

White Paper



# The Challenges of Managing a Multigenerational Workforce

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CYQUEST BUSINESS  
SOLUTIONS, INC.  
YOUR HR OUTSOURCING PARTNER

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*Reputable HR outsourcing companies can provide tailor-made solutions that cater to you and your organization's specific requirements with respect to outsourced staffed solutions, employee training and development or staff augmentation and the benefits each.*

*Outsourced HR staffing solutions as well as staff augmentation, typically reduce a one-time capital expense turning it into an operational expense. Organizations gain from the vast and ever evolving knowledge base and eliminate wasting valuable time. These are but some of the benefits that you can reap by implementing these solutions.*

As the landscape of the workplace continues to change, one of the most prevalent issues facing employers today is staff composition, which could range from 18 to 80. This rich mix of generations in the workforce can be attributed primarily to labor shortages experienced in many industries and the rising average age of retirement. The multigenerational staff is alive and real, creating a set of challenges—and opportunities—for employers that can be difficult to recognize and address.

## **Who are these multigenerational employees and what makes them “tick”?**

- ***Traditionalists***

These individuals were born between 1925 and 1945, representing 4% of the workforce. Significant characteristics of this group include loyalty. They value logic and are disciplined tending to be change averse. They want to build a legacy.

- ***Baby Boomers***

These individuals were born between 1946 and 1964, representing the largest percentage—38%--of the workforce. They tend to be idealistic, very competitive and typically will question authority. They are known as the “me” generation. For financial reasons, many Boomers are finding they need to work longer thus deferring retirement perhaps well into their seventies.

- ***Generation X***

These individuals were born between 1965 and 1980, representing 32% of the workforce. Gen X'ers tend to be skeptical, distrusting institutions. Money, title and recognition are important to them.

- ***Generation Y/Millennials***

These individuals were born between 1981 and 2006, representing 26% of the workforce. Though their numbers are currently smaller than those of other generations, they are a force to be reckoned with!

This group is cyber literate, realistic and globally concerned. Personal safety is their number 1 concern. Most Millennials believe that business success should be measured by more than profit. They are typically not company loyal having an average tenure of 2 years. They prefer on-the-spot recognition and feel personally responsible for making a difference in the world. Possibly the most significant managerial challenge of this group is they have always been rewarded for participation and not achievement.

### Challenges Associated with Managing a Multigenerational Workforce

The challenges of managing a multigenerational workforce are great. Because there is such a variation in age differences, employers frequently face:

- *Negative stereotyping*

Older workers often look at the younger generations as entitled, lazy and obsessed with technology. They may also feel as if Millennials and Gen X challenge the system and are generally difficult. On the other side, younger workers see older workers as being stuck in their ways, refusing to embrace new, innovative ways of thinking and doing things.

- *Loss of knowledge and experience*

As older generations move out, younger generations may not have the experience to successfully carry out the job beyond technology. Without knowledge transfer, this could cause a loss in a well-rounded dynamic workforce.

- *Increased workload*

With younger employees on staff, older employees often see an increase in their workload because they must train younger, newer employees who are dependent on technology to help them do the job, not understanding that most jobs need more than just technology to perform.

- *Delivery issues*

Older employees tend to take more time and more pride in their work. Younger employees may not see delivery as an issue. If technology is at the epicenter of an assignment, typically younger employees will deliver faster and more efficiently than older employees.

- *Decrease in department morale*

Human resource staff will experience a decrease in department morale if employees do not feel they are on the same page.

- *Increased stress on HR staff*

With all the variations in employee ages and the way they work, this could cause increased stress on human resources to make the workplace a viable situation for everyone.

### **How can some of these issues be alleviated?**

There are several ways to make everyone feel as if they are part of the same team. Department managers and human resources staff must be proactive in bridging these generational gaps, giving each generation the time and resources they need to be successful. This includes creating a viable plan to determine the needs and connections of each group and assist in training and key learning modules that are engaging.

The first step is understanding how each group works, the benefits of having them as part of the staff, and how to effectively manage them.

### ***The Traditionalists***

Traditionalists should stay plugged in, as they have more institutional knowledge and industry experience than any of the other groups. Younger workers can benefit from their expertise and mentorship. This group also understands the value of hard work, and the lessons they have learned over the years in the workforce are still very relevant today. Traditionalists are good networkers, and have several professional relationships. In managing them, meetings and relationship-building exercises would be beneficial.

### ***Baby Boomers***

Baby Boomers are known as the hardworking crux of today's workforce. HR personnel should work to retain these employees for as long as they can. The benefits of this workforce are that they can relate to both sides. They are internet savvy, but understand the role traditionalists play. They have implemented work-life balance and are dedicated to their jobs. Employers must carefully manage this demographic, and should continue to offer options that promote work/life balance. They should also help employees take ownership and become leaders on their own terms of success.

*Organizations that engage an outsourced services or staff augmentation model can usually transfer risk to the service provider, leverage provider flexibility and grow without hiring additional employees.*

*Although the nature of the engagement may vary in terms of assets and staff, HR outsourcing can alleviate many of the organization's burdens by taking over operations.*

### ***Generation X***

Generation X will become leaders in 10 to 15 years. Managers and HR personnel should keenly notice growth potential while creating a professional development plan. This generation is well-educated, and they respond well to coaching, guidance, increased opportunities to thrive and accept responsibility well. They need to work in an atmosphere where they can be independent, can be challenged and can have fun while doing their work.

### ***Generation Y***

This generation wants to work independently and have fun while working. They want to figure things out on their own, and determine how to get an assignment done on their own without much help or involvement—if any—from management. Successfully managing this demographic can be a challenge as they want to make their own rules and negate the status quo. They want to be treated as equals, but are very adept at getting their work done independently. They also care about the environment and want lots of opportunities to volunteer and make a difference in the world all on company time.

Communication styles are crucial to the success of the organization. While many employees and managers use text to communicate, traditionalists and baby boomers may prefer phone calls and emails as the best way to communicate. Additionally, younger workers use abbreviations, informal language and other colloquialisms, which can cause a serious communication gap within the office setting. Both methods should be integrated to work around this issue. Text messages and emails should be used to the extent possible. Text messages for informing managers when there is a problem or the employee is running late, and emails should be used for more informational subjects. When managers and employees are in meetings together, an IM or text message usually works well, but for those older workers that do not embrace this methodology, emails should suffice.

Cultural expectations are also a very real factor in the workplace. Mobile work trends are taking precedence in the work environment, but may be difficult for older workers to embrace, as they are used to working in an environment where being in the office was in high demand. Younger managers and workers expect results and do not place a high measure on working in the office, and appreciate a healthy work-life balance. Communication while being open and honest is key to making things work.

Some of the key measures used to retain all generations in the workforce are telecommuting, education, flexible scheduling, sabbaticals, benefits from day one, and other workplace incentives. Telecommuting is by far one of the most effective ways to keep everyone happy at the same time. Older workers can utilize this as they age and possibly develop problems coming into the office every day and younger workers can also utilize this, especially if they are volunteering during company time. A lucrative benefits package, including vacation and sick days, company-paid medical and other perks starting from the first day of employment is attractive for the entire multigenerational staff.

It is important to note the trends that impact organizations in major ways:

### **\* *Talent and competition***

The adage "good help is hard to find" still resonates among employers. Skilled employees are one of the top concerns noted by human resources and is costly. With the median age of today's workforce higher than it was 15 or even 10 years ago, it is imperative to educate managers on how best to utilize older workers, as they are usually the backbone of the organization.

### **\* *Multigenerational workers***

With the workforce age population at an all-time high, it is expected that baby boomers will desire part-time work. Companies should create ways to take advantage of this, and adopt practices that cater to this generation.

### **\* *Work environment***

Today's work spaces are being remodeled to cater to all generations and work styles. These spaces need to be all-inclusive, and have a concerted interest in generational differences to increase productivity and creativity for organizational success.

## **Benefits of a Multigenerational Workforce**

There are several benefits gained by organizations when a multigenerational workforce works well together. A positive, inclusive work culture can lead to business success by enhancing recruitment, retention and profitability. For instance:

1. Organizations can attract and retain talented people of all ages and backgrounds.
2. Organizational teams are typically more agile.
3. Organizations gain and maintain greater market share because its members reflect a multigeneration market.
4. Decisions are stronger because they're broad-based with multiple perspectives.
5. Organizational teams are more innovative and creative.
6. Organizations can meet the needs of a diverse client-base and can relate more effectively.

It's important to remember that no two workers are alike, regardless of age. One of the most important factors to remember is that everyone wants to be recognized, and everyone wants to be rewarded. Knowing the dynamics in both is essential. An older worker may not want to be rewarded in the same way a younger worker is rewarded. For an older worker, it may be extra pay, while for a younger worker it may be additional paid time-off. Managers need to acknowledge shared needs of the group and include everyone in decisions when possible. Additionally, the work environment must capture everyone at their comfort level to keep employees engaged and confident.

## The Challenges of Managing a Multigenerational Workforce

To successfully manage an entire staff with a multigenerational dynamic, performance management systems and goal progression should include real-time feedback, empowerment through training on a personal and organizational level, and viewing each employee as an individual that is an essential part of the team. This will not only help merge the gaps in age, but will help the organization move into a new realm of work and how things are done.

### Sources

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## Selecting a Vendor

When selecting a vendor, consider working with an HR outsourcing company which provides staff augmentation and development and project outsourcing services. This allows you to get the best of both worlds, without the increased burden of managing multiple vendor relationships while maximizing economies of scale. Look for a vendor you can trust to take the time to understand your business goals and objectives and deliver the desired results, whether you need a single specialist or to outsource an entire project.

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