



February 28, 2012

## **WHY GENERATIONS MATTER:**

Ten Findings from LifeCourse Research on the Workforce

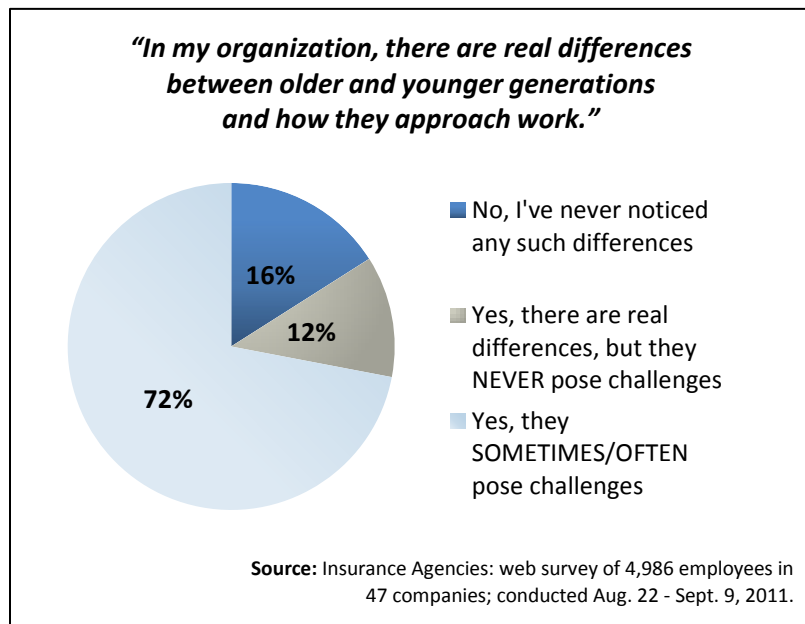
Neil Howe, President  
Reena Nadler, Program Director

# INTRODUCTION

## Americans Broadly Agree that Generations Matter

There's a reason why generations in the workforce is a hot topic: You don't have to convince most people that generations really do matter. They already know that.

In our survey of thousands of insurance industry employees, nearly three-quarters agreed that not only are there important generational differences, but they also “sometimes” or “often” pose challenges in the workplace. Other research broadly confirms our results. Surveys conducted by JWT, Lee Hecht Harrison, and others find a decisive majority of Americans agree that there is indeed a “real generational divide” that causes “problems in your workplace” (or words to that effect).<sup>1</sup>



Some observers say these survey findings are misinterpreted—that the real problem is not that generations are different, but merely that one generation is older than the other. Maybe 55-year-olds don't remember what it's like to be 25, and of course 25-year-olds don't yet know what it's like to be 55.

However, if that were true, we would expect to see young people acting the same way, decade after decade, which is clearly not the case. Hardly anybody would claim that the young “flower-power” Boomers in the 1970s felt or behaved like the young “free-agent” Gen Xers in the 1990s, or the young team-playing Millennials of today.

That's probably why these generational differences stir such strong emotions. What most worries Boomer or Gen-X supervisors is not the Millennial behavior they recognize (because, sure, I was like that at that age), but rather the behavior they don't—because, wait, I was *never* like that at that age. Millennials, looking up the age ladder, feel the same apprehension: I'm pretty sure I will never be like that when I'm their age.

So how can all of us—belonging to different generations—learn to work together constructively? Quite simply, we need to accept that these differences are inevitable and try to learn more about what they are, why they arise, and how to use them to our advantage.

## Leveraging Research to Learn More

Two years ago, LifeCourse Associates undertook an ambitious new research project: to construct a survey instrument that would identify and measure a broad spectrum of generational “flashpoints” in the workplace. After years of research and consulting work, we knew that such flashpoints exist and that they exact a great toll on the morale, engagement, and productivity of workforces throughout the economy.

Neil Howe, President of LifeCourse Associates (and one of the authors of this report), is well-qualified to lead this project. He has been studying generations for over twenty years and has written ten books on the subject. LifeCourse has been consulting with companies about generational differences in the workplace since 1994, and in 2010 published one of the most comprehensive books on the topic, *Millennials in the Workplace*, co-authored by Neil Howe and Reena Nadler (the other author of this report).

LifeCourse began developing our workforce survey in 2010. It focused on three generations: Millennials (adults under age 30 in 2011), Gen Xers (age 30 to 50), and Boomers (age 51 to 68). We designed the survey to uncover what each generation values in an employer in areas like direction, goals and rewards, development, and teamwork. For each workplace attribute, we compared how much employees in each generation value it (“potential”) with how well employers are actually providing it (“performance”). We also measured levels of friction in intergenerational communication. Finally, we measured employee engagement, and how engagement was correlated with each of the other measures. The survey was conducted through a nationally representative online panel, and was also piloted among 47 independent insurance agencies.

This report presents our preliminary findings, and it is the first of many which we expect to release on these data. In addition, LifeCourse is using the survey as part of our new Generational Workforce Audit, a customized research tool to diagnose how generational conflicts affect individual organizations. With the Audit, we expect to accumulate a growing body of employee data as well as case studies of individual companies. In this report, we present ten key points from our initial results. Most of them concern the workplace preferences and experiences of Millennials, who are of particular interest both to employers and to researchers in this field. Some of the points also concern Boomers and Generation X, who will receive more detailed treatment in future reports.

## ABOUT THE DATA

Between May and September 2011, LifeCourse Associates conducted a series of surveys consisting of over 7,500 responses.

Of these, 2,600 responses were generated by three iterations of a panel survey consisting of a nationally representative sample of full-time employees across a variety of job roles and industries. “National Benchmark (2011)” refers to these responses.

Another 4,986 responses were generated by an attempted census of full-time employees from 47 independent insurance agents and brokers. The response rate for this survey was 75%. “Insurance Agencies (2011)” refers to these responses.

The survey questions discussed in this report were measured on a 5-point Likert scale, ranging from Strongly Disagree (1) to Strongly Agree (5).

In all surveys, Boomers are defined as those born between 1943 and 1960, Xers between 1961 and 1981, and adult Millennials between 1982 and 1989. Boomers and Xers were further subdivided into early-wave and late-wave cohorts (working Millennials currently include only early-wave cohorts). Older Boomers are defined as those born between 1943 and 1950, Younger Boomers between 1951 and 1960, Older Xers between 1961 and 1971, and Younger Xers between 1972 and 1981.

# finding ONE

## MILLENNIALS ARE PLANNING AHEAD

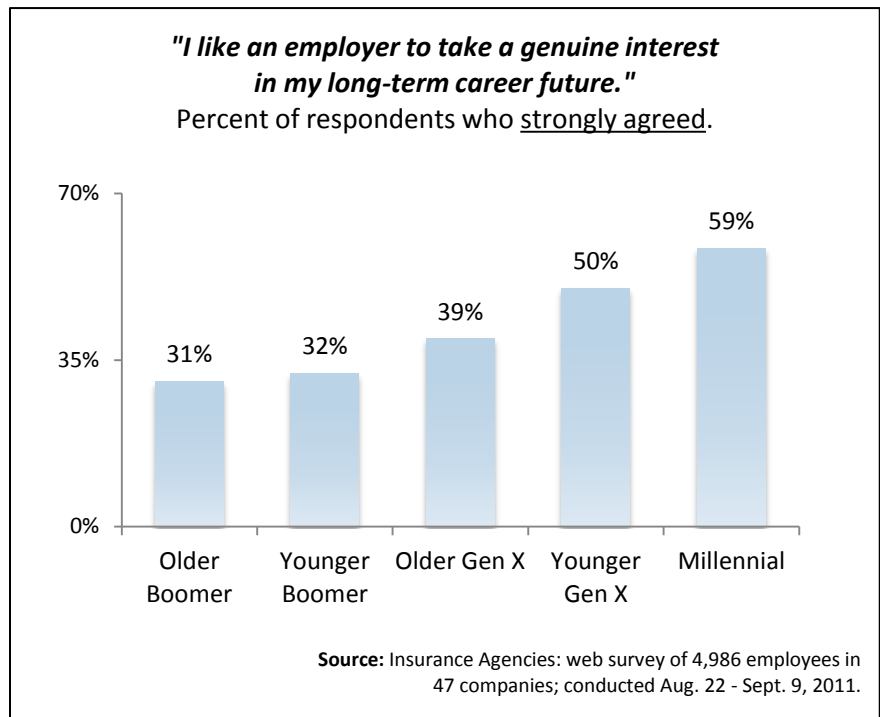
It is widely believed, among managers over age 40, that most young workers want to switch jobs often, don't like planning ahead, and aren't looking for employers to help them plan ahead. All of these beliefs are wrong. Surveys have confirmed that most Millennials are in fact looking for a single "perfect" employer with whom they can stay long term.<sup>2</sup>

On our survey, fully 59 percent of Millennials "strongly" agreed that they would like an employer "to take a

genuine interest in my long-term career future." Only 39 percent of older Gen Xers (in their 40s) responded the same way. To be sure, as workers get older, they may not be as focused on their long-term future. But this doesn't explain why Gen Xers agree at a rate that is almost as low as that of older Boomers, who are often only a year or two from retirement.

A better explanation is generational. Born in the 1960s, the older Gen Xers were raised with a hands-off parenting style which encouraged kids to take care of themselves at a young age. They later entered a "McJobs" labor market at a time when youth pursued quick market opportunities, pushed up job turnover, and seldom counted on employers to help them. This "go it alone" attitude has aged with them.

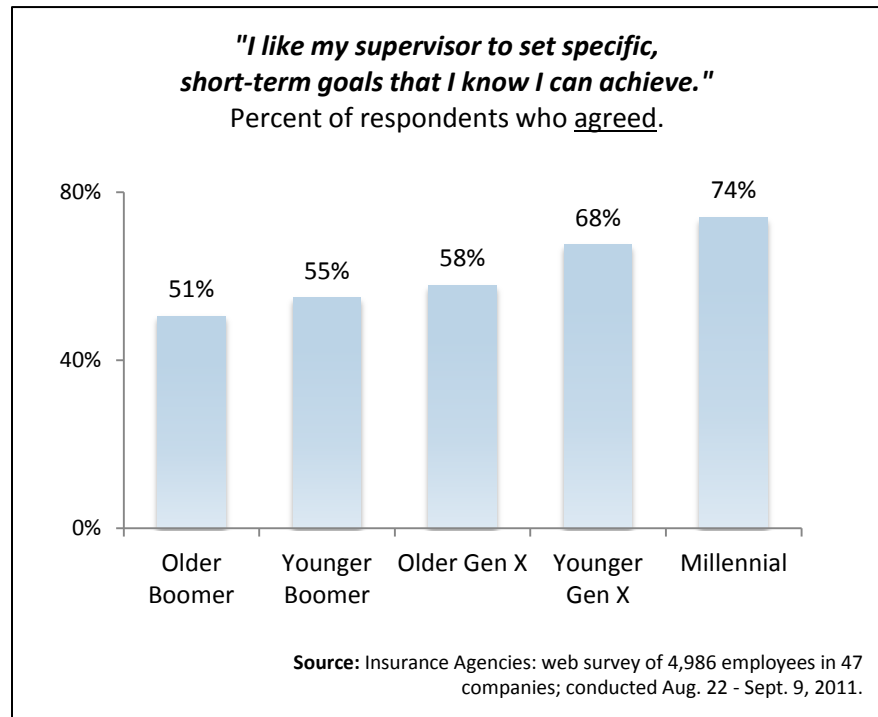
Millennials, on the other hand, have been raised with an "attachment" parenting style which encourages kids to work closely with parents and other trusted adults—including teachers, coaches, counselors, and professors—in planning their future. Throughout their childhood, Millennials have been much more likely than Boomer and Gen-X children were to have five- and ten-year plans, to practice "time management," and to "schedule" their life goals.<sup>3</sup> As young adults, most Millennials continue to plan ahead: Many employers say that Millennials in their late 20s now show more interest in 401(k) plans than do older Gen Xers in their 40s. And Millennials want employers to take an active interest in that planning.



# finding TWO

## MILLENNIALS WANT ACHIEVABLE, SHORT-TERM GOALS

Many Millennials have spent a lifetime focused on quizzes, test scores, letter grades, specialized credentials, and résumés overflowing with bulleted accomplishments—and they are now bringing this notch-in-my-belt achievement ethic to the workplace. They want explicit directions. They want immediate targets. They want constant reviews. Our survey found that 74 percent of Millennials liked their supervisors to set “specific, short-term goals that I know I can achieve”—versus 58 percent of older Gen Xers and only 51 percent of older Boomers.



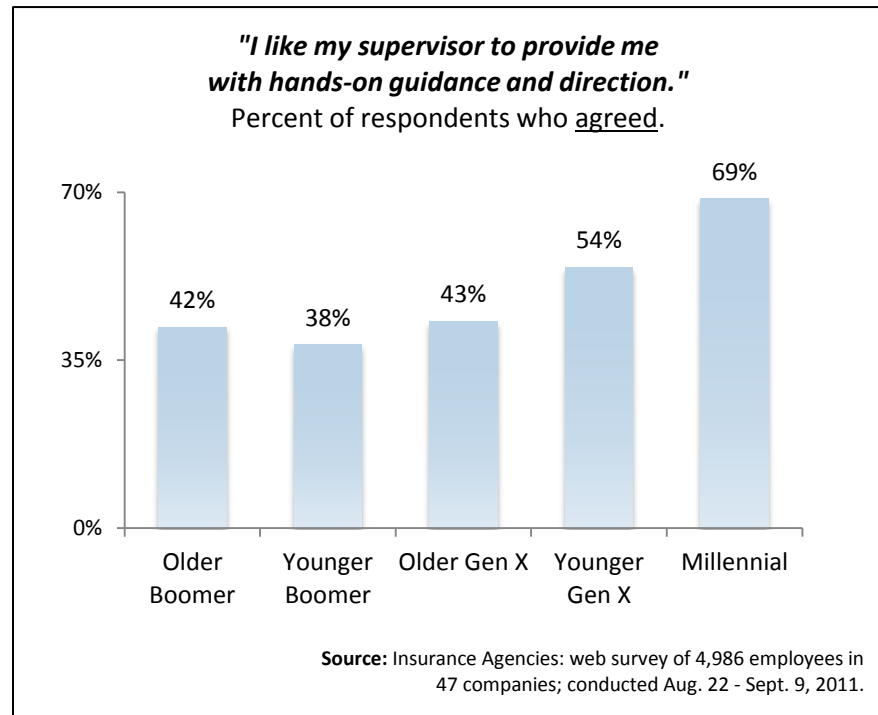
This workplace preference reflects the Millennials' generational persona. They have been raised to believe that achievements should be assessed frequently according to objective, institutional benchmarks. Forty years ago, young Boomers launched a growing resistance to being ranked and sorted by “the system.” Today, Millennials find themselves again yearning to achieve and find a place *within* the system. Making the system work means avoiding any unnecessary risks. And to avoid risks, Millennials need to know exactly what they are expected to accomplish, and by when, so they can tell immediately if they are not on the right track.

Employers can harness this new kind of achievement ethic to their benefit. True, Millennials may not be at their best with long-term, vaguely defined independent projects. But in settings with clear and frequent achievement benchmarks, today's young people are using disciplined preparation to perform at a level far beyond what was ever expected of today's older workplace generations when they were young.

# finding THREE

## MILLENNIALS WANT HANDS-ON GUIDANCE

Forty years ago, young Boomers were famous for wanting more personal freedom to direct their lives as they wished, without interference from authority figures in families, schools, or workplaces. In today's workplace, these attitudes have been turned upside-down. It is the younger generation of workers—Millennials—who *most* welcome a closer relationship with supervisors. And it is the older generation of workers—those same Boomers—who *least* welcome a closer relationship.



In our survey, 69 percent of Millennials say they like their supervisor to provide them with “hands-on guidance and direction.” Only about 40 percent of Boomers and older Gen Xers said the same. That’s an astounding spread of nearly 30 percentage points.

This wide gap points to some marked generational differences. Boomers and older Gen Xers came of age tending to distrust leaders who “rank” them and believing that the best or most creative work is performed without supervision. Millennials, on the other hand, came of age tending to trust authority figures, and look to them for guidance. Not only do they want achievable short-term goals, they also want tight cycles of feedback and redirection from managers so they can minimize uncertainty and make sure that they are on track to achieve those goals.

When older managers first notice this about Millennials, their reaction is often dismay at having to spend so much time providing guidance. However, the Millennial need for more hands-on direction points to real workplace strengths that the smart manager will know how to leverage. Millennials want tight cycles of feedback because they want to please their boss and want to do the job the right way the first time. Energized Millennials are actually very good at minimizing the errors and inefficiencies of the daily workplace routine.

# finding FOUR

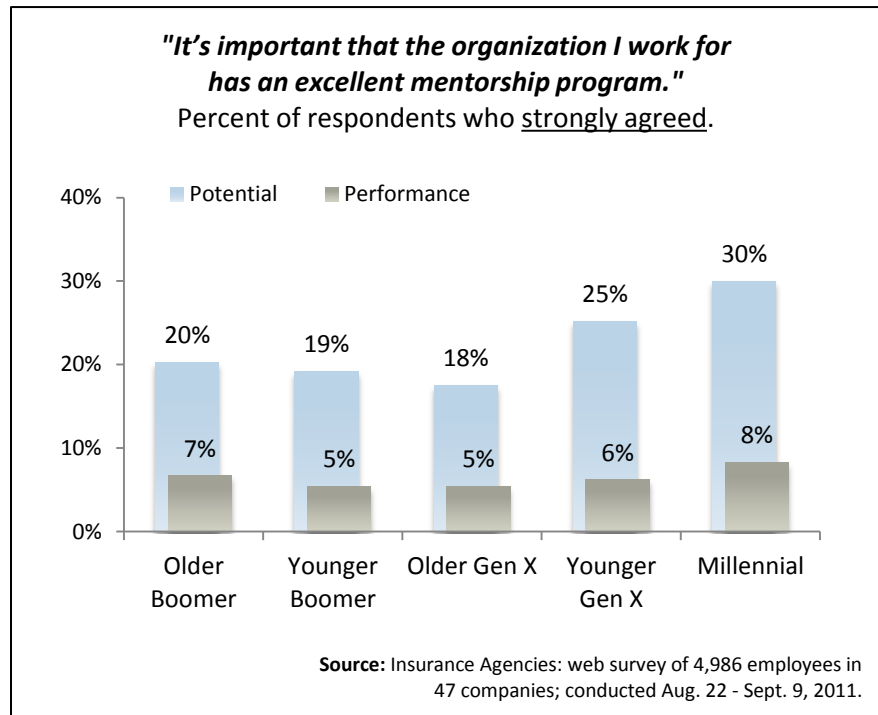
## MILLENNIALS WANT MENTORSHIP

From hovering “helicopter parents” on campuses to teens who check in hourly via text, everyone has noticed that Millennials have an unusually close relationship with their parents. Not surprisingly, a generation that has grown up regarding older people as close personal advisers is looking for those kinds of relationships in the workplace as well.

In our survey, nearly a third of Millennials “strongly” agreed that they want to work for an

organization that provides an excellent mentoring program, far more than any other generation. Millennials rank their employers’ performance in this area slightly higher than do older age brackets, but even so, they experience by far the largest gap between what they have and what they want.

To be sure, this gap may partly reflect an “age effect,” in which younger workers are more likely than older workers to seek out mentorship—yet the generational effect is also undoubtedly in play. Young Boomers in the 1970s and Gen Xers in the 1980s were famous for distrusting authority figures and preferring to follow their own inclination or inspiration rather than seek guidance from their elders.<sup>4</sup> Millennials, on the other hand, grew up accustomed to trusting and confiding in older people, starting with their parents, on all their most important life decisions. Seeing themselves as special, Millennials also tend to assume they are worth a great deal of attention by older people. After a lifetime of interacting confidently and informally with their own parents, they are puzzled and annoyed by the suggestion that they should always stay respectfully silent around senior personnel. Add all this up, and you have a generation that craves a close and personal mentoring relationship with institutional leaders.





# finding FIVE

## MILLENNIALS WANT LIFE SUPPORT SERVICES

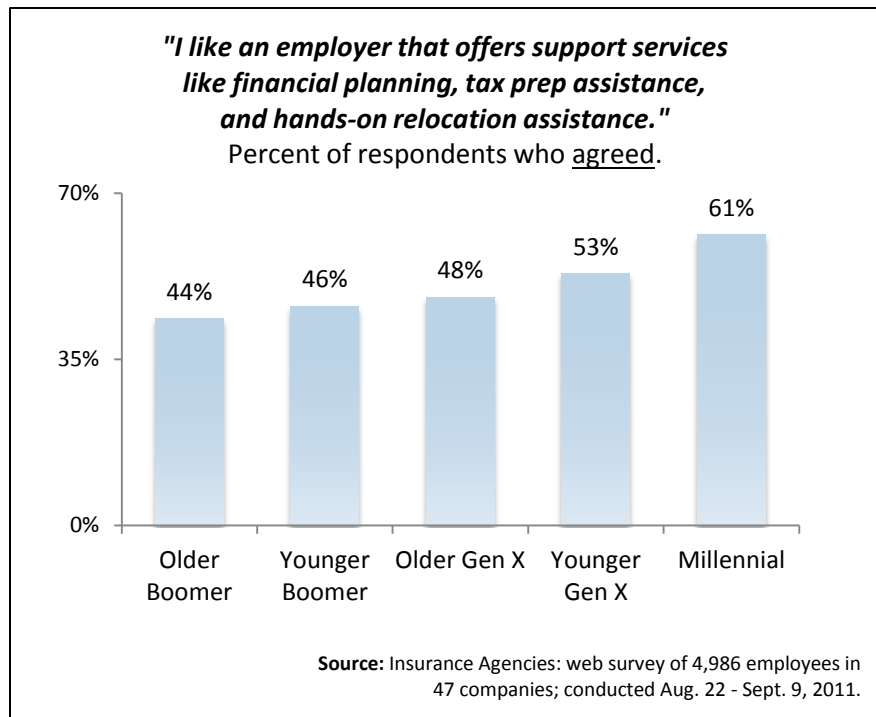
You might assume it would be older workers who would be the most interested in services like financial planning, tax prep, and relocation assistance. After all, they generally have more income and assets—and larger families—than do young adults. But your assumption would be mistaken. Turns out, it's the Millennials who want the most support services across the board.

On our survey, 61 percent of Millennials agreed that they like employers to offer these kinds of

services. Only 48 percent of older Gen Xers and only 44 percent of older Boomers said the same. In spite of their simpler life commitments, young workers are 10 to 15 percent more likely than their elders to want support on financial and personal logistics.

What's going on here? Once again, we see the effects of the Millennials' upbringing in their workplace priorities. Boomers came of age defying the institutions their parents built. Xers came of age knowing that they were on their own, and couldn't trust institutions (from schools to employers to the government) to look out for their best interests. When they struggle with various areas in their lives, these older generations rarely look to their employers for help and support.

But today's youth have been reversing that trend. Millennials have grown up expecting to be sheltered, not just by individual adults, but also by the institutions in their lives. Accustomed to trusting the advice of experts-in-charge, Millennials today outscore older generations in institutional trust across the board.<sup>5</sup> Unlike Boomers or Xers, they don't want to feel like they're "on their own." In the last decade, we've seen the return of "in loco parentis" colleges and universities—now Millennials are looking for the new "in loco parentis" employer. This includes offering a comprehensive envelope of support, protection, and guidance to help them navigate life basics, from relocating to a new city to filling out tax forms to finding the best health-care provider.



# finding SIX

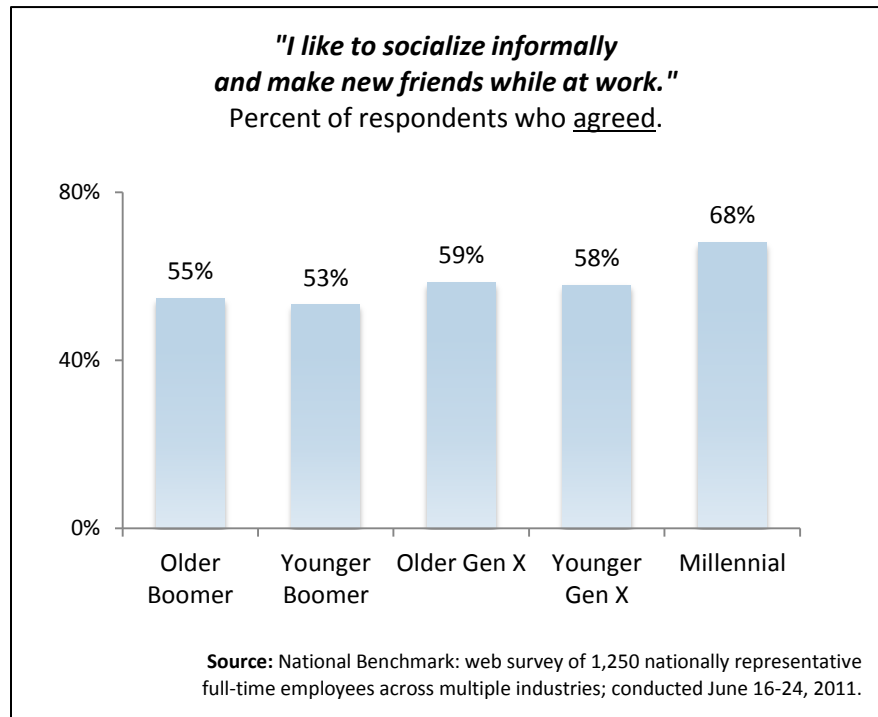
## MILLENNIALS WANT A SOCIAL WORKPLACE

Everybody knows that Millennials like to stay connected with a large network of friends 24/7. So it should come as no surprise that the social aspects of work are very important to them as well. On our survey, an overwhelming 68 percent of Millennials agreed that they like to socialize informally and make new friends while at work, about ten points higher than any other age group.

Social connectedness has always been particularly important to this generation. From youth

soccer to social networking to collaborative learning, Millennials have developed strong team instincts and tight peer bonds. They have adapted instant messaging and digital-mobile technology to increase their level of interconnection to an unprecedented level. They put the “social” in social media. From one generation to the next, the youth catchphrase has changed from “just do it” to “let’s do it.”

Millennials are bringing this inclusive new style with them into the workplace. Not only do they expect constant collaboration with bosses and colleagues, they are also looking to connect informally and develop real friendships with their co-workers. Managers may be tempted to dismiss all this socializing as a useless distraction. But they should remember that all the top-rated employers among Millennials (Google, for instance) enable and encourage informal socializing. Not only can this be a key to retaining top young talent, it can even raise productivity by creating more bonded, engaged, and effective work teams.



# finding SEVEN

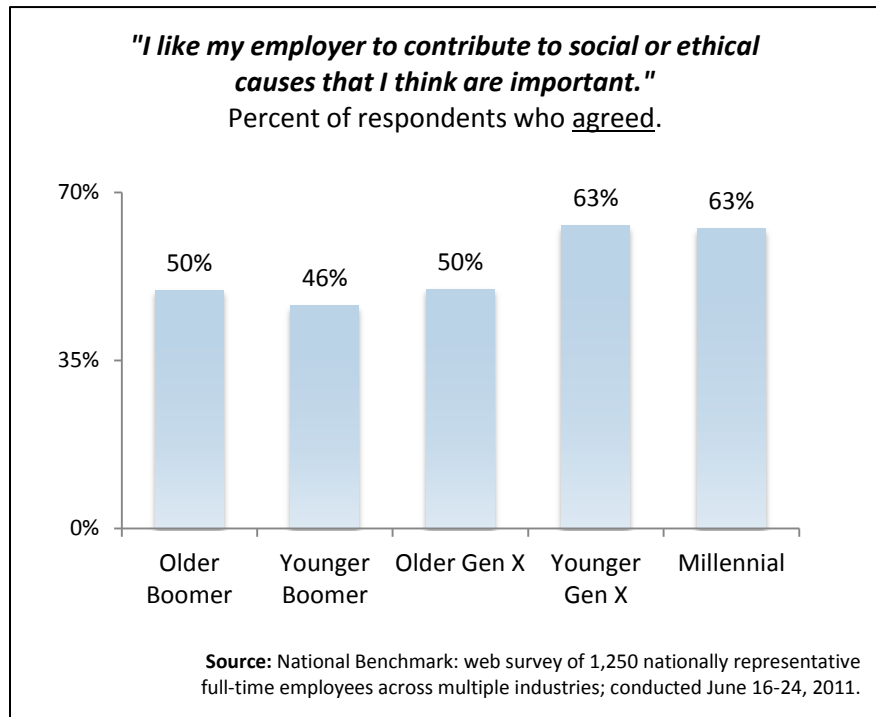
## MILLENNIALS WANT TO CONTRIBUTE

The Millennials' strong ethic of teamwork goes beyond their own social circles. Millennials feel a strengthened connection—and civic obligation—to their communities, to their nation, and to their world. And they want that community spirit to be reflected in the place where they work.

On our survey, nearly two-thirds of Millennials agreed that they like their employer “to contribute to social and ethical causes” that they think are important. Young Xers (who in some ways are closest to the Millennial persona) agreed at the same rate. By contrast, barely half of Boomers and older Gen Xers felt strongly about corporate responsibility.

Millennials' commitment to social causes is part of their broader community focus. Record-high shares say they want to help “others in need” and are signing up for community service in high school and in college. Youth voting rates have surged ever since the oldest Millennials reached age 18, reaching the highest level in decades in the 2008 presidential election. Surveys show that today's youth are strongly attracted to “helping” professions like government, teaching, and nonprofits.<sup>6</sup> Many surveys have confirmed they want to work for a company that cares about how it affects or contributes to society.<sup>7</sup>

To attract the best and brightest young workers, organizations of all stripes, even those not generally associated with public service, will need to emphasize their positive impact on the community and offer greater service opportunities.



# finding EIGHT

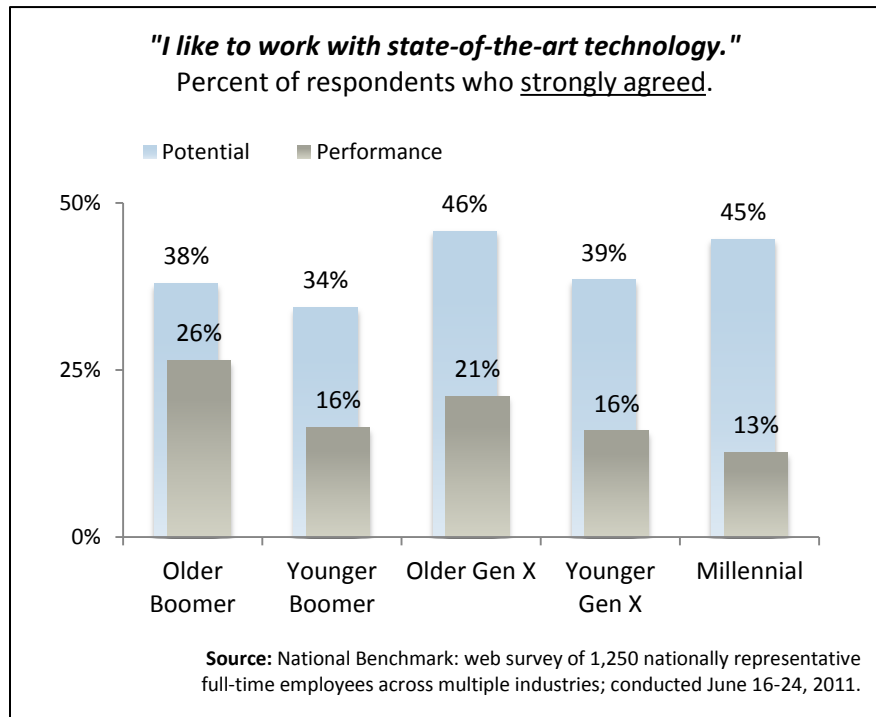
## MILLENNIALS AND XERS WANT CUTTING-EDGE TECHNOLOGY

It's hard to walk down the street these days without seeing a young adult immersed in his or her smartphone. Millennials like to have cutting-edge technology everywhere they go—including the workplace.

High shares of both Millennials and Gen Xers "strongly agree" that they "like to work with state-of-the-art technology," while Boomers (especially older Boomers) rate this as significantly less important. Millennials also rate their employers'

performance in this area the lowest, while older Boomers rank their employers' performance the highest. This means that Millennials have by far the largest gap—a gaping 32 percentage points—between what they want and what they have when it comes to technology. Younger and older Xers have 23- and 25-point gaps, respectively, while younger and older Boomers have far smaller 18- and 12-point gaps.

State-of-the-art technology in the workplace is clearly of prime importance both to Xers and to Millennials, though Millennials are the most dissatisfied with what is currently offered. Technology is important to each of these generations in different ways. With their team-oriented outlook, many Millennials value the way technology can help them stay constantly connected and collaborate with colleagues to accomplish more. Xers tend to value its capacity to empower them as individuals, to cut out useless middlemen, and to create more streamlined efficiency. Employers would do well to show both of these younger generations that their workplace integrates digital information technology seamlessly and sensibly into the daily work routine.



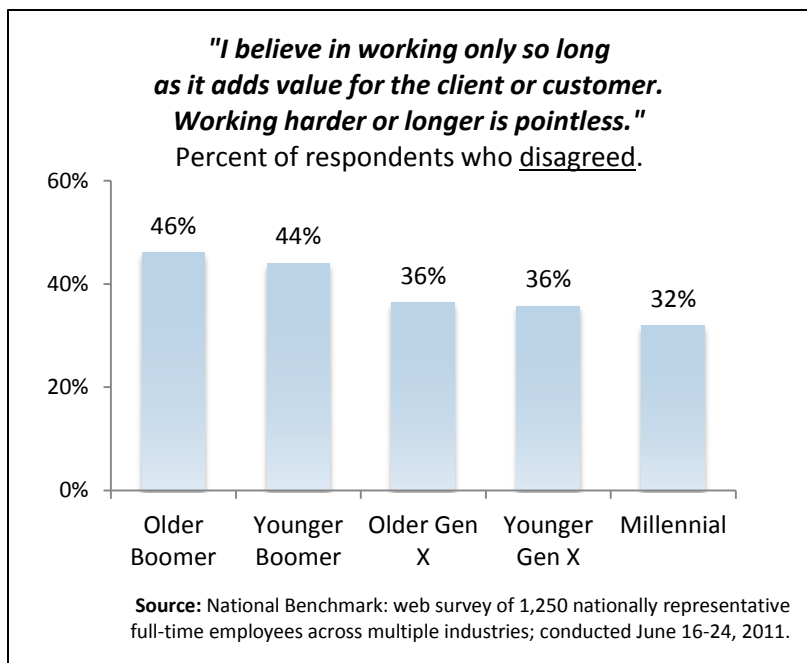
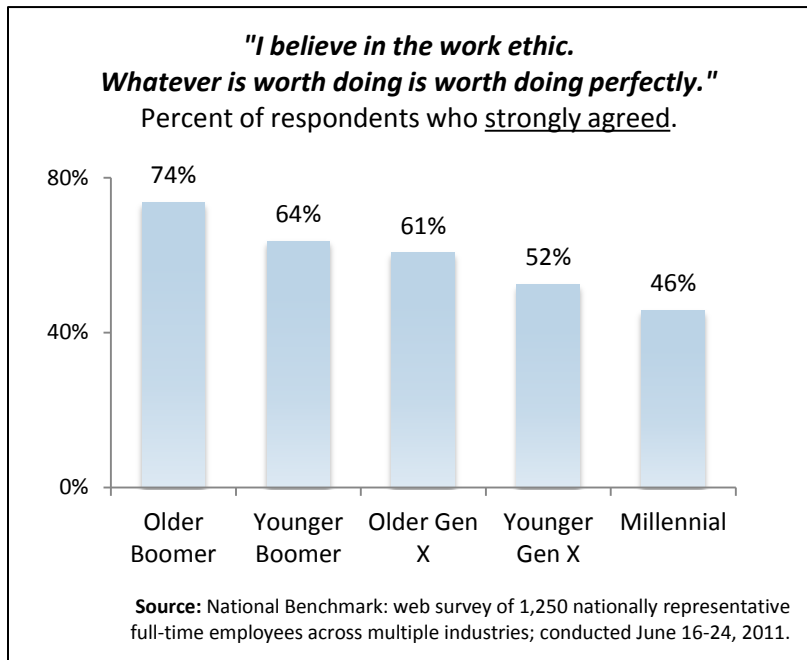
# finding NINE

## BOOMERS VALUE WORK ETHIC, XERS VALUE MARKET ETHIC

Anyone who remembers young Boomers in the 1960s and '70s might be surprised that they are now the hardest-working, most perfectionist generation—but it's true. On our survey, nearly two-thirds of older Boomers "strongly agreed" that they "believe in the work ethic—whatever is worth doing is worth doing perfectly," a share that declines strongly by age.

The reverse question generated a mirror-image response. Boomers were by far the most likely to *disagree* when asked whether they believe in working "only so long as it adds value for the client or customer—working harder or longer is pointless." The share who disagreed dropped particularly sharply from younger Boomers to older Gen Xers.

Indeed, the big divide on the question of work-ethic versus market-ethic is between Boomers and Gen Xers. At every age, Boomers have brought a sense of perfectionist zeal to anything they have pursued. In their youth, it was the passionate crusades of the 1960s and '70s; as they entered midlife, it became the obsessive quest for meaningful careers. Boomers are more likely than other generations to describe their work as a "calling" or



themselves as “workaholic.” They see mastery and perfection as a worthwhile goal for its own sake, and they willingly bring their work lives home into their private lives. For Boomers, to paraphrase an old ‘60s slogan, “the professional is personal.”

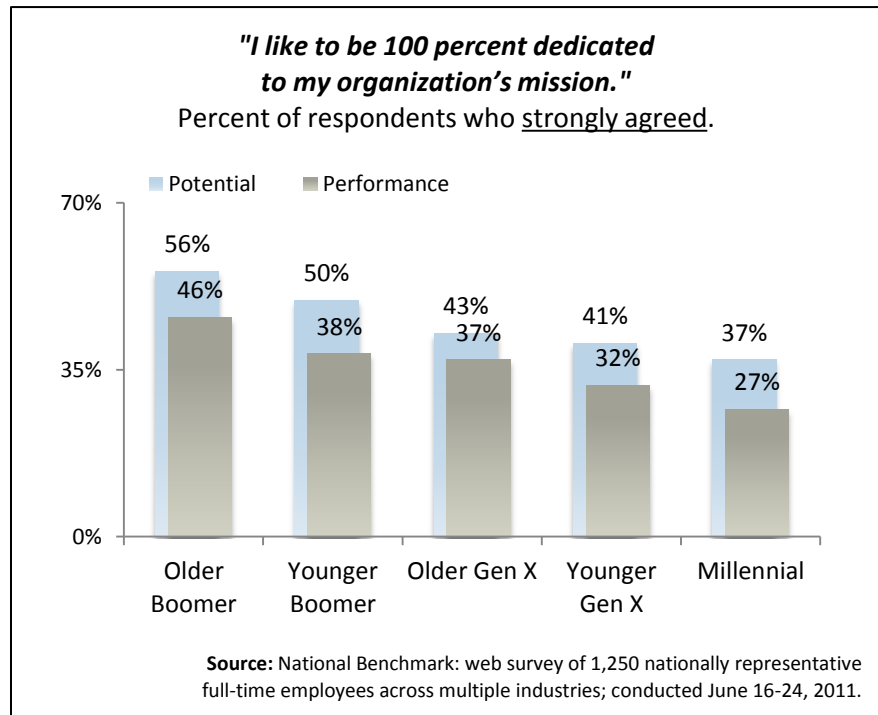
Gen Xers are a whole different story. They entered the workplace in the 1980s and ‘90s with a new bottom-line outlook: Extract the maximum advantages from work (pay, bonuses, free time) with the minimum cost to your personal life. Gen Xers popularized the concept of work-life balance, seeking flexible hours and telecommuting to get the most out of their personal lives. To this market-oriented generation, perfection for its own sake seems inefficient and unproductive when the objective is to provide value to customers on the other end.

This basic work-style divide causes friction between Boomers and Xers in many workplaces, making it all the more important for each of these generations to see and understand the motivations of the other.

# finding TEN

## BOOMERS ARE MISSION-FOCUSED

From the counter-culture to the culture wars, Boomers have always talked a lot about mission, meaning, and values, and they bring that rhetoric to their careers as well. Fully 56 percent of older Boomers and 50 percent of younger Boomers “strongly agreed” that they want to be “100 percent dedicated to my organization’s mission.” That number declines sharply for older Gen Xers and continues to decline through Millennials, in a remarkable 19-point generational spread. Each generation’s assessment of its employers’ performance in this area follows a nearly identical trend: Generations that value commitment to mission report higher mission-focus in their current jobs.



Where does the Boomer focus on mission come from? Members of this generation tend to see their work as an integral part of a unified, authentic lifestyle. To a typical Boomer, part of being happy in your job is the sense of total commitment and buy-in to the mission and values of the organization. For Boomers, the organization they work for should not just reflect what they do, but also embody *who they are*. Their profession shapes their lifestyle. Gen Xers take a far more modular approach to their work. Many see their lives as an assortment of separate activities (work, family, social life) which each have a place, yet which don't need to be cosmically unified. Gen Xers are less likely than Boomers to suppose an organization needs a “mission” to be worth working for.

When crafting their messaging or employer branding to current employees or future recruits, employers need to consider these two very different views about organizational mission. While a mission-focused value proposition may resonate very well with Boomers, a more pragmatic, outcomes-oriented message typically works better with Gen Xers—and with Millennials.

## ENDNOTES

<sup>1</sup> Mack, Ann M. "Millennials at Work: Myths vs. Reality." JWT, 2008. Print. Also see Lee Hecht Harrison as cited in Armour, Stephanie. "Generation Y: They've Arrived at Work with a New Attitude." *USA Today*, 6 November, 2005. Web. [http://www.usatoday.com/money/workplace/2005-11-06-gen-y\\_x.htm](http://www.usatoday.com/money/workplace/2005-11-06-gen-y_x.htm)

<sup>2</sup> Three-quarters of Millennials say they would rather work for "one or two companies" rather than "a variety of companies." (See Tapscott, Don. *Growing Up Digital: How the Net Generation is Changing Your World*. New York: McGraw Hill, 2008. Print.) Employees ages 20-29 are more likely than any other age group to agree that "it's realistic to plan to join a company and stay for a decade or longer." (See JWT *Op. Cit.*)

<sup>3</sup> By the late 1990s, the majority of high school students said they had detailed five- and ten-year plans. (See "The State of Our Nation's Youth, 1999-2000." Horatio Alger Association. Print.) In 2006, both college students and their parents agreed six-to-one that the students spent more time planning for their future than the parents did at the same age. (See *Millennials Go to College Surveys and Analysis: From Boomer to Gen-X Parents*. LifeCourse Associates and Crux Research, 2007. Print.)

<sup>4</sup> In the 1970s, the term "generation gap" referred to the younger generation's open hostility toward the older generation's institutions; today, it merely refers to differences in outlook between older and younger generations.

<sup>5</sup> On respect for the government, see "Millennials: Confident, Connected, Open to Change." Pew Research Center for the People and the Press, February 2010. Web. <http://www.pewsocialtrends.org/2010/02/24/millennials-confident-connected-open-to-change/> On respect for corporate America, see JWT *Op. Cit.*

<sup>6</sup> For example, on a 2009 Universum "Ideal Employer" survey, college seniors put five service-sector careers (the U.S. Department of State, FBI, NASA, Peace Corps, and Teach for America) on their top 10 list of ideal employers. When Gen-X college seniors were asked the same question in 2001, not a single service-sector career appeared on their top 10 list. See <http://www.universumglobal.com/IDEAL-Employer-Rankings/Archive/America/2009>

<sup>7</sup> For example, see "Cause Evolution." Cone Inc. 2010. Web. <http://www.coneinc.com/files/2010-Cone-Cause-Evolution-Study.pdf>





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### **About LifeCourse Associates**

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