American Knowledge Workers Across the Generations: Eight Dynamic Dimensions

SR-750

With people living longer and healthier lives, workplaces will shift to support a workforce with a 60-year span across the generations.

The future success of businesses will largely depend on the creativity and productivity of knowledge workers. Not many years ago, the workers with the most knowledge and advanced skills were those who had been in the workplace for many years. They grew their knowledge and honed their skills over time. With the transition into a knowledge economy, enabled by increasingly sophisticated communication and information tools, highly qualified workers will appear in all generations, including those in Generations Y and X. Teams of knowledge workers already include an unprecedented cross-generational mix. Over the next 10 to 20 years, many large and small businesses will have four, sometimes even five, generations in the workplace. Knowledge workers from each generation bring different formative life, technology, early work, and educational experiences to the workplace. The generations behave differently along many work dimensions.

Work behaviors and values shaped by each generation's formative experiences heretofore have remained relatively steady throughout individual careers. But, given the severity and turbulence of organizational Badlands, innovation will be required on a continuous basis to attain business success. (for more information on the Outlook Program's Organizational Badlands work, see IFTF SR#758). This will require knowledge workers in all generations to make fundamental changes in their personal mindsets, expectations and behaviors at work. To adapt, members of all generations will experience changing values and ideas about the meaning of work. New connective technologies will interconnect knowledge workers at work and home in newly configured and increasingly decentralized small groups. As corporate cultures evolve from hierarchies to networks, work life will change in profound ways. Managers will need to redesign their policies and attitudes to provide an optimal balance between instruction and inspiration. As innovation becomes the main source of productivity, companies will learn that a certain generational mix is a critical component of their optimal diversity.

We chose to research eight dimensions of work that are likely to be the most dynamic in the context of generational shifts (see matrix on page 8). The following pages present an overview of four generational categories along these eight dimensions today, and portend implications for the future. December 2001

EIGHT DYNAMIC WORK DIMENSIONS

- Work Ethic
- Meaning of Work and its Boundaries
- Career
- Work Environment and Corporate Culture
- Expectations of Managerial Style
- Work Networks and Communication
- Technology and Information
 Orientation
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Generation Y

Born: 1979-1995

Who they are:

America's kids—the oldest members of this generation are currently in college

Formative life events:

Challenger, Gulf War, Rodney King, OJ Simpson trial, Oklahoma City bombing, Clinton/Lewinsky, Columbine, WTC terrorist attacks

Formative media experiences: Internet and computer games

Knowledge work hero: Sean Fanning, founder of Napster

Work themes:

- Re-emerging social consciousness
- · Life-long learning/intellectual curriousity
- Smart work/problem solving
- Team work
- · Uninhibited communication
- Emotional literacy
- Holistic lifestyle
- Technology dependence

Though a widespread image of Generation Yers portrays them as spoiled and selfish trouble-makers, the reality is quite different. While it is true that Generation Y has grown up in a world of luxury and convenience, the lessons learned and skill sets adopted by these young people will make them highly valuable additions to the current workforce. Their immersion in technology has made them into "smart" problem solvers: they know how and where to find information and solutions, and fast. Furthermore, members of Genera-tion Y have grown up with an abundance of visual and technological stimuli; accordingly, Genertion Y knowledge workers are fluent in multiple modes of communication and types of media, and have an unprecedented ability to parallel process and multi-task.

Generation Yers do not want their work to seem menial or mundane. More so than previous generations, Generation Yers seek intellectual challenge and thrill from work, and desire work that fits comfortably into what they want out of their lives—be that to do social good, enjoy recreation, or build stronger relationships with family and friends.

Generation Y is a holistic-minded generation, socialized to be not only technologically savvy and intellectually curious, but also to be emotionally literate. Emo-tional literacy has developed as a result of a changed educational agenda in America's schools, where topics such as self-esteem and self-expression are explored at length. These youngsters are in touch with and unafraid of their emotions. Ramifications of this in the workplace include an entirely unabashed and direct communication style that fosters an honest and familial work atmosphere

Generation X

Born: 1965-1978

Who they are:

twenty- and thirty-somethings

Formative life events:

Energy crisis, PCs, Reagan era, Berlin Wall, Challenger, Rodney King, OJ Simpson, WTC attacks

Knowledge work heros:

Jeff Bezos; Jerry Yang and David Filo

Formative media experiences:

TV & Computers

Work themes:

- Self-reliance
- · Focused on building skill-portfolio
- "Work to live, don't live to work"
- Non-traditional orientation about time and space
- Unimpressed by authority/hierarchy
- Skepticism
- · Live for adventure
- Tech savvy

Generation Xers are in a perpetual battle against the stereotype that they are a disengaged, disloyal generation of slackers. There is a degree of irony embedded in this struggle: as Xers have endeavored to evade labels, they inadvertently have created an anti-establishment identity for themselves. The perception of Generation Xers as slackers is a misplaced interpretation of the facts. It is necessary to view their behavior in a social context. Generation Xers were the first generation who had to deal with high divorce rates (nearly half of their parents' marriages ended in divorce) and with dual career households. This is a generation dominated by people who grew up as latchkey kids, taking care of themselves. They were, in effect, socialized to be self-reliant. This trait influences how Xers work in a business environment: they are unimpressed by authority, they look out for themselves first and foremost, and they are (fiercely) independent workers.

Baby Boomers

Born: 1946-1964

Who they are:

parents of Gen Yers

Formative life events:

Man on the moon, civil rights movement, Martin Luther King, Jr., women's liberation and birth control, Kennedy assassination, Cuban missile crisis, Vietnam War, Watergate

Formative media experiences: TV

Knowledge work hero:

Steve Jobs, Bill Gates, Oprah Winfrey, Hillary Rodham Clinton, Pat Schroeder, Nancy Pelosi

Work themes:

- Involvement
- Workaholism
- · Personal gratification and goal attainment
- Promotion of equality
- Redefining everything
- Desire to please
- · Workarounds to meet their needs
- Social consciousness

The Baby Boomers are a demographically huge generation who, perhaps by the sheer force of numbers, broke out of the mold created by their security-seeking parents. They grew up as the apples of their parents' eyes, the fruits of the victory and freedom for which their fathers had fought. Yet, Baby Boomers took pains not to follow in the footsteps of the conformist Veteran generation. Boomers left unsatisfying jobs and relationships and sought personal gratification through goal-attainment. Boomers use their lives as a palate for experimentation with new social and work relationships, often sacrificing their personal lives to architect and build the new workplace.

Baby Boomers think "big": they grew up in an age of economic prosperity and broadened horizons, from equal opportunity in the workplace to space travel. They are committed to broad change, and put in whatever hours it takes to get this accomplished; in doing so, Boomers have reconfigured the psychological contract with work. they are (fiercely) independent workers.

Veterans

Born: 1922-1945

Who they are: grandparents of today's youth

Formative lifetime events:

Great Depression, FDR's New Deal, WWII & D-Day, Korean War

Knowledge work hero:

Jack Welch, Lee Iacocca, Andy Grove, Simone de Beauvoir, Gloria Steinem, Geraldine Ferraro

Formative media experience:

radio and TV

Work themes:

- · Loyalty
- Hierarchy
- · Respect for authority
- Conformity
- Discipline
- Boundaries
- Duty
- Consistency and uniformity

The Veteran generation grew up during a time of economic and political instability and woe. Many lived through the Great Depression and fought in World War II. Employment for this generation meant security and stability: work was a way to put food on the table.

Most jobs during this age were industrial in nature; the positions that veterans considered "knowledge work" would be what current-day Americans consider to be management or supervisory roles. Some Veterans made the transition from industrial work to knowledge work, but they were few in number as such a change involved a sacrifice of their social norms.

Veterans were highly adapted to the industrial life in which conformity and acceptance were the keys to success. They also possess an implicit respect and appreciation for authority, hierarchy and order. In the workplace, the relationship between supervisors and subordinates is formal and impersonal; they need clear-cut instructions and direction, which leaves little room for innovation or for thinking outside-of-thebox. Veterans would typically work their way up within companies by "paying their dues." Most Veterans are befuddled by today's "free agent" mentality and younger workers' apparent lack of commitment and loyalty. Those who have made an effective transition within the current workforce often have undergone a reinvention of their basic identity, involving personal growth and lifestyle changes.

WORK ETHIC

Key organizational challenges in 2005:

- **Y** Retaining their talent/knowledge
- **X** Developing their skills to keep them contributing
- B Helping them feel like they are making a contribution
- V Migrating them from time-based to valuebased metrics

Outlook:

Over the next 3 to 5 years, the wide mixture of standards and values between generations will have profound implications for productivity, commitment and loyalty in the workplace. As companies with inter-generational knowledge workers cross the Badlands, differences will surface in the way people work and in methods of assessing the value of their contributions, especially along the continuum of time-spent vs. results generated. Successful organizations will use these clashes to evolve new metrics for contribution and value. The core concept of work ethic has changed over the years as the nature of work has evolved to be more knowledge based and information technology intensive. A generation's work ethic not only drives how each generation "behaves" in the workplace, but it is what motivates and inspires them to work. Different work ethics also determine how generations assign value to time, loyalty, and authority within the workplace.

A broad lens on each generation shows how deep influences from their formative years shaped their work ethic. Veterans are dedicated hard workers who view time as a commodity to be traded for economic security. They maintain a high level of respect for authority and a sense of life-long loyalty to their employer.

The Baby Boomers' commitment to social good led them to workaholic lifestyles. They are steady and committed workers whose loyalties are embedded in their strong philosophical values.

Generation X is a generation of innovators and entrepreneurs—reflected in their work hard, play hard attitude. Their loyalty will extend only as far as their work experience will allow them to further their own skills.

Generation Yers are cerebral thrill-seekers who expertly use technology to forge solution sets; in their intellectual confidence they are unafraid to question authority. Yers work "smart" and put in minimum effort for maximum results—often yielding surprising innovations. MEANING OF WORK AND ITS BOUNDARIES

Key organizational challenges in 2005:

- Y Providing "whole life" options
- **X** Balancing responsibility and freedom
- **B** Connecting their work to the community
- **V** Re-engaging them with more flexibility

Outlook:

The emergence of trends such as socially conscious investing and ecologically sound products indicate that in the next 3 to 5 years we will see a returning interest in work as a lever for social good. Perhaps more pervasive is the desire that younger generations in particular now express to work in intellectually challenging and continually edifying positions. In crossing the Badlands, organizations must remain conscious of the different meanings each generation places on work, and make a concerted effort to create an environment where multiple motivational needs can be satisfied while still retaining a sense of shared culture.

The meaning of work in people's lives has evolved dramatically over the generations. As the economy becomes increasingly based upon knowledge work, the role of work for each generation necessarily changes within the contemporary social and historical context. The different meanings of work in Americans' lives over the past century have included working for money, working for social good, working for intellectual challenge, and working for power and respect. These differences influence how people shape the identity they draw from work participation, how they construct the boundaries of their involvement, and how they define compensation.

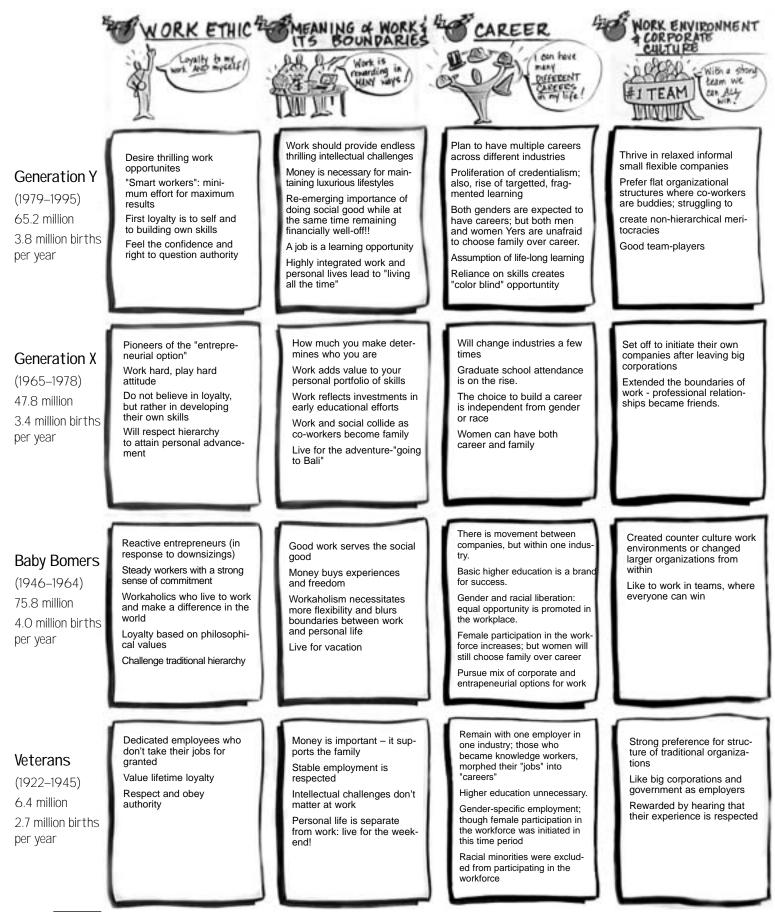
For Veterans who grew up in an era of economic woe and insecurity, work was first and foremost equated with money—the ability to support one's family. Moreover, a great deal of respect was conveyed upon Veterans who maintained secure, gainful employment. People in this generation are of the mindset that work stays at work sharp boundaries exist between work and home.

Boomers saw work as an opportunity to do social good. In their dedication to this cause, many Boomers became workaholics whose work habits necessitated a blurring of boundaries between work and home.

In the shadow of Boomers' accomplishments, Generation Xers grew up trying to be noticed and respected for their contributions. In the quest for recognition, work became an important source of social status for Generation X. Also, entering the labor force during a particularly materialistic era, Generation Xers viewed work as a means by which they could afford to purchase luxury items. The advent of the Internet on a wide-scale during their early years in the workforce enabled a more seamless blurring of work and personal life: "work" could take place from anywhere.

Generation Y is growing up in the most technologically advanced and knowledge-based environment in American history. With instant information access and global connectivity as "givens," Generation Yers will place a strong emphasis on the element of intellectual challenge and thrill at work. For Generation Y, which has been surrounded by material wealth since birth, another primary meaning of work will be the ability to maintain the lifestyles to which they have become accustomed.

American Workers Across the Generations



and Their Orientation to Work



Key organizational challenges in 2005:

Υ

В

Creating flexible organizational structure to harvest their talent

X Moving them "up" fast enough

- Facilitating career transitions
- **V** Migrating them to emeritus or mentor status

Outlook:

The evolution from job-centered to careerfocused work has been fairly rapid, and in the next 3 to 5 years, expect Generation Y's emphasis on work-life balance to manifest itself in an increased cycling between school, family, and work. The current proliferation of credentialing is expected to continue into the future. Organizations wishing to attract new and younger workers to their companies must be aware that these generations expect ongoing learning and training at the workplace because part of their career plan is to engage in life-long learning. Look for increased partnerships between organizations and educational entrepreneurs to provide just-in-time learning for these knowledge workers.

A career is the pursuit of consecutive achievements in the workplace. The shape and definition of a career has changed greatly over the course of this century, as the nature of work has moved from primarily industrial to mostly knowledge work. Consequently, different generations have different perceptions and expectations of how a typical career path looks, and how work will be configured into their lives along the way.

Veterans typically did not have "careers"; rather, they had "jobs"—usually with one employer for the duration of their working lives. The small number of Veterans who have made the migration into knowledge work and careers are those who are both experienced and adaptable.

The Baby Boomer's coming of age was punctuated by the civil rights and women's liberation movements, which enabled and catalyzed a revolution of women and minorities choosing to build careers and push the glass ceiling. Boomer careerists tended to remain in one industry for their working lives, but switching companies was not uncommon.

Generation X entered the world of work through the immense restructuring (downsizing, layoffs, plant closures) of the 1990s, and as a result redefined security as having a thick portfolio of skills, which could be used in multiple settings. Generation Xers of both genders plan to have several careers, switching industries once or twice, and interspersing work with continuing education through graduate studies and certificate programs.

Those who are growing up as part of Generation Y have the expectation of an average of 5 different careers in their lives. Moreover, neither the women nor men of Generation Y are afraid to choose their family over career—there has been a re-affirmation of the importance of a holistic style of living that embraces the philosophy of family and personal life

Work Environment and Corporate Cultiure

Key organizational challenges in 2005:

Y

Building micro-communities

Creating an atmosphere of informality in larger organizational settings

B Providing a place to re-create their identity

Establishing enough safety/security to lure them from retirement

Outlook:

Future work environments will be more disaggregated both physically and emotionally. Relationships will form and re-form repeatedly. The ability of an organization to quickly bring people up to "cultural speed" will be a factor in creating value. Corporate culture will be passed on more through stories than in policies and sub-cultures will be abundant. The ability to participate in the historical creation of an organization and to contribute to its ongoing story will be important to the new worker. Nurturing "intangible" cultural factors will receive more attention, as will the values of the workplace. Employees who can tell the "stories" will be seen as elders and provide an important role in mentoring new talent. Corporate cultures will no longer be monolithic, but will be defined by the relationships built among individuals. A worker's affiliation will be less to a company and more to a manager and work group.

The work environment and corporate culture encompass the norms, values, policies and customs that provide the intangible "immune" system of the organization. The transition over the past century to knowledge work has challenged many of the structures and policies that traditionally formed the culture of work. This evolution has left multiplicity of practices and polices that are often out of alignment with one another (for example, compensation systems that don't match the team-based structure).

Veterans were accustomed to a clear hierarchy with clearly delineated policies and rules that were strictly enforced. Challenging the rules created "career-limiting" situations. Workers were expected to arrive at work at a given time, attired in a prescribed way.

Boomers also worked within the confines of clearly defined roles, but they facilitated a rise of counter-culture work environments, while chipping away the traditional corporate structure from within.

Generation Xers, who were the creators of start-ups, became comfortable with a highly informal work environment and corporate culture. Even outside of the start-up world, Generation Xers instigated a new kind of corporate culture that emphasized building rapport between colleagues and becoming more casual in the workplace.

Generation Y is taking the informality of the work environment and corporate culture to new heights at a time when the traditional corporate hierarchy is being flattened. Yers consider their managers and co-workers alike to be "friends," and a sense of a caring work environment is important.

Expectations of Managerial Style

Key organizational challenges in 2005:



В

V

Motivating them to accept mentoring/ coaching

X Offering continuous just-in-time feedback

Having managers who care

Giving them enough respect

Outlook:

Heads up! The journey across the organizational Badlands will continue with the evolution of self-managed teams in self-managed organizations. This will not only necessitate workers' acquisition of new skills, but a different kind of leadership readiness to manage cross-generational workforces and extract the maximum effort and respect from each person. The relationship employees have with their direct manager will take on increasing importance as other organizational boundaries become more fluid. This relationship will be the anchor for satisfaction, motivation, and commitment. A manager's ability to engage in meaningful dialogue about career, personal development, and performance expectations will be important in retaining team members through the journey. Managers will coach and mentor their teams through technological and structural transformation in their organizations.

Management is the process of focusing an enterprise and its people on outcomes and results. As the economy has moved from industrial work to knowledge work, relationships between managers and employees have evolved rapidly from command and control to inspiration and empowerment.

Veterans worked in environments with "bosses" who enforced the rules and created output; bosses and employees were physically and socially separate from each other.

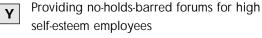
Boomers bridged that gap by pushing for more collaborative environments where everyone deserved a voice, and "bosses" morphed into "managers."

Generation Xers are independent thinkers and workers, and prefer a greater level of autonomy from their managers in the workplace. Generation Xers do not like to feel subordinate or of lesser value; thus, the term "boss" disappears completely and "manager" sticks.

Generation Yers are also independent workers, but they are not as "fierce" about it; they simply do not need as much direction from their managers—they are "smart workers." Yers are also more holistically oriented, and like to build an intimate and relatively casual rapport with their managers: work should be like a second family. D

Work Networks and Communication

Key organizational challenges in 2005:



X Moving beyond their anti-corporate politics

B Connecting them beyond their industry comfort zones

V Getting them to speak up

Outlook:

Because of the rugged terrain in the organizational Badlands, work groups will need to be fluent in multiple styles, technologies and cultures of communication; one platform will not provide sufficient resources to navigate the gaps between the peaks of clarity and the expanses of the unknown. A team or organization's ability to tap into and communicate with customers, suppliers, and employees will provide competitive advantage. Business survival will be based on the ability to mobilize a wide range of connections to seek out skills and opportunities. Individuals with broader networks may have more "net" worth. How to compensate and reward employees for catalyzing these networks as an organizational resource will be a challenge.

The way in which people communicate and create social and work networks has become another differentiating point between generations. Today's economy is based on knowledge work, and the latest technology and information tools provide unprecedented connectivity among groups and individuals. How people interact with one another to get their work done involves increasingly complex networks of relationships.

Work communication for Vet-erans primarily occurred within their companies—from department to department, via memos, telephone and face-to-face exchange.

Baby Boomers expanded their networks to include industry-wide contacts between companies. Business professionals built Rolodex networks using phone, meetings, and more recently, email, to bring groups together. They employed a highly evolved style of corporate etiquette in their interactions with each other. The widespread introduction of the Internet introduced Generation X to the global arena and expanded their contacts far beyond their organizational, regional, or even national boundaries.

Generations Yers, having grown up in the midst of the Information Age, employ the full range of multimedia methods (instant-messaging, teleconferen-ces, audio bridge, email) to communicate and network. Yers are also known for their direct and uninhibited style of expression.

• TECHNOLOGY AND INFORMATION ORIENTATION

Key organizational challenges in 2005:

Y Getting them the newest "stuff"/Getting them to stop surfing and work

X Cultivating deep interpersonal skills in addition to deep technological skills

B Migrating them from text based to web based platforms

Helping them overcome hesitancy and engage with technology

Outlook:

The ability to use multiple information sets drawn from multiple media sources will be a critical success factor for individuals and teams to navigate the Badlands. Since generational differences imply different degrees and comfort of access to different types of technology and information, organizations must be mindful of integrating younger generations' ability to quickly use technology with older generations' experience navigating complexity and ambiguity. Successful integration of technology, knowledge and experience will provide an expanded platform enabling different generations to make sense of challenges and choices together. People's orientation to technology and their ability to access and use available information shapes their approach to knowledge and work, and influences the allocation of power within an organization. In our current knowledge based economy, those with technology and information "know-how" are likely to excel in the workplace. The degree of "know-how" changes across generations, reflecting the different contexts of their formative experiences with technology.

Veterans' reliance on technology is minimal: today's technology was yesterday's science fiction. In general, Veterans keep new technology at arm's length and use more traditional tools to communicate and gather information. Those Veterans who did make the leap distanced themselves from their generational ethos. The Boomers were the dreamers of the Information Age: they imagined the technology, created the palate of possibilities and jump-started the application to the workplace. Generation X created the technology, crafted the tools, and adapted it to both work and home; their fluency fueled its dissemination and proliferation. Generation Y is growing up in an age where technology is so pervasive that, for them, technology is not so much a "tool," but an extension of their bodies. Generation Yers have become refiners, or "tweakers" of technology. Theirs is a generation for whom "work" is primarily associated with "knowledge work" and they will expect not simply "smart," but "wise" technology that supports individual needs, interests and abilities.

PHYSICAL WORKSPACE PREFERENCES

Key organizational challenges in 2005:

Y Creating a full-function workspace: the dog, kitchen and gym

X Allowing alternatives to the office

Providing ergonomically supportive environments

V Adapting/enhancing the environment

Outlook:

Over the next 3 to 5 years, the wide mixture of standards and values between generations will have profound implications for productivity, commitment and loyalty in the workplace. As companies with inter-generational knowledge workers cross the organizational Badlands, differences will surface in the way people work and in methods of assessing the value of their contributions, especially along the continuum of time-spent vs. results generated. Successful organizations will use these clashes to evolve new metrics for contribution and value. Space makes a difference. The boundaries of the workplace have exploded since the onset of the Information Age: work is no longer tied to an office. The proliferation of alternative workspaces has been facilitated by a wide array of connectivity tools that allow work to occur in many different environments. Also, increasing attention has been given to physical aesthetics due to awareness that the look and feel of the environment can inspire or demotivate, attract or repel employees. The physical environment of the office, and opportunities to work in alternative workspaces, are now considered a reflection of the culture of the company.

In contrast, physical workspace was of little or no concern to Veterans, who were accustomed to working in a particular place or desk everyday. This unvarying routine was part of their daily work experience and changes in environment usually came only through promotions.

Baby Boomers saw the advent of enhanced workspaces—including improved lighting, ergonomics and décor—but have not required these enhancements. While alternative workspaces—working from home, outposts, and portable offices—have become more common for them, Boomers still place high value on face-to-face and consider the office the center of their work life.

Generation Xers have broadened their workspace options by telecommuting or implementing flextime, placing less emphasis on face-to-face time.

Finally, with Generation Yers' holistic lifestyles, expectations of the physical workplace are rising: it is not uncommon for offices—or work "campuses"—to have gym or daycare facilities, as well as an array of other personal services.

Business travel trends also are changing. While Veterans did not have to travel for business at all, business travel was seen as a status symbol for Boomers. For younger generations, however, the improved quality of telecommunications means that business travel is no longer necessary. In fact, not having to travel to do business is becoming a status symbol, reflecting possession of superior technology and its lifestyle benefits.

Parting Thoughts for the Future

- Cross-generational issues increasingly will move to the foreground in most companies. This will be particularly true as the baby boomers choose not to retire but stay at work years later than past norms.
- Communication issues will rise, particularly around asynchronous messaging versus face-toface communication. The generations have vastly different needs for face time and media they consider appropriate for different types of communication.
- Time as a metric for good work is a potential clash area. Each generation has a different cultural experience of time. For younger generations value is the determining metric, whereas older generations measure time and effort.

- Organizational hierarchy will no longer be stratified by age. Knowledge workers in each generation will have valuable skills to contribute and will be on a more level playing field. Capability is the new marker of status.
- Recruitment and retention strategies will vary for each group, but more importantly will ensure that the daily working life environment supports generational diversity.
- Successful businesses will build bridges of communication and understanding, recognizing that cross-generational groups increase the potential for innovation and productivity.
- All generations will increasingly demand "flexible" work with the impact most noticed in benefits management and teamwork.