the workplace and career plateauing, which can lead to an increased intention to leave. HR managers will need to work with both the employee and the organization's goals to eliminate these barriers.

There are various options available to organizations faced with the problem of retaining older workers. Providing phased retirement plans, moving older workers to part time work and creating more flexible working conditions can save organizations the costs involved with hiring new employees while maintaining older workers technical knowledge. Additionally it is important for organizations to recognize older workers personal commitments and their need for work life balance (Hutchings & Beaver, 2005).

Contrary to the view of a career plateau, Armstrong-Stassen (2008) argues that majority of older workers want to continue learning and developing their skills and also desire a job that is challenging and meaningful. There will also be an increased attractiveness for organizations to hire mature age workers, even if it is on a part time basis, as older workers are readily available sources in terms of expertise that can impact the future success of the organization (Miller & Siggins, 2003).

In turn HR managers will have a responsibility to have policies in place to encourage lifelong learning and knowledge management. However older workers can be a popular target during downsizing, and many experience hidden and open pressures to retire early. Addressing these issues through frequent training and feedback programs will assist older employees to feel valued by their organization. (Cadrain, 2007) believes that the costs associated with recruiting and training staff pays off over time, as the longer you retain staff the greater the return is on your investment.

Therefore it is vital for organizations to retain and retrain not only the older workers but younger workers as well as generation Y workers present a

different challenge for HR managers altogether. Issues and Challenges of Generation Y In a tight labour market the need for organizations to effectively manage younger workers, such as generation X and generation Y have become crucial. During the current skills shortage organizations will need to put new strategies in place to support proactive recruitment and HR policies.

The high mobility of generation Y can be attributed to technological advances whereupon there is instant connectivity and experience sharing with others, leading to more information and inevitably more choice (Macky, et al. , 2008). Younger workers relish employment opportunities that allow them to learn new things, meet new people, to work in new ways and to take calculated risks (Schulman, 2007). Therefore organizations will need to include values such as flexibility, creativity and personal development when dealing with the management of younger employees.

Due to the high mobility of Generation Y, organizations will need to focus on engagement of their younger employees. Younger employees are eager to showcase their talents when joining an organization, as they have not been tainted by bad working habits and are generally excited to take on new and challenging responsibilities (Fallon, 2009). Although this may be seen as a positive, keeping them happy and motivated requires different strategies than those that have been used with the baby boomers.

It is widely accepted that younger workers care about much more than money; Holland & De Ceiri (2006) believe that work life balance is critical to Generation Y employees, while Fallon (2009) states that younger

employees aim for a holistic fulfillment through work including feeling good about their job and a healthy balance with their social lives. This view is consistent in that younger generations need to have a perception of meaningfulness associated with their role. A lack of engagement from the employer can produce disillusionment, a lack of creativity and a lack of investment (Shulman, 2007).

Organizations will therefore need to have HR strategies in place to retain younger employees and to keep them motivated and productive. Managing and Developing Generation Y There are many strategies that organizations can utilize in order to attract, train and retain the best young talent in the market. As generation Y have incredibly high expectations about the work environment, growth opportunities and rate of advancement (Downs, 2009) it is imperative for HR managers to consider the career plans of younger employees.

Generation Y's are entering the workforce in large volumes, and organizations that are unable to harness this growing resource will find themselves at a distinct disadvantage (Anonymous, 2006). Management of younger workers is crucial in times of financial hardship. Contrary to the view of (Miller & Siggins, 2003), who argues that older workers can assist organizations through financial as they are readily available sources, Anonymous (2009) states that organizations need to consider the long term prospects of generation Y's.

In order to keep generation Y's challenged, HR managers may consider restructuring certain entry level positions so that the duties of the role vary.

Additionally HR managers should discuss various career paths with younger employees and the possible steps in reaching such goals (Downs, 2009).

Research shows that communication between managers and younger employees is becoming increasingly crucial (Fallon, 2009). As younger employees are used to direct, ongoing feedback in their developmental years they expect the same type of treatment from their managers.

Especially as they have not yet experienced a recession, Generation Y's will need constant feedback to remain motivated and productive. They will feel more valued and loyal to the company if managers are able to show that they care about the growth and progress of the employee. This will in turn have long term benefits and save the organization costs from a reduced turnover (Fallon, 2009). How organizations manage the generation gap is determined by the demographics of the workplace and strategies available to them.

This article will now link effective HR strategies to Mixed Ages Technology Corporations organization culture and goals. Feeling Valued by the Organization There are several generational issues that confront MATC's newly appointed HR director Tom Fletcher. Employee morale and productivity has dropped due to the rising tension between the baby boomers and the generation Y workers. The baby boomers of the company are unsatisfied with the amount of respect shown to them by the younger workers and are quite resistant to any change in the promotions system, which is based on seniority.

On the other hand the generation y workers believe that there is a lack of opportunity for individual growth and oppose the current promotion system; they also believe that the older workers are outdated when it comes to modern technology. To enable both younger and older workers to feel valued by each other and by MATC, the HR team will need to address these two underlying issues. Initially the HR team needs to assess the generation gap by recognizing and openly discussing generational differences with the employees.

McGuire, By & Hutchings (2007) believe that effective managers will help employees feel valued by the organization; therefore HR should be proactive in helping managers succeed in this area. As managers nowadays have to deliver in a shorter time frame and with limited resources (Aker, 2009), HR can provide coaching and mentoring programs and develop learning solutions and performance management tools to educate managers on generational differences and the best strategies available to manage a multigenerational workforce.

However (Anonymous, 2009) argues that it is up to the employees to adapt to generational differences and that an assessment should be made to identify improvement opportunities within MATC's organizational culture. The company's current culture is one of continuous change and adaptation; hence HR needs to remind employees of this culture while adding a culture of embracing and encouraging workforce diversity (Aker, 2009). A diverse workforce is richer because there are many different perspectives, different learning styles and different attitudes towards work.

Through effective human resource development, MATC will have the ability to harness this diversity into an organizational strength and investment for the future. Feedback Programs One of the biggest causes of generational tension is insecurity about jobs (Crumpacker & Crumpacker, 2007). Older workers may be involved in a transactional psychological contract and will therefore be reluctant to share information and resources with the younger employees. Additionally younger employees may worry that older employees will resent their attempts to climb the corporate ladder (Downs, 2009).

HR needs to encourage an intergenerational learning environment and an environment of continuous learning and a continuous transfer of knowledge by addressing anxiety and tensions through positive reinforcement. HR also needs to reassure all employees that their contributions are valued and may even consider rewarding behaviours displaying knowledge sharing and acceptance of diversity. These types of career management strategies will help employees to feel greater job security and in turn less threatened by other generations.

A commonly used strategy to instill confidence in employees and to make them feel valued is to provide frequent and timely positive feedback and offering public praise from management and peers (Cadrain, 2007). However HR needs to understand that feedback programs need to differ according to generational characteristics. It is not uncommon for HR to bring in change and communication consultants to train managers in areas of communication, feedback and negotiation to help managers understand such differences (Crumpacker & Crumpacker, 2007).

As baby boomers are facing a growing pressure from a young demographic of workers, they will need to be reassured about that value they add to the organization. However baby boomers can be overly sensitive to feedback and can usually spot transparent feedback (Cadrain, 2007). In contrast generation Y employees rely of feedback from authority figures to assess whether they are on the right track and consequently they can struggle with the processing of feedback (Fallon, 2009).

Therefore it is imperative to reassure younger workers that the feedback is designed to support their career progression, which is a major driving factor for generation Y's. In the same article (Fallon, 2009) it states that it will be worthwhile for HR managers to organize more frequent gatherings among the staff and to explore programs that encourage greater collaboration. Improving Productivity through Mentoring Programs For a multigenerational workforce to function cohesively, MATC needs to build a culture based on open communication and mutual respect.

A popular method for achieving such as goal is to encourage frequent group collaborations and teamwork. (Carnevale, 2005) found that brownbag training sessions, special projects and committee work can assist to reduce friction and in turn build camaraderie among employees. Another effective strategy to lower tensions is to assign the older workers as mentors to younger employees. Despite the stereotype of Generation Y's to be impatient, Downs (2009) states that they keenly understand the value of experience and that they excel at working in teams.

By pairing them with older and more experienced workers, this will assist the older workers to feel valued and respected and in turn facilitate the transfer of knowledge between generations, it will also fulfill younger employee's desires to rocket up the learning curve and improve their chances of promotion. Further to this Caudron (2002) states the importance of dual mentoring relationship.

There is a distinct advantage of this method in that two professionals may possess vastly different skill sets, and pairing them will eliminate shortcomings and maximize strengths. However (McGuire, et al. 2007) argues that organizations need to be wary that generational differences in judgments or a destructive tone of relationship such as jealousy or prejudice may have a negative impact on mentoring program and therefore need to link a culture of embracing generational diversity with such HR strategies.

This view is supported by Jorgensen (2005) who argues that older employees who are no longer competing for promotion could move into a mentor or coach role to enable effective knowledge transfer to younger employees, while still contributing their skills and experiences directly to specific projects.

By engaging all employees, the organization will inevitably improve long term benefits. Engagement of the Workforce Given current economic challenges MATC need to put a premium on fully engaged employees.

Promoting employee engagement is one indicator of the effectiveness of HR approaches to talent management, due to the fact that enhancing employee engagement benefits both employees and employers (Downs, 2009). There

are a range of benefits resulting from effective engagement including higher productivity, higher job satisfaction, less sick days taken and a longer tenure with the organization.

Managing a multigenerational workforce has forced organizations to consider many alternative strategies for engagement. Past research has found varying factors effect the level of engagement; gender, caring responsibilities, physical health, core self evaluation and most importantly, age (Tsai, 2008). MATC needs to identify options for different approaches to enhancing employee engagement.

The HR team may want to get suggestions employees about supports that they can provide for them that would simultaneously support positive work life balance and also enhance engagement. In terms of baby boomers, child care facilities or carers leave may be beneficial.

While for generation Y's past research has shown that work life balance is a priority (Shulman, 2007), therefore an increase in flexible hours may lead to higher levels of engagement. MATC can also put HR strategies in place that directly affect some of the individual characteristics noted above.

For example, the offer of wellness initiatives and programs can improve or maintain the health of older workers which can in turn affect their engagement level. While having social gatherings and events may help younger employees have a greater sense of inclusion in the organization. Conversely Gebauer (2006) believes that it is an interaction of an employee's characteristics and experiences at work that affect their level of

engagement. The workplace culture regulates an individual's experiences at work.

Providing employee specific opportunities for training and development, a culture of flexibility, organizational support and perceptions of inclusion and job security are all important in maintaining productive employees.

Conclusion Every individual possesses biases that can often prevent them from recognizing the valuable contributions that others can offer; the generational stereotypes that exist in the workplace are usually derived from generational differences in personality and motivational drivers (Brooke, 2003). Tensions arise if these differences are not addressed and can lead to a low morale of the workforce.

HR managers need to eliminate generational barriers between older and younger workers and this can be done by imposing an organizational culture that accepts generational differences while promoting the fact that there are consistent drivers across generations (Macky, et al. , 2008). Organizations nowadays can have up to four generations working for them and it is their ability to address generational gaps and manage these differences that is imperative to remaining competitive and having a motivated and productive workforce.

As workforce demographics are shifting dramatically, HR managers should aim to provide an effective mix of compensation, benefits, flexible work arrangements and opportunities for growth and development for every individual. Traditional approaches designed to meet the needs of baby boomers are no longer effective and therefore new strategies need to be

tailored to a more diverse workforce. Each generation requires a unique set of factors to motivate them at work and human resources plays an important strategic role in enabling diverse talent to thrive (Tsai, 2008).

HR strategies should be free of bias from the recruitment, training and development and promotional processes of the organization. Organizations will need to shift away from a mindset that tolerates diversity to one where diversity is valued, harnessed and leveraged to achieve greater business success. This will have implications for organizations to have effective strategies in place to manage and support diversity which are aligned to organizational goals. After all it is a diverse workforce that creates balance and a successful and productive workforce. References

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