

Recruiting & Managing the Generations

NAS Recruitment Communications
One Infinity Corporate Centre Drive
Cleveland, Ohio 44125

Website

<http://www.nasrecruitment.com>

Toll-Free Phone

(866) NAS RECRuitment
(866) 627-7327

Fax

(216) 468-8115

If you would like to be added to our mailing list to receive future white papers,
please send an email to: info@nasrecruitment.com

Creating Demand. Delivering Talent.

Recruiting & Managing the Generations

For the first time in American history, four generations are working side by side in the workplace: the Matures, Baby Boomers, Generation X, and Generation Y. According to the Society for Human Resource Management (SHRM) Generational Differences Survey Report, human resource professionals indicated that their workforce consists of 10% Veterans (Matures), 44% Baby Boomers, 34% Generations Xers, and 12% Nexters or Millennials (Generation Y). While having a generational mix adds diversity to the workforce, it also can also set the stage for potential conflict and complications.

Because each of these generations is at a different stage in their life cycles, they have very different needs, values, and attitudes. Understanding generational differences can help companies make more hires and raise retention. It can also give companies a competitive advantage by ensuring a transfer of knowledge. Good working relationships between older and younger workers will help make sure that this knowledge is not lost.

This paper will first take a brief look at the three main generations that make up our population, the workforce, and the future workforce. Secondly, it will discuss their individual differences and the unique ways companies can engage and recruit them. Finally, this paper will suggest ways in which companies can motivate and manage these very different age groups in the workplace.

Creating Demand. Delivering Talent.

Generations at a Glance: Who are They?

Understanding the generations — their backgrounds, their lifestyles, their interests—is key to developing a successful plan to attract and motivate different age groups.

Baby Boomers (1946-1964) – Boomers are currently the largest living generation, representing about 77 million people. They are currently between 43 and 61 years old. This experienced, self-focused group is becoming more comfortable with technology. Many are poised to leave the workforce soon and plan to relocate to a new home in retirement.

- Possess the majority of buying power in the U.S.
- Cost of illness and healthcare is a principal concern
- Love to travel
- Well-educated
- Comfortable with technology
- Thinking about retirement

Generation X (1965-1976) – This highly adaptable generation is small in comparison to the two other generations surrounding it. There are nearly 50 million people that make up this widely diverse group whose values greatly differ from those of the massive Baby Boomer generation. Now in their prime working years, technology for this group has become a part of life.

- Were brought up as latch-key kids
- Self-reliant, independent thinkers
- Highly educated
- Accepting of diversity
- Many are married and/or raising young children
- First to be brought up in a world of instant gratification
- Savvy consumers
- Skeptical
- Now entering their prime earning years

Generation Y (1977-1994) – This generation, the largest since the Baby Boomers, totals 76 million people and represents over 20% of today's population. Between the ages of 13 and 30, many in this group have yet to enter the workforce.

- Socially conscious & civic minded
- Place heavy importance on personal life
- Were born into technology (iPods, BlackBerries, cell phones)
- One of the most educated generations yet
- Heavily influenced by the information revolution
- Racially & ethnically diverse
- Impatient
- Image-driven
- Brought up in a world of instant gratification

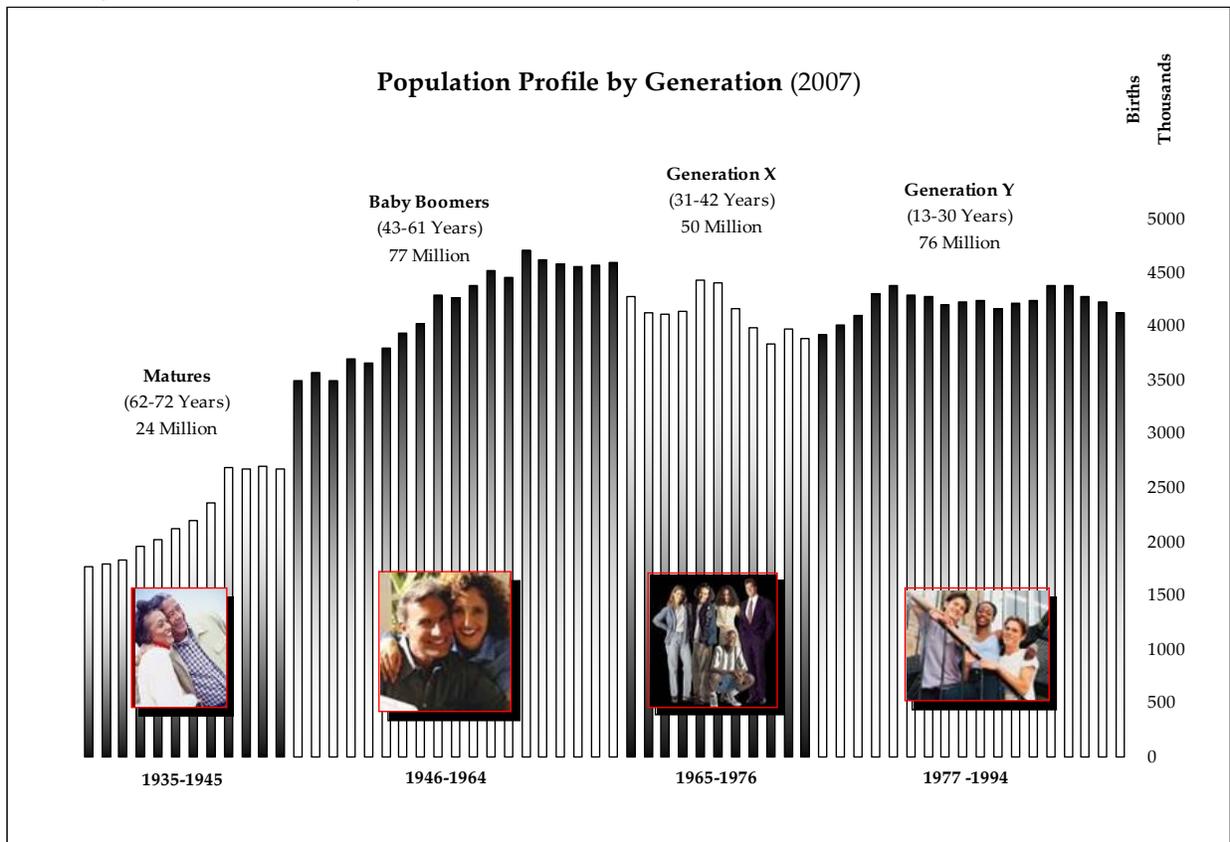
Creating Demand. Delivering Talent.

Population Profile of the Generations

Baby Boomers, the largest living generation, are not as diverse as the preceding generations. The 55 and older population will be the fastest-growing age group, increasing by 31% by 2014. More than 9 million Baby Boomers are African-American and 8 million are Hispanic. Twelve percent of Boomers are African-American, 9% are Hispanic, 4% are Asian or Pacific Islander, and less than 1% are American Indian or native Alaskan. Twelve percent of younger Boomers (ages 46-55) and 15% of older Boomers (ages 56-64) are foreign-born.

The most distinctive feature of the small Generation X population is that minorities account for a large portion of its whole; 62% White, non-Hispanic, 17% Hispanic, 13% African American. In fact, 29% of immigrants are 29 to 40 years of age, the largest percent for any generation. At least 1 in every 7 individuals in Generation X is an immigrant.

Today, the Generation Y population is almost as big as the Baby Boomer generation. Generation Y is also a very diverse group. One to every three Caucasian people is a member of a minority group. With the ever growing diverse population, the word "minority" may no longer have meaning to this and future generations.



Source: NAS Recruitment Communications

Creating Demand. Delivering Talent.

Generations at Work

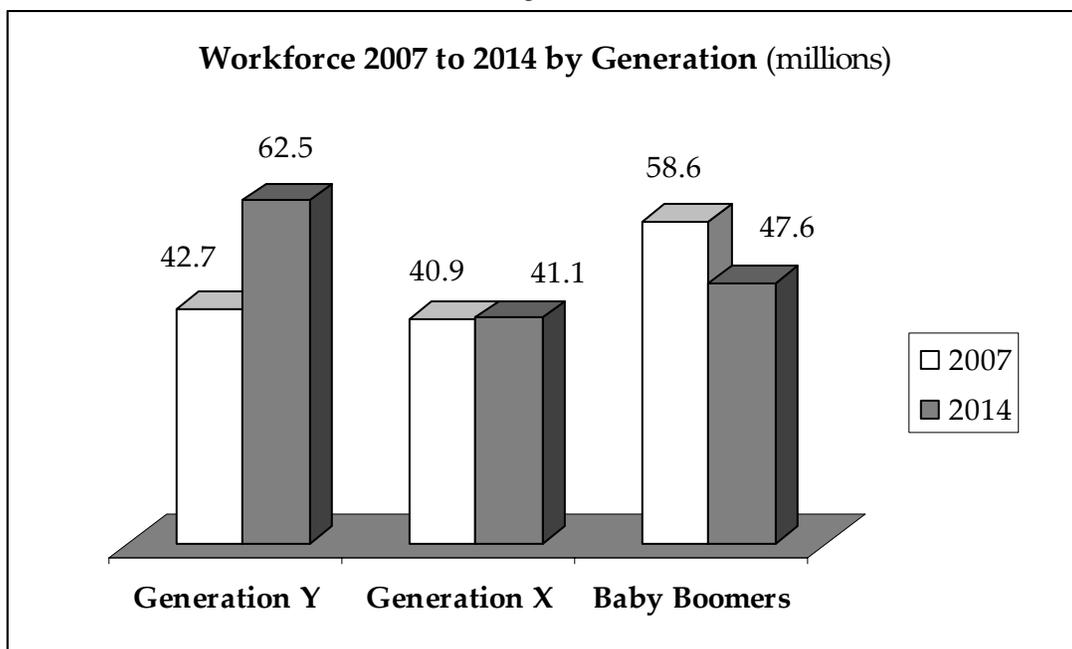
Our Workforce Today

Baby Boomers dominate today's American workforce, with 58.6 million workers. Generation X, with its 40.9 million workers, trails the Generation Y workforce of 42.7 million by nearly 2 million workers. Since the youngest members of Generation Y are currently 13 years of age, many from this generation have yet to join the workforce. (Figure 1)

Seven Years Later

Generation Y is projected to have nearly 63 million members in the workforce by 2014. By then, the number of Baby Boomers will decrease to just under 48 million, while the number of Generations Xers in the workforce will remain about the same at 41 million. There will be nearly 15 million more Generation Yers than Baby Boomers in the workforce by 2014. Generation Y will also outnumber Generation X by about 21 million workers. (Figure 1)

Figure 1

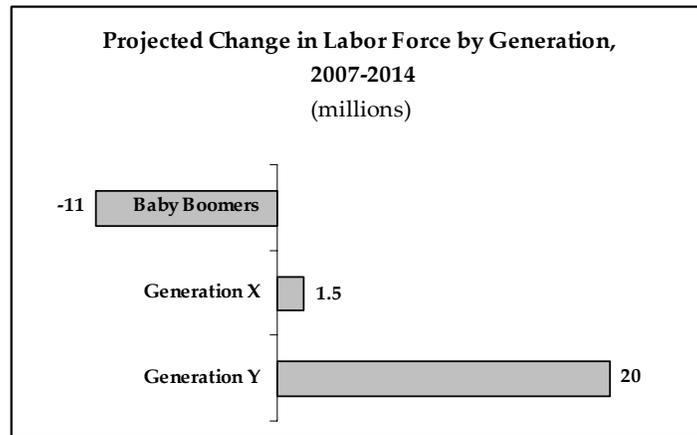


Source: NAS estimations based on the BLS labor force projections

Creating Demand. Delivering Talent.

Generation Y will be moving into the labor force during a time of major demographic change. The Boomers will decrease in numbers while Generation Y will add more of its members to the workforce. According to the Bureau of Labor Statistics projections, by 2014, over 11 million Baby Boomers will be exiting the workforce. As this happens, Generation Y will be the generation to dominate the American workforce, adding nearly 20 million workers. (Figure 2) The change in the Generation X workforce is expected to be flat.

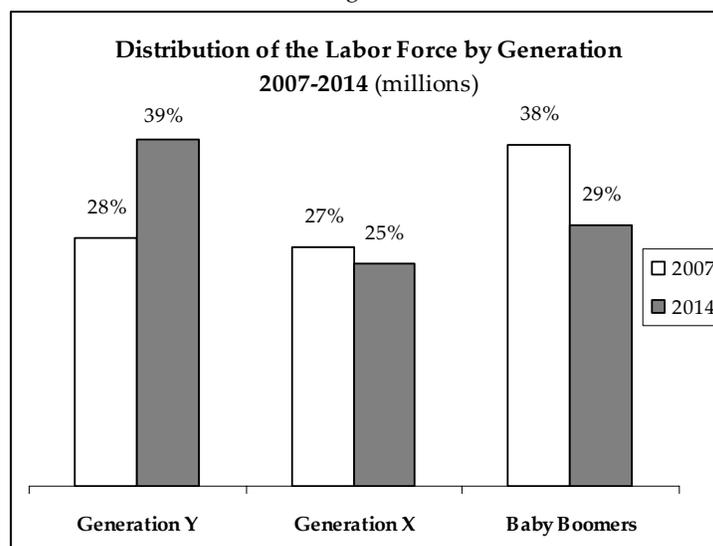
Figure 2



Source: NAS estimations based on the BLS labor force projections

The exodus of Baby Boomers from the workforce and additional Generation Yers just entering the workforce will result in a much different distribution of the three main age groups in 2014. The Baby Boomer's share of the workforce will decrease from 38% to 29%. Generation X's share of the workforce is expected to stay the same at about 25%. The labor force participation rate for Generation Y, however, is expected to increase to 39%, 1% more than the Baby Boomers. (Figure 3)

Figure 3



Source: NAS estimations based on Bureau of Labor Statistics data

Creating Demand. Delivering Talent.

Key Characteristics of the Generations in the Workplace

Baby Boomers

- Put a high priority on career
- Seek status & feel success is important
- Are willing to sacrifice family for advancement
- Are hard workers & think people should work from at least 8 to 5
- Believe in career paths
- Do not understand job-hopping
- Have already achieved many of their career goals
- Are concerned with saving for retirement
- Are generally loyal to their companies

Generation X

- Expects to work hard & be paid well
- Used to working with technology
- Prefers cash & salary to options
- Expects immediate & ongoing feedback
- Comfortable giving feedback to others
- Works in multicultural settings
- Wants some fun in the workplace
- Wants the promise of future promotions
- Concerned with maintaining a fulfilling personal life
- Skeptical of long-term commitments
- Not opposed to switching jobs for more money
- More loyal to their profession than to their employer

Generation Y

- Expects close & frequent contact with supervisor
- Wants to give input
- Needs to see how work makes a difference
- Wants state-of-the-art technology
- Expects full disclosure
- Doesn't expect to stay in a job too long
- Likes working in teams
- Wants clearly stated goals
- Expects to be paid for what they do, not how much time spent
- Wants to be at top of chain right away
- Wants to be challenged
- Requires frequent feedback & training

Creating Demand. Delivering Talent.

Recruiting the Generations

Getting to know how to engage and recruit the three primary generations in the workplace will help give companies a competitive advantage. Being aware of these differences allows employers to develop enticing market messages and identify which media will best reach them.

Baby Boomers

Companies are starting to realize that part of the solution to the impending labor shortage is already on the job. Employers will need to turn to mature employees to gain and maintain competitive advantage. Many Baby Boomers are reconsidering traditional retirement plans and want to remain on the job either for financial reasons or to pursue other career interests. According to polling by AARP, a nonprofit membership organization for people 50 and over, as much as 80% of Baby Boomers expect to work during what would normally be their retirement years. Some organizations are already struggling with talent shortages (nursing, engineering, accounting) and will need to take advantage of this evolving talent pool.

This generation can offer valuable assets like stability, maturity, experience, and leadership to your company. Yet, this workforce also has a different set of priorities and work routines. Employers not only have to change their hiring approach to appeal to this large demographic, but also need to adopt new approaches to recruiting and interviewing.

Experts encourage companies to consider new options to attract the often-choosy best job candidates. Baby Boomers may not seek full retirement, but their priorities now revolve around their personal lives — and schedules need to fit their lifestyles. That may mean offering flexible work schedules, such as contract employment, telecommuting and job sharing for those who might opt for something less than a full-time job.

Recruiting Tactics & Messages:

- Offer traditional HR tools of promotion, salary & status
- Entice them to do something significant
- Introduce more flexibility into pay & retirement systems
- Offer ongoing training, as well as opportunities to mentor younger workers
- Offer competitive retirement benefits
- Offer flexible schedules

Baby Boomers are users of the most varied types of media. And contrary to some beliefs, older workers are not technophobes. In fact, a new study by ThirdAge Inc. and JWT *BOOM* discovered that 72% of people 40+ years of age access the Internet from broadband in their homes.

Creating Demand. Delivering Talent.

Media Usage:

- Use the most varied types of media
- Are dedicated Internet users who go online to do research, communicate with friends & shop
- Are still the heaviest users of newspapers, following the Matures
- Prefer business & news magazines over entertainment & lifestyle magazines
- Are the least likely to create blogs & download videos

Generation X

Generation X is cynical about the employer/employee commitment since they watched their parents and grandparents lose their jobs after years of dedicated service. They are convinced real job security lies in their ability to develop the knowledge and skills to advance to their next job. Generation X is committed to their professions instead of to a company. They distrust corporations and hype; therefore, when dealing with Generation X, make sure your recruitment message is honest, straightforward, avoids hype, and highlights opportunities for learning marketable skills.

Your company website speaks volumes to Generation X. So make sure it provides easy access to job links. In addition, privacy issues should be addressed and receipt of resumes should be confirmed. There should be no dead links. Generation X's perception of your company image can make or break the deal — positive branding of your company is very important.

Recruiting Tactics & Messages:

- Avoid hype
- Convey an honest & straightforward recruitment message
- Offer money & stock options
- Have a complete & well-designed company website
- Appeal to their desire to learn
- Highlight paid training & skill development

Generation X has sometimes been thought of as an elusive media target. However, Internet usage has become a part of life for Generation X, with 87% going online for various activities. Online comparison shopping was invented by Generation X. When they are interested in something (a job, topic, product, company, etc.) they research it online via email, message boards, Google, etc. About 52% of Generation X view newspaper websites, while about 48% read the print form of their local newspaper.

Media Usage:

- 48% read the print form of their local newspaper
- Internet usage has become a part of life (blogging, podcasting)
- 76% percent get their news online
- 59% use Internet for job research
- Relies on word-of-mouth
- Prefers lifestyle, pop culture & entertainment magazines over business & news magazines
- More likely to listen to the radio than Baby Boomers & Generation Y

Creating Demand. Delivering Talent.

Generation Y

Generation Y will not only help fill in for the number of missing workers the Baby Boomer generation is leaving behind; they will also bring along fresh ideas and an enthusiastic and motivated workforce.

The decision to accept a job offer involves many factors for Generation Y. A good job is no longer defined by monetary gains alone. Gen Y employees take a job because they *want* to work somewhere, not because they *have* to.

They want to start at the top, or at least be climbing the corporate ladder by their sixth month on the job. The members of this generation are not against hard work by any means; they just expect immediate gratification, due to a childhood of receiving it. These new workers are also looking to make a difference in the world, or the companies for which they work.

To catch their attention, you need to have a high technology campaign that is colorful, upbeat, edgy, and modern — and one that distinguishes your organization from all the others. But while technology is an important part of the recruiting process, Gen Y needs personal interaction with recruiters who are knowledgeable and skillful. And this is a generation that is heavily influenced by their parents. You'll find it is not uncommon for members of Generation Y to hold off making an employment decision without first discussing it with their families.

Start Early

Establish a relationship early in the Gen Y's life. Offer internships or develop programs with local colleges — and even high schools — to connect with potential future employees. Consider offering professors opportunities to assign students to virtual projects or to gather information from your company's Web site. Campus interviews can be scheduled in advance by the students themselves.

Recruit with Peers

The best people to connect with Gen Y are other Gen Ys. Questions and concerns are put at ease when answered by an already devoted employee of the same generation. After the hire, this staff member can serve as the go-to person for your new Generation Y employee throughout his or her employment. And fun events can be held prior to the interviews.

Engage with Videos

Technology helps, too. Ernst & Young gave a group of San Francisco interns video cameras and encouraged them to "vlog" about their experience. The three-minute video posted on the career section of the firm's Web site features an "intern's eye view" of E & Y's San Francisco office. To be sure potential employees have a realistic picture of what the job requires, CDW Corp. developed a video depicting "a day in the life of an account manager."

Creating Demand. Delivering Talent.

Use Internet/Web Sites

Students and young workers are hungry for the information and the interaction that a well-designed Web site can offer. Most Web sites, however, are one dimensional. "Fourth-generation" Web sites offer information sorted for the user, based on personal preferences. By filling out a profile with a simple check-box interface, users create a personalized, customized experience of the site. Visitors can add blogs and chat rooms. They allow your company to ask for permission to send information and, over several months, establish a relationship.

Recruiting Tactics & Messages:

- Have a complete & well-designed company Web site
- Appeal to their desire to learn
- Highlight paid training & skill development
- Sell them on flexible schedules, telecommuting, & full tuition reimbursement

Not surprising, the Internet has become the most commonly used form of media by Generation Y. According to a Harris Interactive 2005 poll, 8-18-year-old Gen Yers spent about 6.5 hours each day using media. This media includes television, videos/DVD/movies, print media, audio media, computers, and video games. The types of advertisements most likely to be paid attention to by the Gen Yers while using media, is television followed by magazine, radio, banner ads, newspaper, direct mail, and, lastly, e-mail.

Media Usage:

- The Internet is the most commonly used form of media
- Online media, such as videos, podcasting, blogs, instant messaging
- Less likely to read the print form of the newspaper than previous generations
- Prefers lifestyle, pop culture & entertainment magazines over business & news magazines
- Uses cell phone text-messaging more than any other audience

Creating Demand. Delivering Talent.

How to Motivate & Keep Them

Sixty-year-olds are working along side 20-year-olds, each of them having very different attitudes towards their careers, their bosses, co-workers, companies, and lifestyles. It's no wonder that conflict over management style, appearance, use of technology, and other issues is inevitable. According to a survey by Lee Hecht Harrison, more than 60% of employers are saying they are experiencing tension between employees of different generations. The survey also found that more than 70% of older workers are dismissive of younger workers' abilities. On the other hand, almost half of employers say that younger employees are dismissive of the abilities of their older coworkers.

Many organizations have watched young workers collide with seasoned employees over issues like work ethics, respect for authority, dress code, and every work arrangement imaginable. The challenge for employers is to understand the differences within the workforce, determine what motivates the talent in your organization, and come up with strategies to engage and retain top talent that makes the most sense for your business.

Recognition & Rewards

Compared with the other groups, Generation Y employees are the least likely to be interested in pay increases, according to the 2006 Employee Review survey conducted by Harris Interactive. 58% of Gen Y and 52% of Gen X employees want pathways to personal growth, compared with 41% for Boomers. Other studies have confirmed that younger workers are seeking more than just salary from their employers. Mercer Human Resources Consulting found that 83% of Generation Y workers were motivated by flexibility, while only 73% were motivated by salary.

Work/life balance is a common thread among all workers. Gen X employees like on-site child care, extra vacation days, and high-tech gadgets. Older workers like the idea of flexible work schedules and health and fitness rewards.

Benefits

All employees think the benefits they receive as a part of their compensation packages are an important factor in rating job satisfaction. What type of benefit they value is entirely different, though Gen Y employees don't necessarily plan to stay at a company very long, and both Gen Y and Gen X employees grew up without expectations of job security, so don't expect to win their loyalty by talking about pension vesting or funeral leaves. According to the Employee Benefits Research Institute, only about a third of employees in the 21-to-30-year-old group contribute to their 401(k) plans. To motivate these generations, focus more on the benefits they value most—flexibility to balance work and life.

Creating Demand. Delivering Talent.

According to the SHRM 2006 Workplace Job Satisfaction Survey, however, health care/medical and retirement benefits ranked second and third (behind compensation/pay) for the younger generations when asked what employees were looking for from their jobs.

Top Five "Very Important" Aspects for Employees by Age

Age	First	Second	Third	Fourth	Fifth
35 and younger	Compensation/pay	Benefits	Healthcare/medical benefits	Job security	Flexibility to balance life/work issues AND retirement benefits
	78%	69%	68%	64%	63%
36 to 55	Compensation/pay	Healthcare/medical benefits	Retirement benefits	Benefits	Job security
	69%	68%	68%	68%	67%
56 and older	Feeling safe in the work environment	Retirement benefits	Benefits	Healthcare/medical benefits	Meaningfulness of job
	67%	59%	58%	57%	56%

Source: SHRM 2006 Job Satisfaction Survey Report

Feedback

The annual performance appraisal is not enough. According to a 2006 Hudson multigenerational survey, one-quarter of both Generation Y and X workers said they want feedback from their bosses at least once a week, if not every day. If you and your managers aren't meeting with each of your people at least quarterly, you probably aren't providing them with the coaching and developmental attention they need.

And, their need for feedback requires a customized approach. Younger employees don't want to sit through a stilted performance appraisal meeting. Even more so than Baby Boomers, members of Generation X dislike authority and rigid work requirements. An effective mentoring relationship with them must be as hands-off as possible. As a mentor, you'll want Gen Xers to work *with* you, not *for* you. Start by informing them of your expectations and how you'll measure their progress and assure them that you're committed to helping them learn new skills. Gen Xers work best when they're given the desired outcome and then turned loose to figure out how to achieve it. Comparatively, only one-fifth of Baby Boomers require frequent feedback.

Access

Younger workers want direct access to managers—their own as well as senior management. The Hudson study revealed that 48% of Generation X and 55% Generation Ys consider it to be very or somewhat important to work in the same office as their boss. When asked how important direct access to senior management was to them 81% stated it is very or somewhat important. However, that figure was 44% for Baby Boomers.

Creating Demand. Delivering Talent.

Supervision

Gen Y employees like frequent contact with their supervisors, whereas older employees tend to feel micromanaged if a supervisor is too involved with a project. Boomers want the flexibility and authority to try new ideas—and the support if they fail. Tap into their entrepreneurial impulse. Having been in the trenches for years, they have perspectives that can lead to important innovations.

Training & Career Development

The younger generation is willing to do grunt work, but they expect to be rewarded for their efforts quickly. Create customized career paths: This will create a sense of control that Gen Y desires and will provide them with a realistic account of their progress and their future with the employer. Don't just give orders, give the reasoning behind them. If you want them to do something, tell them why.

And, you may need to change the way you are conducting your training. Rather than hearing speeches, a growing number of employers use live and computer-based simulations to teach specialized skills. Everything they need to know should be available online.

Social Interaction

Generation Y employees want frequent social interaction with their managers. One-quarter (26%) would like to socialize with their boss at least monthly. This is compared to 21% for Generation X and 16% for Baby Boomers.

Communication

Overwhelmingly, workers of all ages agree that in-person communication is the best means to connect with co-workers. However, not surprisingly, younger generations are more open to email and instant messaging than Boomers.

Summary

Generational differences in the workforce are more obvious today than in almost any other point in history. Once companies understand each generation's unique values and attitudes, employers will be able to successfully engage, recruit, retain, and manage employees from all generations.

Addressing the needs of younger generations doesn't necessarily have to conflict with the needs of previous workforce generations. It's only a matter of time that their demands will eventually become those of previous generations as well. And, while conflicts are inevitable, ultimately it's how effectively you manage them that counts.

Creating Demand. Delivering Talent.