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# A Guide to Leading the Multigenerational Workforce

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Regardless of where you live or what industry you're in, we're all experiencing a dramatic generational shift in today's workplace, which is growing older and younger at the same time. Be it the wave of Millennials who are beginning to climb the corporate ladder or the Baby Boomers preparing to leave, it is not uncommon to find four generations working within the same business environment—Baby Boomers, Generation X, Millennials and Generation Z. Each generation brings with it unique life experiences, attitudes, expectations and styles.

For employers, this can be challenging—but it can also be an opportunity. This guide provides actionable steps you can take to leverage each generation's strengths in order to create a harmonious culture that benefits your organization's bottom line.

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Managing the Gap

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Employees at  
Every Level

The goal of this guide is to provide you with a stronger understanding of who your employees are and how demographic trends affect the way we work today. Use these insights to cultivate a workplace environment in which your company's employees can work together to make your organization stronger for generations to come.



## STEP 1

# Create a Case for Managing the Gap

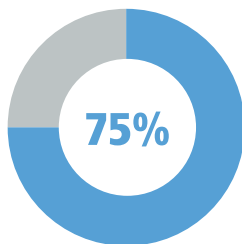
Our 21st-century workplace presents a challenge for organizations of all sizes when it comes to managing a workforce that is more demographically varied than ever before.

In a white paper titled “Managing Today’s Multigenerational Workforce,” Lee Hecht Harrison suggests that today’s organizations are much “flatter” and free of hierarchy than organizations of the past and that today’s employees are working more closely with coworkers of different generations. The age gap of employees working together will only increase in coming years.<sup>1</sup>

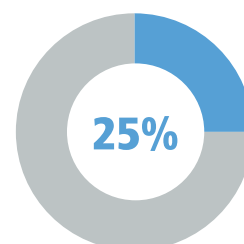
## The Dynamics of a Workforce in Transition

In June 2013, Ernst & Young conducted a study regarding generational shifts in the U.S. workplace. A survey of 1,200 cross-company professionals confirmed that managing multiple generations is challenging.<sup>2</sup>

### MANAGERS REPORTED THAT:

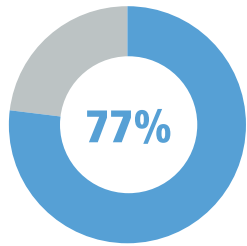


Managing multigenerational teams is a challenge

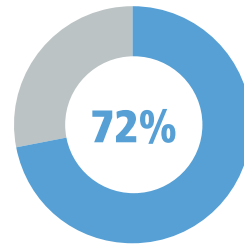


They manage a mostly even mix of employees from all three generations: Baby Boomers, Generation X and Millennials

## KEY CHALLENGES IDENTIFIED ACROSS ALL GENERATIONS:



Different work expectations



Lack of comfort with younger employees  
managing older employees

More than two-thirds (69%) of respondents said their organization has made some effort toward alleviating these challenges.

These include:

- Team-building exercises **(36%)**
- Generational differences training **(32%)**
- Cross-generational networking **(26%)**
- Tailored communications **(25%)**

### Why Focus on Management?

According to Leigh Branham, author of *7 Hidden Reasons Employees Leave*, people are four times more likely to leave a job because of something going on in the office than for an outside opportunity. Branham analyzed more than 20,000 anonymous surveys that asked employees why they left their last job. While most managers believe pay is the primary reason people quit, Branham discovered the top reason people leave is “loss of confidence and trust in senior leaders.”

Management plays a critical role in employee performance. If employees don’t get along with their managers—be it they can’t identify with them, don’t respect them or simply don’t like them—they will leave, regardless of how much they are getting paid or what benefits they receive.

“ People don’t leave companies; they leave managers. They’re not mad at the building. They’re mad at who they work with on a day-to-day basis. We may have tolerated it for five to 10 years. [Millennials] will tolerate it for five to 10 months. ”

— Lisa Orrell, author of *Millennials Incorporated*<sup>3</sup>

## The Benefits of Addressing the Gap

There are five key benefits to organizations that proactively address multigenerational issues in the workplace.<sup>4</sup>

Those benefits include:

1. **Improved corporate culture.** HR and talent management professionals who take the time to educate employees on generational issues will improve intergenerational understanding, multigenerational inclusiveness, respect and productivity.
2. **Improved competitiveness.** Education about the generations reduces age discrimination and alleviates potential organizational “brain drain” as older generations leave the workplace.
3. **More effective recruitment.** Recruiting messages specifically tailored to each generation will attract talent across generations.
4. **Improved employee engagement and morale.** Managers who know how to motivate employees from different generations will improve employee engagement and morale.
5. **Better employee retention.** Organizations that effectively manage generations will find happier, more engaged employees, and this will result in improved employee retention.

## At Every Age and Every Stage: Teamwork

The following are benefits of multigenerational work teams:<sup>4</sup>

- They are more flexible.
- They make better decisions because they have received broad-based input from multiple generational perspectives.
- They can gain and maintain more market share because they reflect the multigenerational market.
- They demonstrate increased innovation and creativity.

A photograph showing three people of different ages—two younger adults and one older man—wearing aprons and working together on a project in a workshop or kitchen setting. They are focused on their work, with the older man in the center and the younger adults on either side of him.

## STEP 2

# Define the Generations

In order to bridge the multigenerational gap, business leaders need to understand how each group works and what each needs to be productive. A smart step is taking time to understand the four primary generational groups in the workforce.

A generation is defined as “a group of people born in the same general time span who share some life experience—such as big historical events—pastimes, heroes, and early work experiences.”<sup>5</sup> It is through these formative experiences that a generation develops a collective outlook.

There are four predominant generations in the workforce today. To appreciate their nuances, it is important to consider the formative events each generation experienced, as well as how these events shape their expectations in the workplace.

# Baby Boomers

Until recently, Baby Boomers were the largest generation in the workplace. They were born in large numbers following World War II. Known as the “Me Generation,” Baby Boomers grew up during a time when “self-realization” and “self-fulfillment” were emerging cultural aspirations among young people.

## By the Numbers

- Born between 1946 and 1964
- Still account for roughly one-third (31%) of the workforce<sup>6</sup>
- Nearly 70 million are expected to retire over the next decade<sup>7</sup>
- By 2030, all Baby Boomers will be over the age of 65

## Cultural Influences

- Formative events include the moon landing, the civil rights movement, President Kennedy’s assassination, Vietnam, Woodstock and the women’s liberation movement.
- The first generation to grow up with television, Baby Boomer-era shows included *The Ed Sullivan Show*, *The Brady Bunch*, *Gilligan’s Island*, *The Twilight Zone*, *Happy Days* and *American Bandstand*.
- Heroes include Martin Luther King, Jr., and Dr. Spock.

## How They Shape the Workplace

- Poised to exit the workforce, Baby Boomers will take valuable knowledge and experience with them when they go. This mass exodus is forcing companies to explore effective retention strategies that include knowledge transfer opportunities to avoid the impending “brain drain.”
- Baby Boomers are known for their strong customer-service orientation.

## Work Style

- They have a strong work ethic motivated by rank, wealth and prestige. They view work more as a career, less as a job.
- They are technology savvy, however they prefer face-to-face communication rather than relying on devices. Baby Boomers prefer managers who seek consensus and treat them as equals.
- They are extremely loyal to their employers and good team players.
- Baby Boomers are service- and goal-oriented, and competitive. They are uncomfortable with conflict and put process ahead of results.

# Generation X

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Generation X, sometimes called the “Sandwich Generation,” is often overlooked because of the much larger generations that come before and after it. Sometimes viewed as “skeptical” or “negative,” they tend to be independent, and they learned to thrive on change.

## By the Numbers

- Born between 1965 and 1979
- A relatively small generation of 41 million<sup>8</sup>
- Account for 32% of the workforce<sup>6</sup>

## Cultural Influences

- Formative events include the energy crisis, Watergate, Three Mile Island, the AIDS epidemic, Chernobyl and the fall of the Berlin Wall.
- Generation X watched their mothers go to work in large numbers, saw soaring divorce rates and were the first latchkey kids.
- Heroes include Steve Jobs and Jerry Seinfeld.

## How They Shape the Workplace

- Generation X led the dot-com boom and is leading a new era of entrepreneurship.
- Baby Boomers and Millennials view Generation X as the best generation for generating revenue and building teams.<sup>2</sup>

## Work Style

- Members of Generation X prefer managers who are straightforward, genuine and “hands-off” in their management approach.
- They also want ongoing training and seek growth opportunities, even if those opportunities are lateral.
- They are results-oriented and desire flexibility in how their work gets done.
- Generation X wants work-life balance and is willing to work less to achieve it, leading some to say they are “slackers.”



# Millennials

By all accounts, Millennials are unlike preceding generations. They view the world differently and have redefined the meaning of success—personally and professionally.

## By the Numbers

- An estimated 80 million Millennials were born between 1980 and 1995
- Account for 34% of the workforce<sup>2</sup>
- By 2025, they will represent 75% of the global workforce<sup>9</sup>
- The most ethnically diverse generation:<sup>10</sup>
  - » 59.8% white
  - » 14.2% black
  - » 3.2% mixed race
  - » 18.5% Hispanic
  - » 4.3% Asian

## Cultural Influences

- Formative events include 9/11, Hurricane Katrina, the development of the digital camera, social media (Facebook, Twitter, LinkedIn) and YouTube.
- Unlike Generation X, this generation was raised under close parental supervision. Their childhoods were scheduled down to the last minute.
- Heroes include Barack Obama and Beyoncé.

## How They Shape the Workplace

- Having grown up with 24/7 access to the Internet, Millennials are digital natives. This experience has shaped how they search for information, solve problems, relate to others and communicate.
- Millennials are the most diverse generation and will redefine diversity in the workplace.
- They are prone to frequent job changes as they seek new opportunities and employment on their own terms.

## Work Style

- Millennials tend to be goal- and achievement-oriented and value social and corporate responsibility.
- They are good team players, optimistic and value constant feedback.
- They crave meaningful work where they feel part of the organization's mission, and value helping others more than a big paycheck.
- Work-life balance is a fundamental expectation for Millennials, who expect to be able to work when and where they want.

# Generation Z

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The youngest generation in the workforce, Generation Z is expected to bring its own attitudes and expectations to the office, just like the preceding generation.

## By the Numbers

- Born between 1996 and 2010
- Represents 23 million Americans<sup>11</sup>
- The oldest of this generation is just entering the workforce

## Cultural Influences

- Formative events include the “Great Recession,” the rising costs of higher education, Instagram, Snapchat and selfies.
- More so than celebrities, their heroes are their parents and their peers.<sup>12</sup>
- Generation Z is always online. They love sharing both the intimate and mundane details of life, be it their relationship status or restaurant preferences.

## How They Shape the Workplace

- 72% want to start their own businesses one day—and 3% already have.<sup>11</sup>

## Work Style

- Having an impact on the world may be more important than their jobs.
- They are even more technologically plugged in than Millennials. One survey found that Generation Z has the highest level of technological connectivity, with many spending virtually all of their waking hours connected to a computer, tablet, smartphone or other electronic device.<sup>13</sup>

# Know Your Employees

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Understanding the different generations—and what makes them tick—is the first step in creating strategies to attract, develop and retain leaders in ways that are more relevant and appealing to each cohort.

Some experts caution, however, that there is danger in over-generalizing the different generations. No two individuals are the same, and members of the same generation may have very different life experiences, shaping different attitudes and behaviors. There's a fine line between appreciating unique characteristics of different generations and perpetuating stereotypes of the generations.





## STEP 3

# Rethink the Gap

While there are certainly differences among the generations in how each approaches work, emerging research is starting to turn traditional thinking about the generation gap on its head.

A 2008 study on generational differences in personality and motivation concluded that the results of the study “are not supportive of the generational stereotypes that have been pervasive in management literature and media.” In fact, the authors noted, “Even when differences have been observed, these have related more to age than generation.”<sup>15</sup>

## Working with Shared Values Across Generations<sup>16</sup>

Research conducted by Ben Rosen, Ph.D., professor of organizational behavior for the University of North Carolina Kenan-Flagler Business School, further suggests that generations may have more in common than previously thought.

### Consider the Similarities

Rosen conducted a survey to examine how the generations viewed each other, what they expected from their employers and how they defined ideal leaders. Based on the responses of 5,400 people, his research identified the following shared values that span all generations:

- **We want our organizations to succeed.** Every generation desires continued employment and is highly committed to good employers.
- **We want the same thing from our leaders.** Every generation agrees on the characteristics of a good leader.
- **We want some measure of success in our careers.** Every generation wants opportunities for promotion and the chance to work on challenging projects, which suggest that they all want to feel successful in their careers, regardless of life stage.

“ Baby Boomers, Gen Xers and Millennials all shared the same top five expectations of their employers. They also agreed in their views of what an ideal leader should look like. ”

— Ben Rosen, Ph.D., Professor of Organizational Behavior

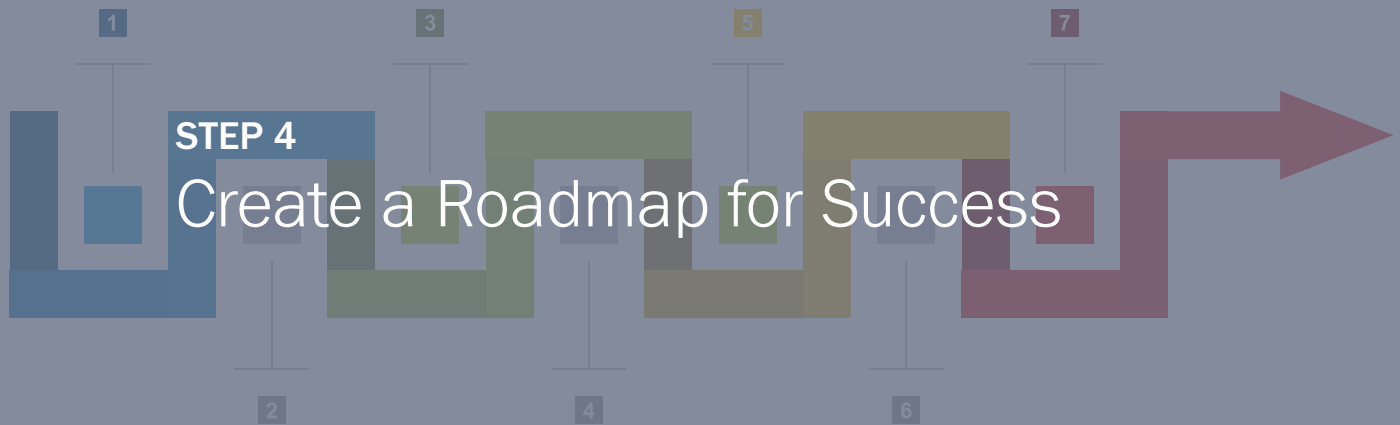


- **We are aging.** If we refocus “generation gap” to mean life stages, the differences among age groups can be seen as a continuum and not necessarily divisive. Meaning, all generations have different needs at different life stages.
- **We will face challenges in the future.** Just as aging is inevitable, so is the uncertainty that comes with the future. The challenges generations face today will change and new, unanticipated challenges will arise.

## What Makes an Ideal Leader?

All three generations agreed that the ideal leader:





There are two concepts to keep in mind when creating a plan to manage an organization's multigenerational workforce; honor each generation's unique contributions while focusing on their similarities. If we map this back to the five shared values Rosen's research identified:

### **We want our organizations to succeed.**

- Establish an organizational culture that encourages employee decision-making.
- Offer employees learning and development opportunities that will allow them to succeed. Implement coaching and mentoring programs.

### **We want the same thing from our leaders.**

- Develop leadership programs that encourage the development of shared characteristics.
- Foster organizational cultures that encourage leaders to lead by example, be accessible, serve as coaches and mentors, and challenge employees and hold them accountable.

### **We want some measure of success in our careers.**

- Support strong leadership programs to enhance existing leaders' skills and abilities and which identify and foster future leaders within the organization.
- Offer coaching and mentoring programs to encourage cross-generational communication and enhance career satisfaction.

### **We are aging.**

- Create programs to encourage cross-generational communication.
- Clarify expectations about how different generations define work-life balance, professional behavior and workplace engagement.

### **We will face challenges in the future.**

- Provide change management programs to help employees cope with a rapidly changing workplace.

## Additional Tips for Bringing Generations Together

Consider the following additional tips on how to manage a multigenerational workplace:

- **Communicate appropriately, gearing messages for generational preferences.**  
For example, Generation X wants information delivered informally and effectively. Millennials, on the other hand, want opportunities to provide feedback and to receive positive reinforcement.
- **Recognize and reward people appropriately.** Do not take a one-size-fits-all approach to reward and recognition programs. Motivate your employees with incentives that matter to them. Consider what inspires (or turns off) certain generational groups or individuals in order to engage employees and create effective recognition and reward programs.<sup>17</sup>
- **Create programs that encourage generations to work together and to share knowledge.**  
Encourage generations to work together, and let them know that it is not just OK to share their knowledge—it is vital to the success of your organization.
- **Build diverse teams of all ages, gender and cultures.** In the world of work, there's a place for everyone. Teams are made up of individuals with shared goals. As they work to achieve these goals, these teams will learn to value and trust each other.
- **Encourage business leaders at all levels to be flexible in their management styles.**  
Some generations want hands-off leaders while others want a more involved management style.



## STEP 5

# Recruit and Retain Employees at Every Level

## What You Can Do to Retain and Engage a Healthy Generational Mix

### Baby Boomers

Be it a matter of choice or necessity, Baby Boomers will remain a sizable proportion of the workforce in the years ahead, with many expecting to work past the average U.S. retirement age of 61 and the traditional retirement age of 65. Cultivate work environments that position them to do what they do best—provide insights and experience—while continuing to develop their talents and strengths.

- **Keep them on board as long as you can.** Offer flexible working arrangements and phased retirement programs that encourage Baby Boomers to stay in the workforce a little longer.
- **Value their experience.** Explore effective retention strategies since many Baby Boomers are poised to exit the workforce, taking valuable knowledge and experience with them when they go.
- **Incentivize them to share.** Develop knowledge transfer efforts that encourage Baby Boomers to share what they know with the generations that follow.
- **Be flexible.** Members of this generation may require flexibility and resources to manage their own health or, quite often, to care for an aging parent.

### Generation X

Generation X is the independent generation that values its own personal and professional development over job security. As prime candidates for leadership roles, the future success of many organizations relies heavily on this segment of the workforce.

- **Start developing them into leaders for tomorrow, today.** Focus on vertical and horizontal career development paths that will help this cohort add to their skill sets.
- **Offer autonomy.** Generation X works best with managers who do not micromanage or use fear as a motivator. They excel best in work environments where they are given the information they need and the autonomy to work at their own pace and find their own results.



- **Support a flexible work culture.** Provide flexibility to define work arrangements (such as telecommuting). Offer child care benefits and offer perks that allows these employees to enjoy life and be successful at their job.

## Millennials

Often referred to as the “collaborators,” Millennials are expected to make an enormous impact on the overall workforce over the next five years—and they are already well on their way.

- **Think progress before paycheck.** Millennials are attracted to employers who can offer more than merely good pay. That’s not to say that pay isn’t important, but the biggest draw for Millennials is the opportunity for progression.
- **Remember mentoring matters.** Millennials value managers who coach them, are positive, motivational, collaborative, achievement-oriented and who provide structure.
- **Make it meaningful.** Millennials want to know how their work contributes to the larger mission. They also seek opportunities to give back through volunteer and philanthropic activities.
- **Leverage this generation’s technical knowledge and experience.** Reverse mentoring can be an effective way to help Millennials and Baby Boomers appreciate each other’s knowledge and experience.
- **Engage social media.** Internal social media networks are excellent platforms to foster communications, collaboration, learning and development.

## Generation Z

Collaborative, social and completely plugged in—do not mistake Generation Z for Millennials. While they share similarities, major differences do exist. One important factor to consider is their vision of being an entrepreneur versus an employee. How do you attract and recruit this future generation when they are reluctant to be recruited?

- **Go mobile.** Generation Z is the generation of the smart phone. To them, e-mail is old school. They are known for keeping it brief, which means they expect most communication to work within the context of their phone screen.<sup>18</sup>
- **Consider work experience over education.** Generation Z will be the first to experiment with DIY on a larger scale. They have seen the cost of higher education rising, along with an explosion in student debt. They may opt to skip college, explore alternative education sources or go to smaller community colleges in order to learn the skills they need.
- **Appeal to their commitment to making a difference.** According to research, 60 percent of 14- to 18-year-olds said that having an impact on the world would be more important than their jobs. Forward-thinking organizations may need to place an even higher premium on corporate social responsibility in the future.

The multigenerational workforce brings with it a wide variety of challenges and opportunities.

# Conclusion

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In order to best leverage the full diversity of their employees, organizational leaders must take the first steps in helping their workplace overcome potential challenges.

The longer leadership and management teams wait to examine the effects that generational differences have on their bottom line, the tougher it will be to adapt and implement solutions that address the changing needs of their employees.

In the workplace, employees of all ages should be encouraged to become more aware of the attitudes and preferences of the different generations. Understanding what drives each generation can be a smart step toward professional peace and productivity. Compassion and communication can help minimize any perceived generational gaps and help employees focus on their shared values and expectations.

Organizations that work proactively to address the different generations will reap the benefits—including improved corporate culture, higher employee engagement and morale, more effective teams and better employee retention. Those that ignore the impact of the multigenerational workforce risk losing in the war for talent.

Learn more and download the full white paper **[here](#)**.

## Sources

This guide was compiled from the UNC Kenan-Flagler white paper “Managing the Multigenerational Workplace.” All supporting sources are cited below.

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