



# GENERATION GAPS?

MYTHBUSTING ASSUMPTIONS ABOUT AGE IN THE WORKFORCE

ROBERT WALTERS

## FOREWORD

Much has been written about the perceived differences between the generations in the workforce, and much has been assumed. For this whitepaper, we've gone in search of the facts.

We've surveyed professionals and hiring managers from across Australia and New Zealand, to find out what's really happening on the ground. The results have been illuminating, and serve to dispel some of the myths about professionals at various stages in their lives.

Of course, there are differences between the generations. Some of the priorities of middle-aged working parents are naturally quite different to the priorities of someone fresh out of university, for example.

But in this whitepaper, what sticks out for me are the similarities. Because people can be brought together by the things that they share in common. Our survey suggests that – across the generations – Australia and New Zealand's workforce is tech savvy, ready to collaborate, and eager to embrace innovation. Which is good news for all of us.

The other key takeaway for me was simply this: Never assume. Our survey respondents indicated that age discrimination, unconscious bias, and inter-generational conflict are still relatively common in the workplace. In sharing the findings of this whitepaper, we encourage business leaders and professionals to unite and tackle these issues together.



**James Nicholson**

Managing Director - ANZ, Robert Walters

## METHODOLOGY

This whitepaper is based on the findings of research undertaken in March 2017 by Robert Walters, surveying 937 hiring managers and 1573 professionals across Australia and New Zealand.

The survey was managed and conducted by Robert Walters. The different generations were defined according to those classified by research agency McCrindle:

- **Baby Boomers:** Born 1946 – 1964
- **Generation X:** Born 1965 – 1979
- **Generation Y:** Born 1980 – 1994

# ABOUT ROBERT WALTERS

Established in 1985, we are a world-leading specialist professional recruitment consultancy. Hiring managers world-wide rely on us to find their best specialist professionals and our clients range from the largest corporates world-wide through to SMEs and start ups. We recruit people for permanent, contract and interim roles across the world.

## INTRODUCTION

This Robert Walters whitepaper has been created to explore how employers can get the best out of their multi-generational workforces.

The whitepaper explores:

- What motivates professionals of different generations, including the importance of career progression, good leadership, and lifelong learning.
- Similarities across the age spectrum when it comes to preferred working styles.
- The prevalence of inter-generational conflict, age discrimination and unconscious bias in the workplace.

# DECISIONS, DECISIONS

## CHOOSING AN EMPLOYER

When we asked hiring managers what they had observed about the way candidates chose between employers, the three most important factors cited were: Salary and benefits (27%), strong organisational culture (28%), and opportunities for career progression (21%). This correlated strongly when we asked employees themselves. Across all generations, salary and benefits topped the list, and there were other notable similarities too. In particular, a “strong organisational culture” made the top three in every age group.

### The most important factor when choosing an employer

#### GEN Y

Salary and benefits	28%
Clear opportunities for career progression	23%
A strong culture	21%

#### GEN X

Salary and benefits	29%
A strong culture	25%
Clear opportunities for career progression	17%

#### BABY BOOMERS

Salary and benefits	29%
A strong culture	26%
A good corporate citizen	13%

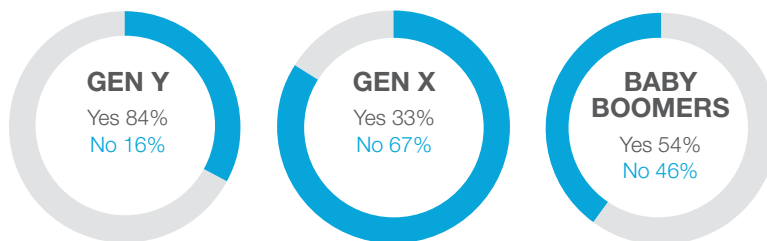
## CAREER PROGRESSION

Throughout the survey, Gen Y repeatedly emphasised the importance on having clear opportunities for career progression. This message came through loud and clear, again and again.

Almost one in four (23%) of Gen Y professionals said that they would leave an employer if they were overlooked for a promotion or pay rise. And almost one in five (19%) said they had already done so. By way of contrast, only 9% of Baby Boomers – who have been active in the workforce up to four decades longer than some Gen Ys – said they had previously left a job after being overlooked for promotion or a pay rise.

We also found Gen Ys were much more likely to report being overlooked for career progression due to their age. Our research suggests more could be done by employers to harness Gen Y potential in the workforce. For example, only 14% of hiring managers said their organisation had a programme in place to identify and fast track young talent.

### Have you been overlooked for career progression because of your age?



### KEY LEARNING #1:

**Employers should conduct regular market comparisons on their remuneration and benefits packages.**

Whether they are young or old, candidates still see salary and benefits as a top priority when choosing their next employer. So, it's essential that organisations know how competitive their remuneration and benefits packages are against their competitors in the recruitment market.

### KEY LEARNING #2:

**Employers seeking to recruit young talent should emphasise career progression opportunities.**

An employer that can offer clear paths of career progression can gain an advantage over competitors, when it comes to securing the best Gen Y talent. However, it's vital that employers manage expectations and make good on promises made. Of all the generations, Gen Y are the most likely to walk out the door if they become disillusioned with career prospects in their current organisation.

### KEY LEARNING #3:

**Employers should consider programmes to identify and fast track young talent in their organisations.**

In our survey, 86% of hiring managers said their organisation did not have such programmes. Clearly, the other 14% have a notable competitive advantage when it comes to attracting the cream of the Gen Y crop. The key takeaways here? If employers have one of these programmes, they should strongly emphasise this in recruitment marketing and selection processes. If employers don't have a programme like this, perhaps it's time they considered it.

# WHAT MAKES THEM TICK?

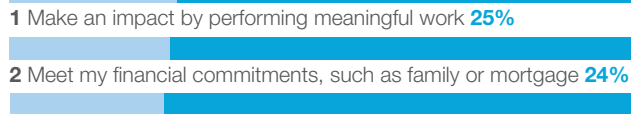
## MOTIVATION

Every employer wants to hold onto their best people. The cost of replacing professionals mounts up, due to productivity losses when someone leaves, the cost of hiring and training a new recruit, and slower productivity while they find their feet. To retain your best people, it's essential to know what motivates them to come into work every day.

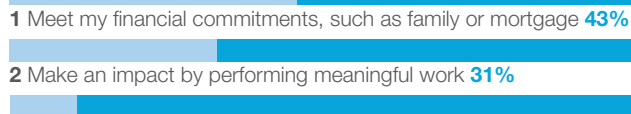
Our research found that, regardless of age, one of the key drivers for professionals is "Making an impact and meaningful work". In fact, it was the most commonly cited reason by both Gen Y and Baby Boomer professionals (and came in second for Gen X).

### What does work mean to you?

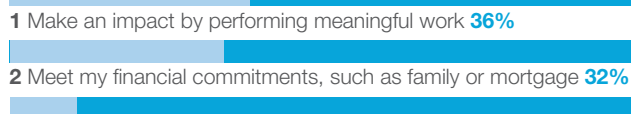
#### GEN Y

- 
- | Rank | Motivation  | Percentage |
|------|---|------------|
| 1    | Make an impact by performing meaningful work              | 25%        |
| 2    | Meet my financial commitments, such as family or mortgage | 24%        |
| 3    | Plan and save for the future                              | 23%        |

#### GEN X

- 
- | Rank | Motivation  | Percentage |
|------|---|------------|
| 1    | Meet my financial commitments, such as family or mortgage | 43%        |
| 2    | Make an impact by performing meaningful work              | 31%        |
| 3    | Have job security   | 10%        |

#### BABY BOOMERS

- 
- | Rank | Motivation  | Percentage |
|------|---|------------|
| 1    | Make an impact by performing meaningful work              | 36%        |
| 2    | Meet my financial commitments, such as family or mortgage | 32%        |
| 3    | Have job security   | 11%        |

## LEADERSHIP

Our survey suggests that "poor leadership" has a dramatic impact on staff attrition. When citing the main reasons for leaving previous roles, every generation placed "poor leadership" top of the list.

**#1** reason people leave jobs is due to poor leadership

We also asked respondents what characteristics employees value most in a leader. Notably, Generation Y respondents felt that "Someone you can learn from" was the second most important trait in a good leader. However, when hiring managers were asked what they thought their workforce valued most in leaders, "Someone you can learn from" languished a long way down the list.

This difference became even more revealing when we asked hiring managers whether their organisations offered mentoring programmes for younger employees, or not. Only one in five (20%) said that they did.

### What hiring managers *think* professionals value most in a leader, in order of importance

- 1 Being accessible and easily available
- 2 Being open to ideas and feedback
- 3 Providing structure and direction for the team
- 4 Recognising performance
- 5 Allowing individuals the freedom to choose how they perform their work
- 6 Someone you can learn from



#### KEY LEARNING #4:

**Recruit and train your leaders in the qualities your employees value most, and you're more likely to hold onto your best talent across the generations.**

In our survey, the leadership trait that professionals across the generations valued most was “being open and honest”. If managers are seen to be leading from the front in this, their people will be more likely to stay. Measures organisations can take to facilitate this include establishing accessible two-way communication channels for leaders and their people, and implementing 360-degree performance reviews, to name but two.

#### KEY LEARNING #5:

**Never underestimate the fact that leaders are role models for younger professionals in your organisation.**

Many professionals across the generations said that they wanted leaders that they could learn from. Unsurprisingly, this was most prevalent among Gen Y professionals. Our survey indicates that staff retention rates of younger professionals will be boosted in organisations where employees are given access to leaders, through training, development and mentoring opportunities.

# WAYS OF WORKING





Similarities between the generations can often be just as revealing as the differences. When it came to working styles, our survey respondents were strikingly similar in terms of their preferences.

In every age group, more than eight out of ten professionals preferred to try new ways of doing things, instead of using tried and trusted methods. More than six out of ten professionals in every age group also preferred to work collaboratively, as opposed to alone or with limited contact with others. And more than seven out of ten professionals of every age said their daily lives rely heavily on technology nowadays. In fact, they said they “couldn’t function without it”.

**84%** of professionals said they prefer to try new ways of working

## LET’S TALK IT OUT

When it came to preferred ways to communicate at work, the similarities across the generations were uncannily similar. Across the nine different communications options we offered respondents, the percentage preferences were virtually identical in every generation. Overall, more than half of every generation preferred to talk directly with people (either face-to-face, phone, or Skype), rather than use online written channels.

	GEN Y	GEN X	BABY BOOMERS
 Face-to-face	32%	33%	33%
 Phone call	23%	25%	26%
 Skype	6%	6%	5%
 Email	31%	31%	31%

### KEY LEARNING #6:

**Structure your workplace, your technology and your organisational culture to empower people to work in the style they prefer.**

Avoid assumptions about how different generations prefer to work; and instead speak to your people and find out what working arrangements bring out the best in them.





## CASE STUDY: PwC

PwC recently moved into new offices in Brisbane, Melbourne and Sydney. But it wasn't just their old premises that they left behind – it was their old ways of working too. PwC took the opportunity to completely reimagine their workspaces, and mould them around their clients and multi-generational workforce.

“We have a large and extremely diverse group of people working in all three cities,” explains Debra Eckersley, New Ways of Working Partner at PwC. “We have many Baby Boomers, many working parents, and we also have a lot more Millennials than you might expect. But everyone is an individual and we don't ever stereotype. So, when we moved into new premises, we wanted working environments to suit individuals, irrespective of age.”

In the planning stages, PwC talked to employees and asked them how they wanted to work, and then combined that with what clients said would work best for them. Across the generations, two messages rang out loud and clear: choice and collaboration. This informed everything about the new premises, from the architecture and layout, to the furniture and catering.

“We took ‘choice’ to whole new levels – quite literally,” says Eckersley. “Our new offices are designed with dedicated open levels where clients work with and alongside our people. We've got dedicated library areas that are often silent, focus areas that are reasonably quiet, and we also have collaborative spaces which have a real buzz and energy to them.”

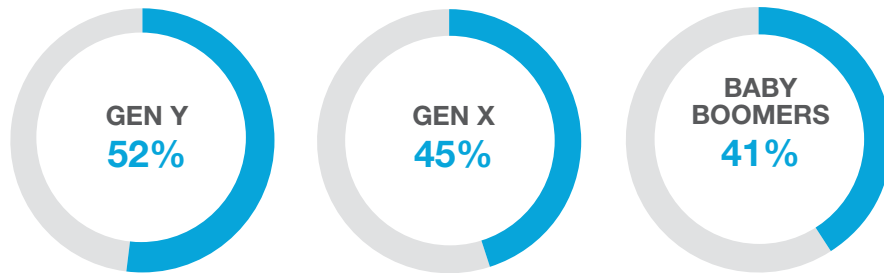
The broader PwC philosophy is that ‘all roles flex’ regardless of people's age. “We don't care where or when our people work because we trust them. Whatever stage of life they're at, everyone has a personal life.”

PwC's New Ways of Working has been a hit with professionals across the age spectrum. And it's helping to attract the next generation too, says Eckersley. “Millennials don't want to be treated like children; they want to be trusted like everyone else. That means choosing the clothes you wear, the tech you have access to, where you work etc. We offer all those things, which helps enormously when it comes to graduate recruitment.”

# CONFLICT

Despite all the similarities between the generations, our survey still found conflict between different age groups to be relatively common.

**Yes, I have experienced conflict between different generations at work**



# 47%

Almost half of Baby Boomer respondents said that “differing levels of work ethic and commitment” was the most likely cause of conflict between the generations.

## SOURCES OF CONFLICT

More than half of Generation Y respondents say they have experienced conflict between the generations at work; and they say that Baby Boomers are the generation they are most likely to clash with. Almost one in four (24%) Gen Y respondents say the source of the conflict is a reluctance by colleagues to engage with or use new technologies at work.

The same number of Gen Y respondents (24%) said they thought older generations in the workforce (Gen X and Baby Boomers) were set in their ways.

These opinions were not shared by older professionals themselves. More than eight out of ten Gen X and Baby Boomers said they prefer to explore new ways of working, rather than tried and tested ways of doing things. And more than seven out of ten Gen X and Baby Boomers said technology is a part of their daily life that they would be lost without.



### KEY LEARNING #7:

#### **Expectations must be clearly understood on all sides.**

There appears to be a discrepancy among professionals about what is an appropriate work ethic and level of commitment in the workplace. Employers should take care to explain expectations around work ethic and commitment so that everyone understands what is required of them, and of their colleagues. And employers should also manage the expectations of career progression among younger professionals, so that there are no surprises further down the track.

### KEY LEARNING #8:

#### **Adapting to new technology is mandatory.**

Technology is not going to stand still and wait for organisations and professionals to catch up. To recruit and retain talent, organisations must have the flexibility and capability to harness new and emerging technologies. This must go beyond simply adopting new products. People must be brought on the journey too, which requires an unwavering commitment to training on the part of individuals and their employers.

# AGE DISCRIMINATION

Many professionals in our survey reported being on the receiving end of age discrimination during their careers. Almost three quarters (74%) of Baby Boomers said that, in a job interview situation, they had been discriminated against because of their age. About one in three of Gen Y (34%) and Gen X (36%) felt they had suffered age discrimination in an interview too. And half (50%) of hiring managers reported seeing age discrimination in the recruitment process of organisations that they had worked in.

# 58%

of hiring managers say they have seen colleagues overlooked for career progression due to their age

When it came to promotion and career progression, the results weren't very encouraging either. The vast majority (84%) of Gen Y professionals said they had been passed over for career progression because of their age, while more than half of Baby Boomers (54%) said this had happened to them too. A third (33%) of Gen X professionals also said they had been overlooked for career progression because of their age.

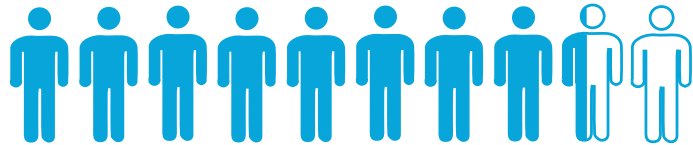
These results were corroborated when a clear majority (58%) of hiring managers said they had observed someone in their organisation being overlooked for career progression due to their age.

## UNCONSCIOUS BIAS?

Our survey provided a glimpse into what may be driving some of the discrimination. We asked hiring managers to select the qualities that they most associate with different age groups. Top of the list for younger professionals was "open to new ideas". But this quality sat near the bottom of the list when hiring managers were asked to describe older professionals.

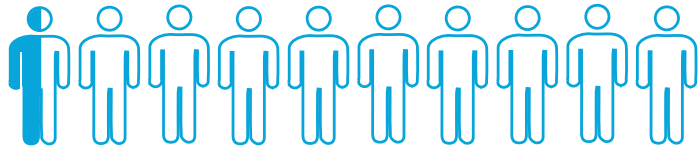
This suggests unconscious bias may be prevalent among some hiring managers. Particularly considering that the overwhelming majority of Baby Boomer professionals stated a clear preference (84%) for "Exploring new ways of working to see if there is a better approach" over "The tried and tested ways because you know it works".

### BABY BOOMERS



**84%** of Baby Boomers say they prefer exploring new ways of working over the tried and tested approach

### HIRING MANAGERS



**5%** Only a small number of hiring managers feel that being "open to new ideas" is one of the strongest characteristics of older professionals.

## KEY LEARNING #9:

### **Don't allow unconscious bias to lead your organisation astray.**

While unconscious bias is part of human nature, it should not be ignored or swept under the carpet. It needs to be proactively managed in the workplace. Introduce measures to help managers and staff to identify any unconscious bias they may have, so that they can factor this into their ongoing decision making. Formal courses and training exercises are available that can help.



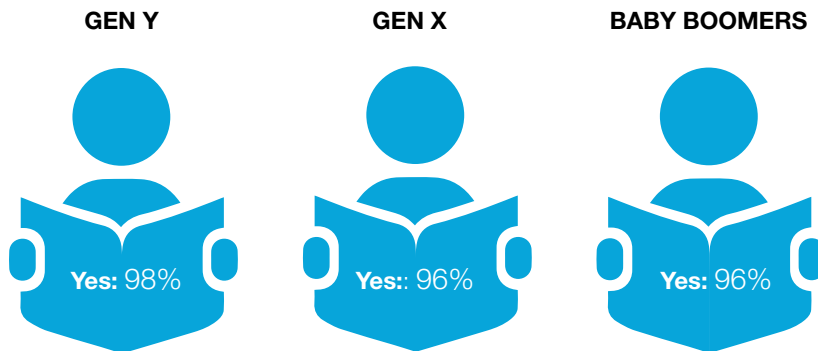
# LIFELONG LEARNING

Across the age spectrum, the vast majority of survey respondents indicated that lifelong learning was a high priority for them. This is perhaps unsurprising. The scale and rate of technological change is increasing, and professionals must constantly acquire new skills to remain relevant in the workforce. As The Economist puts it:

“A college degree at the start of a working career does not answer the need for the continuous acquisition of new skills, especially as career spans are lengthening. Vocational training is good at giving people job-specific skills, but those, too, will need to be updated over and over again during a career lasting decades.”

So, professionals will need to train, train and retrain throughout their working lives. Our survey indicates that professionals are keenly aware of how important this is, but some employers may not be. Across all the generations in our survey, the overwhelming majority of professionals said that lifelong learning was important to them. However, only 9% of hiring managers said they thought “a strong training and development program” was a key factor for professionals when choosing an employer.

## Is ongoing learning important to you?



## KEY LEARNING #10:

**To recruit and retain the best talent, employers must be proactive about upskilling their people.**

Employers that demonstrate a genuine commitment to training their people, and helping them adapt in a fast-changing economy, will have the edge when it comes to talent recruitment and retention. Professionals know that the most valuable commodity in their careers will be up-to-date skills and knowledge; and they will choose employers who help them remain current.

## CASE STUDY: SIEMENS

Employers that commit to systematically upskilling their people can carve out a competitive advantage in the recruitment market. A good example is tech company Siemens, which employs 2,200 people across New Zealand and Australia, aged between 18 and 74.

“The great thing about working here is that you can change your career multiple times throughout your life,” says Nicolette Barnard, Head of HR Pacific at Siemens. “We invest a lot in our people, regardless of their age. In fact, our current CEO gradually worked his way up from our graduate program.”

Through lifelong learning, Siemens is future proofing its people as well as itself. “It’s all about owning your job and owning your career,” says Barnard. “Older professionals, for example, are able to reinvent themselves. We include all employees – regardless of their age – in our learning programs. Having a diverse age group in a learning activity enriches the experience for all participants. We also draw on older professionals’ experience to coach, train and mentor our younger workforce. It’s a virtuous circle, with everyone learning from each other. One of our 70-year-old employees is among the most effective people on social media at Siemens.”

Siemens is also introducing a training module to tackle unconscious bias in the workplace. “Unconscious bias is a human trait – it’s how we’ve evolved as a species,” explains Barnard. “The trick in the workplace is to become aware and then manage it. We’ve designed an in-house training module that managers can run with their teams, so that unconscious bias doesn’t prevent us from making good [people] decisions.”

“At the end of the day there is a business and economic imperative for diversity – including age diversity. It strengthens our innovation capacity, unleashes the potential of Siemens’ employees and thereby directly contributes to our business success.”



# CONCLUSION

As people live longer, and their careers extend beyond the traditional retirement age, employers will increasingly find themselves managing a workforce whose ages range across six or more decades. Such age diversity offers an exciting challenge for business leaders; there is much to gain. But to capitalise, employers must learn lessons now and put the right policies and structures in place.

Based on our survey findings, Robert Walters has identified the following focus areas for employers to get the best out of multi-generational workforces:

1. **Money still matters.** When choosing between employers, professionals across the generations see remuneration and benefits as top consideration. Employers should regularly conduct market comparisons on their remuneration and benefits packages.
2. **Manage career progression.** When seeking to recruit Gen Y, employers should emphasise career progression opportunities. Programmes to fast track young talent can make employers stand out from the rest.
3. **Poor leadership can increase attrition rates.** Recruit and train your leaders in the qualities your employees value most, and you're more likely to hold onto your best talent across the generations.
4. **Manage expectations.** To reduce the chances of inter-generational conflict in the workplace, and boost retention rates, employers should take care to explain expectations around work ethic and commitment, and clearly set out paths for career progression.
5. **Build around people.** Working preferences are remarkably similar across the generations. Employers should aim to structure their workplace in way that facilitates collaboration and innovation.
6. **Technology matters to everyone.** To retain and recruit the best talent (across the generations) organisations must have the flexibility and capability to harness new and emerging technologies.
7. **Manage unconscious bias.** Age discrimination appears to still be relatively common. Employers should introduce measures to help managers and staff identify any unconscious bias they may have, and factor this into their ongoing decision-making.
8. **Help people learn.** Professionals of all ages place great value upon continuous learning. In this fast-changing economy, employers who are proactive about upskilling their people will have an edge when it comes to talent recruitment and retention.



# WHITEPAPER SERIES



## IS YOUR WORKPLACE CULTURALLY FIT?

This whitepaper explores the topic of cultural fit and how this impacts organisations and the people that work in them.

- The importance that both employers and employees currently place on cultural fit
- The benefits of good cultural fit for employers and employees
- The costs of poor cultural fit for employers and employees
- What steps employers can take to achieve good cultural fit



## EMPOWERING WOMEN IN THE WORKPLACE

This whitepaper was created to explore the topic of gender diversity and examine its effects on developing the female leaders of tomorrow.

- Career priorities of working professionals
- How female leaders are regarded in the workplace
- The need for equal representation of female leaders within an organisation
- What companies can do to empower women in their careers

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