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Basic Concepts & Definitions

Focusing on cross-generational issues is increasingly becoming imperative for leaders of organizations. Never before in history have four generations interacted so closely in the workforce. Many effective leaders are seeking to understand how to harness the talent, motivation, and leadership potential of their employees of different generations and how to quell the potential conflict among them (Conger, 1998; Flynn, 1996; Lancaster & Stillman, 2002; Zemke, Raines, & Filipczak, 1999). Although multiple generations have worked together historically, they were largely segregated by the hierarchical structure of the manufacturing-based economy. The senior leadership was generally comprised of white males of the oldest generation who presided over the middle-aged middle managers. Junior level employees were the youngest and most inexperienced in the organization. As individuals matured in age, their responsibility, status, and salary in their careers incrementally increased. Individuals generally endured each successive level for several years before expecting promotion. The solid walls between levels generally kept generations from integrating (Zemke, et al., 1999).

Effective organizations in the new knowledge-based economy have moved away from a bureaucratic, steep hierarchical structure and have instead adopted a flatter hierarchical structure or even a networking structure with cross-level, cross-functional teams at the core (Burke, 2002; Conger, 1998). Due to this shift in structure, the social and physical separations between generations are less rigid and far more permeable. Merit is replacing experience as the deciding factor in advancement. The concept of “paying one’s dues” before climbing the next rung on the corporate ladder is fading. To that end, younger employees are often working side-by-side or even managing older employees (Conger, 1998; Deal, Peterson, & Gailor-Loflin, 2001; Woodward, 1999). A cross-generational workforce can be a source of contention or a source of learning, productivity, and innovation for an organization (Smola & Sutton, 2002). The difference between the two lies in an organization’s willingness to recognize the differences and commonalities among the generations in its workforce, honor the unique needs and strengths of each generation, and then leverage this awareness for maximum competitive advantage.

Sociologists and historians, William Strauss and Neil Howe (1991), defined generation in their pioneering work on generational differences as, “a special cohort-group [a group of all persons born within a limited span of years] whose length approximately matches that of a basic phase of life, or about twenty-two
years over the last three centuries” (p. 34). Belonging to a cohort-group, according to Strauss and Howe’s definition, is permanent, involuntary and only applies to a finite number of individuals. All members of the cohort-group-- from birth to death-- encounter the same national events, moods, and trends at similar ages” (p.48). Most demographers agree that four distinct generational cohorts are currently active in the workforce, but they disagree on the exact parameters of birth years, number of members in the United States, and what each generation should be labeled (Cates & Rahimi, 2001; Conger, 1998; Lancaster & Stillman, 2002; Smola & Sutton, 2002). Based on the dates depicted in Strauss and Howe’s 1991 volume *Generations: The History of America’s Future, 1584 to 2069* and the most commonly recognized generation labels (Conger, 1998; Crainer & Dearlove, 1999; Deal, et al., 2001), the four generational cohort-groups are:

- **Silent Generation** (individuals born between 1925-1942)
- **Baby Boomer Generation** (individuals born between 1943-1960)
- **Generation X** (individuals born between 1961-1981)
- **Generation Y** (individuals born between 1982-2000)

The generation birth dates should be seen only as guidelines. Individuals born in the same time period merely share a common history- or instance, the events occurring in their early formative years and the conditions of the workplace upon entering (e.g. economy, labor market). These “events” create the common experiences and may influence their attitudes, behaviors, and work styles or generational “peer personalities” (Conger, 1998; Kertzer, 2004; Lancaster & Stillman, 2002; Strauss & Howe, 1991, p.64). It is important to note that every member of a generation does not necessarily share its peer personality. Members who differ from the peer norm, however, are generally aware of their nonconformity (Howe & Strauss, 1992, 2000; Strauss & Howe, 1991). Philosopher Jose Ortega y Gassat (1923) noted that the generational experience is a “dynamic compromise between the mass and the individual,” (as quoted in Strauss & Howe, 1991, p.66). A generation’s peer personality is essentially the sum of attributes characteristic of its prototypical member. Although all members of a generation will not possess every one of these attributes, they will share an awareness of their generation’s collective attitudes about family life, sex roles, lifestyle, religion, politics, etc. (Howe & Strauss, 2000; Strauss & Howe, 1991).

**Importance of Topic to Work-Family Studies**

Generational value differences have influenced the interface between work and family (Families and Work Institute, 2004). When Silent Generation members were joining the workforce and growing families in the mid 1900s, work and family were treated as separate domains in the literature and by the majority of organizations. The breadwinner/stay-at-home caregiver model was considered the norm (Kanter, 1977). The work-family field was ignited in the 1970s, around the time of the Baby Boomer entrance into the workforce, when this norm was challenged by changes in the family structure. Such changes included an increased number of working women, working mothers, and dual-earner couples. The
original issues at the center of the field were primarily related to childcare and eldercare (Gonyea & Googins, 1996). Coinciding with Generation X and Y members gaining employment after witnessing a decade of turbulence in the economy and workforce, the field expanded to include work-family issues ranging from job and income security, time scarcity, and heightened stress related to balancing work and family responsibilities (Gonyea & Googins, 1996).

The current 24/7 global economy is forcing organizations to be more adaptive to remain competitive (Foster & Kaplan, 2001). Thus it is increasingly important for organizations to be comprised of engaged, adaptive, satisfied, and technologically-savvy employees. Organizational researchers and practitioners are increasingly interested in understanding the interface between work and family because of its potential to influence employee motivation, job satisfaction, job involvement, and organizational commitment (Sanders, Lengnick-Hall, Lengnick-Hall, & Steele-Clapp, 1998). Research suggests that when employees perceive their organizations to be supportive of them personally, they are more likely to be innovative and make contributions to the organization (Gonyea & Googins, 1996). According to recent research on generations (Catalyst, 2001; Families and Work Institute, 2004; Smola & Sutton, 2002), it is clear that the workforce has changed over the past three decades (Families and Work Institute, 2004). Insight into the values of different generations will help us understand how generational values affect organizational values and the interface between work and family (Families and Work Institute, 2004; Smola & Sutton, 2002). As suggested by Kupperschmidt (2002), a deeper understanding of these generational differences will better equip managers to create more employee productivity, innovation, and corporate citizenship.

**State of the Body of Knowledge**

Although the term “birth cohort” was first coined in 1863 by French sociologist Emile Littre, quantitative research on the subject was relatively stalled until the 1960s. It is now, attracting the attention of historians, sociologists, marketers, and advertisers primarily for two reasons. First decades were required to gather age-defined data for the American population was necessary as was and then to separate the main effect of cohort membership from other behavior-shaping variables such as life stage (a.k.a. age effect) or historical change (a.k.a. period effect). The 1990s marked the first decade of studying the results of the preliminary research and drawing conclusions about the power of birth cohorts on the shaping of history. Second, the prodigious size of the Baby Boomer Generation (approximately 76 million individuals in the United States) legitimized generational research in the polling and marketing industries, where the tastes and attitudes of generational peer personalities help determine what products and services are produced and how they are advertised (Appelbaum, Serena & Shapiro, 2004; Strauss & Howe, 1991).

Widely renowned generation scholars, Strauss and Howe (1991) framed their fundamental theory of generations in two ways. First, by examining history through a link between age and location, the authors argued that events shape the “personalities” of various age groups differently according to their phase in
life and that these age groups retain those personality differences as they age. Second, the authors posited that the development of generations is cyclical in that generations in different phases of life help shape and define history and, hence, new generations by together catalyzing a social moment—“secular crisis” or “spiritual awakening” (p.35). Social moments in American history, Strauss and Howe (1991) demonstrated, have occurred every forty to forty-five years. The focus of their research is not necessarily on the event itself but instead on the response triggered by the event. For example, Strauss and Howe (1991) outlined the differences in responses to World War I and World War II. Although both wars ended in victory for the United States, soldiers returned home to a country divided by Prohibition in the former case but to a country mobilized in unity with “ticker-tape parades” in the latter. America’s international influence increased after both wars, but it was short-lived after World War I and was consolidated over the two decades that followed World War II.

The peer personality of each generation influences its members’ perceptions of authority and organizational life, work-related values and desires, and organizational behavior (Smola & Sutton, 2002). The following section outlines four current employment trends that are related to cross-generational issues.

*Increasing Desire Among Employees to Balance Work and Personal Goals*

Expectancy theory (Vroom, 1964) holds that people are motivated if they believe that their behavior will lead to certain desired outcomes. To motivate, attract, and retain top talent, leaders must first determine the outcomes that their employees most value and then ensure that their organizations’ reward systems and cultures strongly link employees’ efforts to these valued outcomes (Burke, 2002). Research demonstrates that different generations value different outcomes and, as such, are motivated by different rewards (Catalyst, 2001; Conger, 1998; Deal, et al., 2001; Families and Work Institute, 2004; Lancaster & Stillman, 2002; Smith & Clurman, 1997; Tulgan, 2000; Zemke, et al., 1999). The organizations that are able to tailor their cultural norms and reward systems to support these unique values will have a competitive advantage in recruiting, motivating, and retaining the top performers of all generations.

Work-life balance, however, is one desired outcome that is increasingly common among employees across generations, despite the fact that it is, in some ways, harder to achieve than ever before (Hammer, Neal, Newsom, Brockwood, & Colton, 2005; Halpern, 2004; Smola & Sutton, 2002). According to the International Labour Organization (1999), the employees in the United States work longer hours than employees in any other industrialized country. An eight-hour workday is no longer the norm (Halpern, 2004). A recent survey of 560 adults in the US who work outside of the home revealed that 40% of the respondents work overtime or take work home at least once per week and 17% do so every day (Bond, Thompson, Galinsky, & Protas, 2003). Moreover, changes to a family model with one stay-at-home caregiver that occurred during the Baby Boomer Generation and Generation X coupled with major demographic changes (namely, the aging of US population) have increased the difficulty of achieving balance between work and family commitments for all generations (Halpern 2004, 2005).
The common depiction of the older two generations (especially the Baby Boomers) prioritizing work responsibilities over personal and family responsibilities is changing (Conger, 1998; Lancaster & Stillman, 2002; Smola & Sutton, 2002; Zemke, et al., 1999). One reason for this change is the increase in family responsibilities that many members of the Silent and Baby Boomer Generations are facing (Halpern, 2005; Hammer, et al., 2005). Forty-five to 50% of employed adults (many of whom are Baby Boomers) are expected to care for older, infirm relatives by 2010 (Halpern, 2005). A subset of this population (known as the “sandwiched generation”) is simultaneously tasked to care for their children or their grandchildren (Dilworth & Kingsbury, 2005; Hammer, et al., 2005, p. 801). They are in essence “sandwiched between the needs of their children and their parents, and often, their jobs” (Hammer & Neal, 2002). Recent demographic information indicates that 2.1 million children are currently being raised solely by their grandparents (U.S. Bureau of the Census, 2000). To that end, many members of these generations are now seeking organizational supports (e.g. flexible hours, ability to telecommute, dependent care) and that will help them balance their work and family responsibilities (Halpern, 2005; Hammer, et al., 2005).

Findings from a recent Catalyst study (2001) indicate that Generation Xers value personal and family commitments significantly more than work commitments. According to the study, the primary goals for this generation are to have a loving family, to enjoy life, to share companionship with family and friends, and to establish a loving relationship with a significant other. The Catalyst study findings are consistent with other reports that Generation X members value a balance between their work and family commitments (Burke, 1994; Deal, et al., 2001; Conger, 1998; Families and Work Institute, 2004; Smola & Sutton, 2002; Strauss & Howe, 1991). Although only the oldest members of Generation Y have entered the workforce, early estimates of their values indicate that work-life balance is top priority (Cates & Rahimi, 2001; Eisner, 2005; Howe & Strauss, 2000).

Leadership Gap on the Horizon

The 1997 McKinsey and Company “War for Talent” study covering nearly 6,000 managers in 77 companies estimated that the demand for talented 35-45 year-old employees will increase by 25 percent over the next 30 years, while supply will decrease by 15 percent. This statistic underscores the fact that organizations are poised to face a leadership talent gap. Organizations no longer have a large pool of trained employees from which to select for managerial and leadership positions because, according to the Center for Creative Leadership (CCL), there are simply too few workers available with the critical skills to tackle the current challenges faced by organizations. The sources for this problem are three-fold: (1) basic demography, (2) the economic boom of the 1990s; and (3) the growth of the technology industry (Deal, et al., 2001).

Most organizations are currently led by members of the Silent Generation (born between 1925-1942) and/or members of the Baby Boomer Generation (born between 1943-1960). The 54 million members of the former generation have or will soon reach the legal retirement age, and the 78 million members of the
latter generation are also fringing on retirement years (Smola & Sutton, 2002; Zemke, et al., 1999). As such, the workforce will soon encounter a mass exodus of tenured experience, and there are relatively fewer workers poised to fill the available management and leadership positions (Crainer & Dearlove, 1999; Howe & Strauss, 1992; Strauss & Howe, 1991; Lancaster & Stillman, 2002). By the end of 2006, Tulgan (2004) reports that two experienced workers will exit the workforce for every one worker who enters it. The Baby Boomer Generation’s massive size, which led to a surplus of middle managers in the late 1980s, is now becoming an aging workforce and executive population (Crainer & Dearlove, 1999; Deal, et al., 2001). Approximately 55 million workers in the U.S. (40% of the workforce) will be over the age of 60 by 2015 (Bisio, 1999). With an estimated size of 45 million members, Generation X is significantly smaller in size than its predecessor (Smola & Sutton, 2002). Although Generation Y rivals the Baby Boomers in size (approximately 76 million members), its members are roughly ten years away from prime management years (Eisner, 2005). The rising challenge for organizations is to retain valuable senior talent while recruiting (and retaining) the best and brightest young talent (Baldwin & Trovis, 2002; Deal, et al., 2001; Crainer & Dearlove, 1999).

The second and third factors contributing to the upcoming leadership gap are the robust economy during the latter half of the 1990s and the rise of the technology industry during that same decade. Together, these factors fostered a complex global market that calls for more sophisticated management skills, such as technological literacy, cultural awareness, entrepreneurial capacity, and, most importantly, leadership (Deal, et al.; 2001; Crainer & Dearlove, 1999). Qualified leadership candidates are now harder to identify and retain. In fact, the Center for Creative Leadership reports that 40 percent of newly hired executives leave the company within their first 18 months on the job due to termination for poor or below expected performance or their own voluntary resignation (Crainer & Dearlove, 1999). Warren Bennis of the Leadership Institute at the University of Southern California adds, “The more we move into knowledge-based, technically based organizations, which we clearly are, the scarcer the top leadership talent” (Crainer & Dearlove, 1999, p.19). One possible conclusion is that organizations are not cultivating the potential future leaders within their own employee populations by helping them acquire the required skills. The booming economic conditions of the mid to late 1990s pulled young untrained individuals into the workplace to respond to market demands. Organizations were often focused primarily on hiring to increase their overall growth rather than to round out competencies. New employees, in turn, were not always hired for their skills and experience but instead for their willingness to work hard to produce as much as possible in a short period of time. Formal training and development was often shelved as a lesser priority that required time away from production (Deal, et al., 2001).

The 21st Century, conversely, was marked by a dramatic economic downturn with the fall of the technology-inflated stock market in April 2000. Organizations were charged to downsize their employee populations to match the shrinking market demands. Leaner organizations are now looking for ways to maximize the capabilities and potential of each employee. Without the ability to hire new talent, organizations are seeking to develop the talented emerging leaders within their Generation X and
Generation Y employee populations into their future leaders (Catalyst, 2001; Deal, et al., 2001). One critical item to note, however, is the changing psychological contract. Business leaders are seeking to increase the probability that the individuals who are identified and trained to be the emerging leaders will actually be the future leaders of the organization.

The Psychological Contract

Current reports indicate that the relationship between employer and employee has gone through a metamorphosis during the past two to three decades (Deal, et al., 2001; De Meuse & Tornow, 1990; Families and Work Institute, 2004; Lohr, 2005; Robinson, Kraatz, & Rousseau, 1994; Rousseau, 1995; Smola & Sutton, 2002; Sullivan, 1999). Known as the psychological contract, this relationship is defined as “the belief systems of individual workers and employers regarding their mutual obligations” (Rousseau & Schalk, 2000, p. 1). The motivation to comply on the part of both employers and employees is based on the perception of shared beliefs and mutual trust. As such, “contract violation erodes trust” and often results in feelings of betrayal and resentment (De Meuse & Tornow, 1990; Rousseau, 1995, p. 140).

The contract of the 1960s and prior was influenced by the historically stable and relatively predictable business environment. Employees and employers regarded their relationship as long-term and as one that was grounded in loyalty, commitment, and accountability. Both parties were afforded an opportunity to make 5 and 10-year plans based on the assumption that the relationship would remain intact. In short, employee loyalty was exchanged for job security (De Meuse & Tornow, 1990; Sullivan, 1999; Tornow, 1988).

The new business environment, however, is no longer stable. In fact, it is changing more rapidly than corporations, according to Foster and Kaplan (2001), who underscored the quickened pace of change of what they argue is now the “age of discontinuity.” To that end, organizations have also become less predictable and stable. Organizations cannot guarantee job security due to the reorganizations, downsizing, mergers, and acquisitions that are often required to remain competitive in this dynamic environment. Employees entering the current workforce, in turn, do not necessarily expect to spend the duration of their careers at one company. They share an understanding that job security is often replaced by the notion of “employment at will,” in which job availability is contingent on current market needs (Families and Work Institute, 2004, p. 10; Lohr, 2005; Martin, Staines, & Pate, 1998; Pink, 2001; Sullivan, 1999; Tornow, 1988).

This change in the psychological contract affects the entire working population, regardless of generation (Deal, et al., 2001; De Meuse & Tornow, 1990; Smola & Sutton, 2002; Tulgan, 2004). Due to the time period that individuals entered the workforce, however, several reports attribute the old long-term commitment psychological contract to the older generations (Silent and Baby Boomer) and the newer “free-agent” mindset to Generation X and Generation Y (Deal, et al., 2001; Eisner, 2005; Howe & Strauss, 1992; Lohr, 2005; Tulgan, 2004). Generation X and Yers tend to focus on career security rather than job
security in the unpredictable open market conditions that they have only known (Lancaster & Stillman, 2002; Tulgan, 2000).

The loyalty that was inherent to the contract of the 1960s and prior is significantly diminished in the revised psychological contract. Employers view employees as “free agents responsible for their own employability” (Families and Work Institute, 2004, p. 10). Employees now assume an active role in monitoring their own learning, skill, and career development. As noted by Daniel Pink in his book Free Agent Nation, “the free agent gives talent in exchange for opportunity” (p. 100). In an effort to build a resume that will make them widely hirable and sought-after, younger generation members are likely to change jobs more frequently than previous generations. They recognize that each job adds to their personal repertoire of experiences, skills, and knowledge. A move may be internal or external as long as it augments an individual’s growing portfolio of experience (Cates & Rahimi, 2001; Tapscott, 1997; Zemke, et al., 1999). Employees today generally feel little or no obligation to exhibit loyalty to an organization when faced with a more attractive offer or if the growth opportunities at the company do not meet their needs (Eisner, 2005; Martin & Tulgan, 2002; Pink, 2001; Tornow, 1988; Tulgan, 2004). This proclivity toward high levels of mobility, however, does not indicate that employees are less motivated, hard working, and committed during their tenure with their current employers. According to researchers Todd Pittinsky and Margaret Shih (2006), organizational commitment can and often does coexist with high mobility. This assertion is further supported by the results of a Catalyst (2001) study that underscores the high level of organizational commitment among employees today. According to the study findings, 85 percent of employees care about the fate of their organizations, and 83 percent are willing to exert effort beyond what is expected to help their organizations be successful.

Generation Xers and Yers often assess whether their career goals are aligned with their current job situation and are ready to make a move (upward or lateral) if they are not. To that end, training and development are vitally important to Generation Xers and Yers (Deal, et al., 2001; Eisner, 2005; Woodward, 1999). In an effort to make themselves more valuable internally and in the open job market, Generation Xers and Yers seek to develop new skills, tools, and a more well-rounded knowledge base (Conger, 1998; Deal, et al., 2001). This demand for development is documented by Martin, et al.’s (1998) longitudinal study that linked the new psychological contract to job security and career development. The authors found that employees’ perception of the value of training was indirectly related to job security. In other words, employees desired more training if they felt that they might lose their jobs. However, the study shows that the motivation toward training was not the same for blue-collar and white-collar employees. Blue-collar employees were drawn to training to increase their value to the company and, hence, to avoid being terminated. Their training was perceived to be job-specific and, as such, less useful to other companies. White-collar employees, in contrast, viewed training as an opportunity to increase their own general employability inside and outside the company. The authors concluded that employees and employers do not necessarily have compatible views of what constitutes useful training. Moreover, when the training that employees receive does not match what they perceive was promised
by the organization, the psychological contract is damaged and employee loyalty to the organization decreases.

Lifetime learning is truly the mantra of members of both Generation X and Generation Y. Howe and Strauss (2000) noted that college freshmen enrollment will see an annual increase of approximately 300,000 individuals over the next ten years. Although the demand for training and development by Generation X and Generation Y individuals is largely undisputed (Deal, et al., 2001; Eisner, 2005; Woodward, 1999), there is a lack of reliable research indicating the type of training and development or the best method of delivery of training (Wagschal, 1995). Research simply suggests that Generation X and Y employees prefer flexible, self-directed, high-quality training. Organizations that meet this demand for training tap into the leadership potential of their younger employees while encouraging them to utilize their leadership talent and acquired skills at their current organization (Deal, et al., 2001).

**Perceptions Toward Leadership**

The more horizontal structure of effective organizations in the knowledge economy plays a significant role in generational diversity issues identified by the Center of Creative Leadership's 2002 study of emerging Generation X employees, namely the different generations' respective perceptions of formal authority in the workplace and they way individuals in each group approach their roles as leaders and managers (Baldwin & Trovis, 2002). The Silent Generation is referred to as the last of the "command" generations due to a majority of its members having been raised by parents who served in the military and who taught them to respect formal authority and the hierarchical structure of the military (Conger, 1998; Howe & Strauss, 1992). "The very term ‘career’ was synonymous with salary and rank," Bennis and Thomas (2002) affirmed based on their interviews with Silent Generation individuals. Members of this generation were expected to respect their elders, work efficiently and diligently, follow procedure, and complete assignments in a timely fashion. These employees rarely received feedback from their managers, and protocol prohibited them from offering it to anyone more senior then themselves (Bennis & Thomas, 2002; Conger, 1998).

The Baby Boomers were the first to directly challenge formal authority after they witnessed the vulnerability and sometimes flawed judgment of authority figures in the Vietnam War, the environmental disaster of Three Mile Island, Watergate, and the assassinations of President Kennedy, Robert Kennedy, and Martin Luther King Jr. (Conger, 1998; Raelin, 1987; Smola & Sutton, 2002). The generally shared attitude among Baby Boomers was that they had to think for themselves and change the way things were done if they believed such things could be done better. As a result, members of this cohort often challenged authority when they disagreed with its principles, ended relationships to seek those that were more fulfilling, and pushed through social-role boundaries (e.g. gender, race) to reach new levels of career success (Conger, 1998; Howe & Strauss, 1992; Raelin, 1987).

Two factors that influence Generation Xers' view of authority are their attitude toward work-life balance and their general skepticism toward authority that is based on position only (Baldwin & Trovis, 2002;
During the Generation X birth years, the divorce rate in the United States tripled, the number of single-parent households increased as did the number of dual-earner families where both parents work (Conger, 1998; Howe & Strauss, 1992). Generation Xers' childhoods were, on the whole, the most attention-deprived of the four generations. Reports indicate that Generation Xers are building more traditional family lives out of a collective desire to not replicate their own childhood experiences (Deal, et al., 2001; Conger, 1998; Smola & Sutton, 2002; Strauss & Howe, 1991).

Generation Xers tend to want their hard work to be completed within a reasonable workweek. They witnessed and felt, first-hand, the backlash of the sacrifices demanded by their parents; workaholism. Rather than "live to work" like many of their Baby Boomer parents, Generation Xers are more inclined to "work to live" (Conger, 1998, p. 26). The shared mentality is that life should be enjoyed in the present, not only in the future after retirement. Work-life balance and personal freedom top their values followed by a desire for meaningful work (Bennis & Thomas, 2002; Catalyst, 2001; Deal, et al., 2001; Conger, 1998; Strauss & Howe, 1991).

Generation Xers learned to take care of themselves and proactively go after what they wanted because no one else would do it for them. This self-reliance was underscored when Generation Xers entered the workforce. The outcome is a proclivity toward finding original solutions to problems, approaching the path toward reaching the end goal in their own way, and a strong desire for autonomy in their work (Lancaster & Stillman, 2002; Tulgan, 2000; Zemke, et al., 1999). Generation Xers do not accord authority to their leaders simply due to their position or rank. Their skepticism toward formal authority requires a supervisor to prove that he or she possesses the competence to do his or her job to receive full authorization from below. This skepticism may also stem from being raised alongside the rise of consumer marketing, which led to a need to sift truth from marketing "hype" (Deal, et al., 2001).

Generation Xers are resolved to make a unique mark in their work endeavors, and moreover, they want to be recognized for their individual value. Teamwork is generally characterized by a group of sole proprietors who aggregate their personal contributions to form a sum that is greater than its individual parts. To that end, they are less willing to view their identity as being intertwined with any organization (Lancaster & Stillman, 2002; Tulgan, 2000; Zemke, et al., 1999).

Generation Y has often been called the "self-esteem generation" because, unlike Generation X, this cohort benefited from the return of the national concern for children in the late 1980s and 1990s. Strauss and Howe (1991) highlighted this renewed attention: "Not since the early 1900’s have older generations moved so quickly to assert greater adult dominion over the world of childhood- and to implant civic virtue in a new crop of youngsters" (p.335). Child psychology now permeates counseling, education, and parenting schools of thought. As such, there are increasingly more highly involved parents who schedule skill, knowledge, and esteem-building activities into their children’s days. A 1999 study conducted by the University of Michigan's Institute for Social Research revealed that parents program 75 percent of their children's weekday time, which is a 15 percent increase since 1981. Over the same two-decade time
period, preteen unsupervised free time shrank by 37 percent (Cates & Rahimi, 2001). Generation Y is responding to this extra parental attention in a positive way. According to Howe and Strauss (2000), ninety percent of Generation Yers say that they are “happy, confident and positive” and that they “trust and feel close to their parents” (p. 7-8).

Although the oldest Generation Y members are still in their early to mid 20s, several reports hypothesize their workplace attitudes and behaviors based on the conditions of their upbringing (Cates & Rahimi, 2001; Eisner, 2005; Howe & Strauss, 2000). Generation Y inherited the self-reliance of Generation X, which stems from a similar “latchkey” childhood. However, Generation Y was also reared on the optimistic, self-esteem discourse of the 1980s and 1990s. Where Generation X’s independence became a survival mechanism in a world where many members felt that they had to fend for themselves, Generation Y’s independence is grounded in self-promotion. The sense of autonomy shared by Generation Y members reflects their confidence in their own ability to find answers, solve problems, and achieve goals. It is important to note, however, that they prefer to have guidance from seasoned mentors. They seek specific advice about their career and learning paths from experienced individuals who can offer valuable hindsight. Generation Yers desire frequent, direct feedback about their progress and their growth potential (Eisner, 2005; Howe & Strauss, 2000). In general, they want to know that they are adding value, and, in turn, being rewarded for their contribution. They respond well to managers who assign them to a challenge by outlining the desired results, matching them to a capable team, and allowing them the freedom to tackle the objective. Talented, competent managers who offer experienced insight and demonstrate confidence in their Generation Y employees motivate them to meet and surpass work goals (Cates & Rahimi, 2001; Howe & Strauss, 2000).

**Implications for Research and Practice**

Generational value differences have significant implications with respect to organizations and the general workforce. As leaders seek to meet the needs of their employees, their effort may lead to a transformation of their organization’s value system and ultimately the organizational culture, policies, systems, and structure (Smola & Sutton, 2002). Moreover, due to the imminent leadership gap facing organizations, a major challenge for leaders is to retain valuable senior talent while recruiting (and retaining) the top young talent (Baldwin & Trovis, 2002; Deal, et al., 2001; Crainer & Dearlove, 1999). Understanding generational value and need differences is one way in which leaders can address this challenge. With this knowledge, leaders will be better equipped to design reward systems and cultivate cultures that strongly link the efforts of their cross-generational employees to the rewards our outcomes that they value most. In addition to increased motivation across all employees, this effort is also likely to lead to increased employee productivity, innovation and corporate citizenship (Kupperschmidt, 2000).

The empirical and qualitative research on generations is not abundant, and most of the rigorous work has been conducted by historians and sociologists rather than organizational psychologists. As such, there is a strong need for further study about the differences in rewards, developmental and training
needs, leadership styles, and motivation with respect to generations. As suggested by Smola and Sutton (2002), longitudinal studies that monitor the values of generational members over time would shed light on the way in which values are changing. This type of research would illuminate the way in which maturity and life-stage development factors into generational research. Finally, as previously noted, all generations seem to have an increasing desire for work-life balance but not necessarily for the same reasons. As such, the needs of each generation as it works to maintain this balance may differ. There is an opportunity for future research to examine the way in which organizations can support the work and personal life needs of each generation and the effect that this effort may have on organizational outcomes.

**Recommended Management Strategies**

Based on generational research (Conger, 1998; Catalyst, 2001; Deal, et al., 2001; Families and Work Institute, 2004; Eisner, 2005; Lancaster & Stillman, 2002; Martin & Tulgan, 2002; Tulgan, 2000, 2001; Zemke, et al., 1999; Howe & Strauss, 2000), the following recommended guidelines will better equip organizations to develop high-potential Generation X and Generation Y employees into their future leaders and to strategically manage the friction points between generations.

**Connect employee contributions to the organizational vision and overall bottom-line.** It is important for employees to see that their unique contribution is valued and important. Free-agent minded Generation Xers and Yers, in particular, are constantly evaluating whether or not their work is enhancing progress and if their work is aligned with their own career goals. If they do not see a direct connection, they are prepared to make a move where their individual contribution is valued.

Baby Boomers and especially Silent Generation members exhibit more of a tendency to follow the vision established by their leaders. As such, their shared expectation is to participate in the vision mapping only when they have earned a position at the helm. Although a clear understanding of the mission and goals is valued, Silent Generation members and Baby Boomers generally trusted that their jobs had a purpose in the overall mission but did not necessarily need to know exactly what it was. Generation X and Yers, however, call for organizations to clearly outline the future direction, the strategy to accomplish it, and the role they are expected to play.

**Create an environment that fosters direct, sincere communication.** Silent Generation members are conditioned to give and receive rather formal, task-centered communication. Moreover, when they entered the workforce, offering feedback to a person in a more senior position was viewed as being disrespectful. Yearning for feedback from their task-minded Silent Generation bosses, Baby Boomers created a forum for it as soon as they had the power to do so (e.g. annual performance reviews). Baby Boomer communication, however, is often criticized for being political and
circumspect in nature (e.g. politically correct language). Generation X and Y are natural sifters of information and are quite capable of recognizing hype or political jargon. As a result, the younger generations demand communication that is honest and direct - a channel where they can give and receive specific, relevant feedback that will improve progress. A two-way communication channel between supervisor and supervisee, where both parties feel safe giving and receiving honest and direct feedback, is critical.

**Identify leadership potential and cultivate it through customized training, networking, and mentorship.** As previously noted, the workforce will soon experience a leadership gap- a mass departure of tenured Silent Generation and Baby Boomer experience that will be replaced by a much smaller Generation X population. Although Generation Y rivals the Baby Boomers in size, its members will not reach prime management positions for at least a decade. Consequently, leaders should be cultivating a leadership pipeline by developing talented young employees into future leaders via training, networking, and career path mentorship. The type of growth opportunities and responsibility that Generation X and Y employees are seeking may not be offered by the traditional hierarchical promotion system. Organizations that offer multiple-track options, where every path includes an opportunity for increased responsibility, experience, and knowledge acquisition are likely to attract, retain, and develop top talent. With this structure, employees can negotiate custom work arrangements rather than having to wait for coveted positions to be vacated by more senior employees.

**Monitor results instead of process.** Leaders/ supervisors should develop SMART (specific, measurable, attainable, results oriented, and time bound) goals with their employees that are aligned with the organization’s mission. Silent Generation members, who were influenced by the military style of operation, are prone to be task-focused. Baby Boomers, however, are conditioned to working amidst political bureaucracy and tend to focus, not only on the goal, but also on the process by which it is accomplished. Xers are primarily interested in completing the task as rapidly as possible. As a result, they are apt to show frustration with Baby Boomer bosses who spend time explaining the process rather than the goal/mission itself. Xers would prefer to know the goal/mission and have the freedom to determine how to best achieve it. Generation Yers, however, crave more direction and coaching by their supervisors. Often micromanaged as children, they are accustomed to having guidelines and parameters in place before beginning a task. In other words, Generation Yers, like Generation Xers, will respond well to managers that encourage them to focus on the mission, but they will require more explicit expectations, deadlines, and guidelines. This dialogue should be ongoing and open to negotiation.
**Offer ongoing, as-needed training.** Employees from every generation view skill and knowledge development as a way to be relevant, valuable, and hirable. As a result, there is a collective understanding that learning must be ongoing. However, every generation is conditioned to a different learning environment. Silent Generation members and Baby Boomers are used to learning in formal, lecture-based classroom settings with relatively little student participation. Generation X and Y, however, prefer brief, customized interactive learning sessions often via technology mediums (e.g. online learning) that enable on demand access. By offering customized training paths to employees, organizations will not only enhance the development of top-talent but are also likely to improve retention.

**Create a flexible environment.** Employees today expect their employers to help them manage their work and personal commitments via policies and programs. Both men and women desire flexibility in terms of how, when, and where work is completed. Flexibility and organizational support for managing the work and personal life interface is likely to be an important selection criterion for employees. It is also likely to play a role in employees’ levels of satisfaction and job involvement.

**References**


