

The Great Generational Shift

UPDATE 2019

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For decades, demographers and workforce planners have been anticipating a transformation in the workforce, a trend that we at RainmakerThinking call The Great Generational Shift. For more than 20 years, we have been tracking this process as it reshapes what it means to have a job and go to work. Our 2019 white paper presents our latest data on this powerful demographic transition, which is not only a shift in the generational makeup of the workforce, but an epochal turning point in attitudes and practices. This is the final stage of a historic period of profound global change, and there is a corresponding transformation in the very fundamentals of the employer-employee relationship. The Great Generational Shift presents a whole new set of challenges for employers, employees, and managers at all levels.

What follows:

- ◆ **THE NUMBERS PROBLEM**
Breakdown of Workforce 2019 and Projections for 2020
- ◆ **THIS GENERATION GAP IS DIFFERENT**
Examining the Macro Forces Catalyzing Change
- ◆ **IMPACTS ON EMPLOYMENT**
The Changing Dynamics of the Workplace
- ◆ **IMPACTS ON EMPLOYERS**
Human Capital Management in 2019
- ◆ **IMPACTS ON EMPLOYEES**
How the Millennial Mindset Affects Workers of All Ages
- ◆ **IMPACT OF GENERATION Z**
Why the Human Element Matters More than Ever
- ◆ **IMPACTS ON LEADERSHIP**
How Managers and Supervisors Must Adapt in 2019

THE NUMBERS PROBLEM

Breakdown of Workforce 2019 and Projections for 2020

Based on our model, there are six different generations still working side by side in 2019, but just barely:

	2019
Pre-Baby Boomers (pre-1946)	<0.5%
Baby Boomers, First Wave (1946-1954)	7%
Baby Boomers, Second Wave (1955-1964)	14%
Generation X (1965-1977)	27%
Millennials, First Wave (1978-1989)	27%
Millennials, Second Wave (1990-1996)**	17%
Generation Z (1997 -)**	>7%

** NOTE: The definition of emerging generations is always somewhat in flux. We have adjusted our research to reflect the birth-year definitions for Second Wave Millennials and Generation Z according to those used by the Pew Research Center.

In just the last year alone, millions of First Wave Boomers and pre-Boomers have left the North American workforce, while millions of Second Wave Millennials and post-Millennials, Generation Z, have joined:

	2018	2019
Pre-Baby Boomers (pre-1946)	<1%	<0.5%
Baby Boomers, First Wave (1946-1954)	8%	7%
Baby Boomers, Second Wave (1955-1964)	15%	14%
Generation X (1965-1977)	27%	27%
Millennials, First Wave (1978-1989)	27%	27%
Millennials, Second Wave (1990-1996)	16%	17%
Generation Z (1997 -)	6%	>7%

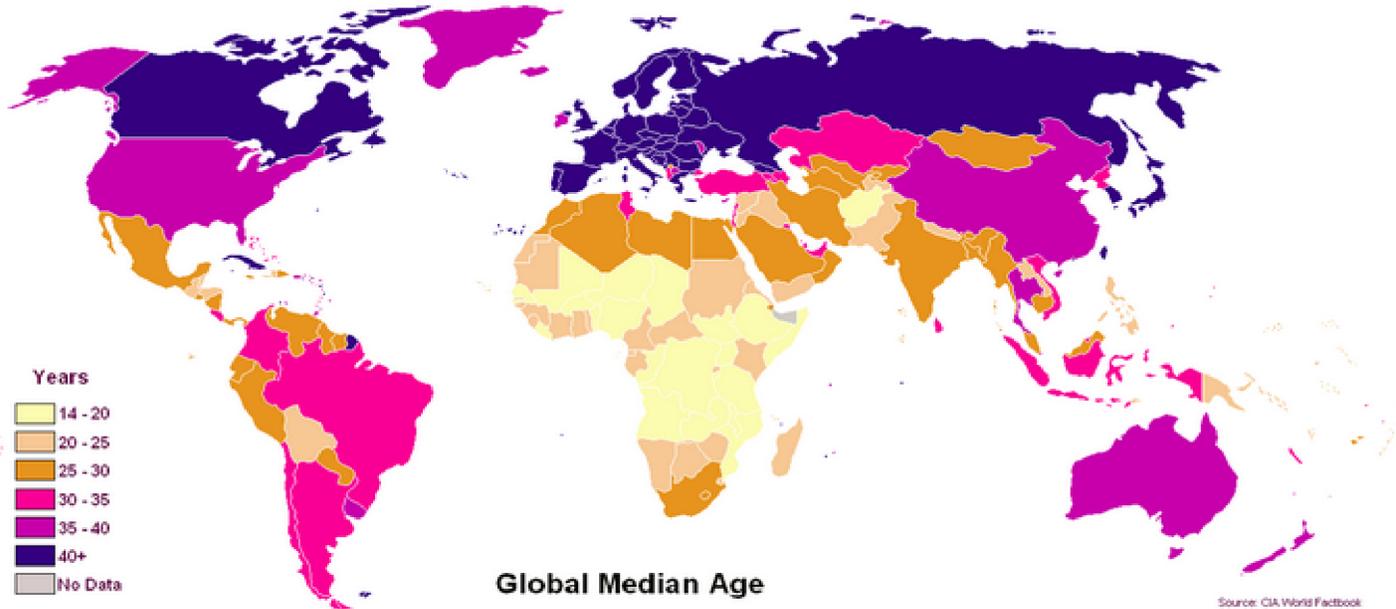
The long-dominant Boomers are on the wane, while the Second Wave Millennials and Generation Z are on the rise. The oldest of the First Wave Boomers are now in their 70s and every single day, in North America alone, another ten thousand First Wave Boomers turn 70. The trends (percentage-wise) are very similar throughout Europe and Japan. By 2020, First Wave Boomers will be well under 6% of the workforce and those who do remain in the workforce will continue trending heavily toward reinventing retirement and late-career-pre-retirement: working less than full-time, often partially telecommuting, and often working nonexclusively for more than one employer.

At the same time and for the foreseeable future, the Second Wave Millennials and Generation Z will be the fastest growing segments of the workforce. By 2020, those born 1990 and later will be greater than 28% of the workforce altogether.

	2019	2020
Pre-Baby Boomers (pre-1946)	<0.5%	<0.5%
Baby Boomers, First Wave (1946-1954)	7%	<6%
Baby Boomers, Second Wave (1955-1964)	14%	13%
Generation X (1965-1977)	27%	26%
Millennials, First Wave (1978-1989)	27%	27%
Millennials, Second Wave (1990-1996)	17%	18%
Generation Z (1997 -)	>7%	>10%

While the shift in numbers is swift and steady even in “older” North America, Europe, and Japan, the youth bubble is larger in Africa, Latin America, and much of Asia. By 2020, in these “younger” parts of the world, those born 1990 and later will be more than 60% of the workforce.

The youth bubble is much bigger in Africa, most of Asia and Latin America



THIS GENERATION GAP IS DIFFERENT

Examining the Macro Forces Catalyzing Change

Why is this generation gap different from most?

Throughout history, in most societies, every new generation has come along with new attitudes and expectations that differ – at least in part – from those of previous generations. That’s why every new generation prompts a generation gap.

The current generation gap, however, is about much more than a clash of styles and preferences; much more than the creative energy of youth challenging the cautious wisdom of experience; more than simply the new butting up against the old. The generational shift unfolding today is of historic significance, defined by the confluence of macro forces driving change at an extraordinary magnitude and pace. The Second Wave Millennials and Gen Zers coming of age today have been shaped by those same forces of change. As such, the current generation gap is not only an important diversity issue, but also coincides with a qualitative transformation in the norms of life and work and society at every level. Everything is changing so much, and so fast, that the youngest, least experienced people bring to the table a unique wisdom that comes from being in sync with the immediate and intermediate future. That’s why generational differences evident in today’s youth can serve as a powerful lens through which to understand the trajectory of today’s changing world.

Our efforts remain focused on understanding today’s changing workforce, changing workplace, changing nature of employment, and the changing nature of work itself. To that end, we continue tracking the same six profound historical forces of change we’ve watched unfold in plain sight now for more than two decades.

These six macro forces continue to accelerate and define the transformations evident in every aspect of life and work:

Globalization

We are all now capable of connecting and traveling to work across borders in every direction and combination. Unlike any other time in history, we can all look forward to a lifetime of interdependency and competition with a rising global youth tide from every corner of this ever-flattening world.

Technology

The pace of technological advances today are unprecedented. Information, computing, communication, transportation, commerce, entertainment, food, medicine, war – in every aspect of life, anything can become obsolete at any time. Possibilities appear and disappear swiftly, radically, and often without warning.

Institutional insecurity

Ours is a world threatened by conflict and environmental cataclysm, one in which the economy fluctuates wildly from boom to bust; governments sometimes shut down or run out of money; and great companies conquer or fail or merge or continually downsize, restructure, and reengineer. Institutions in every domain have been forced into a constant state of flux just in order to survive and succeed in this constantly changing world. We all know that we cannot anymore rely on institutions to be the anchors of our success and security.

The information environment

We are all now forced to think, learn, and communicate in a never-ending ocean of information. Ours is an information environment defined by wireless internet ubiquity, wholesale technology integration, and immediacy. We have seemingly infinite access to information and ideas and perspectives – unlimited words, images, and sounds.

Human diversity

In every dimension, the world is becoming more diverse and more integrated. Each generation is more diverse than the last. That's true in terms of geographical point of origin, ethnic heritage, ability/disability, age, language, lifestyle preference, sexual orientation, color, size, and every other way of categorizing people. Every single individual, with his or her own combination of background, traits, and characteristics, is his or her own unique diversity story.

Online identity

Through social media-based chatting and sharing and gaming we can now be plugged in to an endless stream of content and in continuous dialogue – forever mixing and matching and manipulating from an infinite array of sources to create and then project back out into the world our own ever-changing personal montage of information, knowledge, meaning, and selfhood.

"The current generation gap is not only an important diversity issue, but also coincides with a qualitative transformation in the norms of life and work and society at every level."

	Workforce of the Past	Workforce of the Future (and the Future is Now)
Globalization	Means threat	Means opportunity
Technology	Eliminates jobs	Creates jobs
Institutions	Anchors of security	Hubs of resources
Information	To be gathered and analyzed	To be filtered, vetted, harnessed and leveraged
Change	Reluctant, cautious	Expected, embraced
Relationships	Hierarchical	Situational

IMPACTS ON EMPLOYMENT

The Changing Dynamics of the Workplace

Employers in 2019 are scrambling to adjust to a new normal of change and uncertainty driven not only by the forces of change outlined previously, but also by an environment of regular, yet unpredictable and often wild market fluctuations. Indeed, that scramble has been picking up steam every year since 1993, when we began tracking the current generational shift.

The changes we've been tracking are coming to fruition, maturing everywhere we look. The worldwide business environment of perpetually high risk, constrained resources, and fierce competition puts constant pressure on employers to remain lean, flexible and high-performing. Despite these pressures constraining employer resources, employers are struggling to attract, motivate and retain the best young talent – particularly in the STEM fields – as they watch their oldest, most-experienced employees ride off into the sunset. This leaves business leaders asking how they can possibly square their business needs with the widespread workforce expectations and demands for greater flexibility in work conditions and career paths.

The workplace of the past was based on one-size-fits-all, long-term, hierarchical employment relationships in which employees worked exclusively for one employer in exchange for job security and long-term vesting rewards, such as pensions. Nowadays, the workplace revolves around short-term, transactional employment relationships, and there is no going back. Because organizations will need to continually increase productivity, quality, and cost-effectiveness, employment relationships will become increasingly short-term, transactional, and highly variable. The traditional employer-employee relationship will finally fade away.

What does the workplace of the future look like?

“Nowadays, the workplace revolves around short-term, transactional employment relationships, and there is no going back.”

The workplace of the future is lean, high-performing and incredibly flexible. Any work that can be streamlined is streamlined through highly-efficient labor production: part-timers, short-termers, consultants, and vendors. These positions can be staffed-up quickly and staffed-down just as quickly. There are fewer long-term, traditional employee roles. There are many more people who flow in and out of the organization in highly variable roles and arrangements.

It is true that some people do come to work whenever they feel like it, and bring their dogs. But those people are given that flexibility in exchange for doing great work – delivering on-time, high-quality results with few errors (or whatever the particular performance benchmarks may be). Flexibility and accountability go hand-in-hand where those superstars are making their valuable contributions every day. And when they fail to deliver, they don't get rewarded in return. They don't get to keep coming to work whenever they feel like it, and they leave their dogs home, until their next big demonstrable success.

The most effective employers build and maintain small, powerful core groups of key talent and also manage fluid talent pools – in order to maintain long-term flexible employment relationships. Flexible work-conditions, learning and knowledge-management, pay-for-performance, and coaching-style leadership are the keys to being an “employer of choice” for in-demand talent. The ability to get people on-board, up-to-speed, and delivering results quickly is the key to most staffing challenges. Strict accountability is directly tied to providing rewards for employees: opportunities to earn more money and flexibility go to employees who are willing and able to bend over backward and jump through hoops for employers.

Baby Boomers exiting the workforce

They take with them a great deal of skill, knowledge, wisdom, institutional memory, relationships, and the last vestiges of the old-fashioned work ethic. Organizations with significant “age bubbles” must dedicate substantial resources to support knowledge-transfer and wisdom-transfer, as well as flexible retention, succession planning, and leadership development.

Rising global youth tide

Organizations that rely disproportionately upon young workers will be facing the challenges of an increasingly high-maintenance workforce in which employees will not hesitate to make suggestions, special requests, and demands – in particular related to rewards and flexible work conditions. This will require dedicating substantial resources to staffing strategy, attraction, selection, on-boarding, training, performance management, accountability, differential rewards, and retention.

Perpetual staffing shortages

The pressure to get more and more work out of fewer and fewer people means staying lean staffed, always. At the same time, the rising demand for high-skilled labor – especially in the science and technology fields – promises ongoing staffing shortages and technical skill gaps. Employers in every industry will be struggling to attract, motivate, and retain the best talent.

The Development Investment Paradox

Employers must invest in developing their new young employees, but the more an employer invests, the more negotiating power the new young employee has in a short-term transactional labor market. With the employer's development investment in hand, the new young employee becomes more valuable and can leverage the employer's development investment by selling it to another employer or by negotiating for increased rewards.

Young employees have more negotiating power

What appears as being high-maintenance is actually this new power to ask for more. Opportunities to earn more money and flexibility will go to the employees who most consistently deliver the most value. Employers will be forced to pay high premiums with lush benefits, lavish work conditions, and lots of flexibility for in-demand talent, creating what we call "dream jobs for superstars."

IMPACTS ON EMPLOYERS

Human Capital Management in 2019

As employers are constantly trying to become more lean and flexible, downsizing, restructuring, and reengineering are now constants of the workplace – taken for granted as "continuous improvement."

Employers are more likely to undertake major organizational changes that eliminate jobs regardless of employees' length of service. Such changes include mergers, acquisitions, spin-offs, restructurings, and liquidations. Employers are also more likely to implement new technologies that eliminate jobs due to reengineering. Meanwhile, there is a strong trend among employers of hiring fewer full-time, exclusive workers, while hiring more contingent workers with flexible arrangements; and most employers' staffing strategies for the future continue to move in this direction. As a result, the number of traditional employees is diminishing as a percentage of the overall workforce, while the percentage of contingent workers is increasing.

There has been a fundamental change in employment practices, away from long-term stable employment relationships and toward a more efficient supply-chain management approach known as "human capital

“By 2020, those born 1990 and later will be greater than 28% of the workforce, including Gen Z.”

management.” The goal is to optimize human resources: having the right person filling the right position at the right time, employing that person exactly as long as you need them and no longer, and paying them the market value of their contributions and no more. Because of these new realities, employers are now less likely to make formal or informal guarantees about continued employment and job security.

In most workplaces, traditional organization charts have become flatter; layers of management have been removed; reporting relationships are more temporary; more employees are being managed by short-term project leaders instead of organization chart managers. Employers are less likely to award status, prestige, authority, flexibility, and rewards on the basis of seniority, and are more likely to award these things on the basis of short-term measurable goals. Employers are also reducing long-term, fixed pay as a percentage of overall employee compensation, while increasing the percentage of variable, performance-based pay, and employers’ compensation strategies for the future reflect this change. Part of this new compensation strategy includes a reduction in the percentage of employee benefits (which are paid for by the company for full-time, exclusive workers) in relation to overall compensation. Further, employers are increasing the percentage of employee services (which are paid for by the worker on a pre-tax basis), such as health insurance and retirement savings.

The question leaders and managers should be asking is this: “What kind of workplace do we need to create to bring out the very best work in the very best people on a consistent and sustainable basis?”

Here’s the answer: the successful organization of the near future will have one or more core groups of critical talent, but it will also rely on a fluid, flexible talent pool. The organization of the near future will have a wide repertoire of ways to employ people and leverage talent – full-time, part-time, flex-time, on-site, off-site, telecommuting; as consultants, temps, partners, vendors, franchisors, franchisees; upside down and inside out. Successful organizations will be able to get people on-board and up-to-speed and into meaningful roles very quickly, not to mention ongoing training and development to stay one step ahead of the constantly changing needs for new skills and knowledge. Successful organizations will continue to cut waste, improve efficiency, implement new technologies in order to streamline operations and eliminate labor, drive employee productivity, and try to get more and more work out of fewer and fewer people.

Meanwhile, they will be required to pay high-premiums with lush benefits and lavish work conditions for in-demand talent – whatever the length of their tenure. Organizations must at least provide some of these “dream job factors” for any employee they want to retain for any significant period of time. The successful organization will have as many different career paths as they have people.

THE NEW STAFFING STRATEGY

- Build and maintain a powerful core group
- Build a large fluid talent pool
- Figure out more ways to get the work done
- Treat staffing like supply chain management
- Commit to constant high-potential identification, leadership development, and succession planning
- Reinvent retention: "We'll call you the next time we need you."

THE NEW LEARNING ORGANIZATION

- Get people on-board and up-to-speed quickly
- Keep people learning and growing and trying to get better
- Figure out how many ways you can make the knowledge available
- Turn training into heavily supported employee self-building
- Commit to constant needs-assessment, individual learning plans, and teaching/coaching/mentoring
- Reinvent knowledge-work: "Everything is knowledge work if you are actively trying to get better at what you are doing."

THE NEW PAY FOR PERFORMANCE

- Create a real link between pay and performance
- Get people excited about earning more of what they need and want
- Figure out how many ways you can reward people for performance and leverage more resources to use as rewards
- Transform pay-for-performance into a new kind of "piecework" – reducing long-term fixed rewards and increasing short-term contingent rewards
- Commit to constant goal and incentive-setting, scorekeeping, and cashing-out in micro-rewards
- Reinvent compensation: "If you want to earn more today, this week, this month, then here's what we need you to do today, this week, this month."

THE NEW RETENTION STRATEGY

- Create long-term employees at every level
- Create dream jobs for superstars
- Leverage at least some dream job factors for anybody you hope to employ for any period of time
- Transform long-term employment into an on-and-off and non-exclusive arrangement with regular career planning tied into your staffing strategy
- Reinvent the "organization man": "Nobody quits a dream job."

IMPACTS ON EMPLOYEES

How the Millennial Mindset Affects Workers of All Ages

Millennials don't look at a large, established organization and think, "I wonder where I'll fit in your complex picture." Rather, they look at an employer and think, "I wonder where you will fit in my life story." Every step of the way, Millennials want to find a work situation they can fit into the kind of life they are building for themselves. Because they grew up highly supervised, coached, and rewarded, Millennials will never be content to labor quietly and obediently in a sink-or-swim environment. They are less likely to trust the "system" or the organization to take care of them over time and thus less likely to make immediate sacrifices in exchange for promises of long-term rewards. In fact, the Millennials' career path will be a long series of short-term and transactional employment relationships: "What do you want from me? What do you have to offer in return now and for the foreseeable future? I'll stay here as long as it's working out for both of us."

They have very high expectations, first for themselves, but also for their employers. And they have the highest expectations for their immediate bosses. And yet they are more likely to disagree openly with employers' missions, policies, and decisions and challenge employment conditions and established reward systems. They are less obedient to employers' rules and supervisors' instructions. They are less likely to heed organizational chart authority. After all, they had incredibly close relationships with their previous authoritative role models, who treated them as equals. Instead, Millennials respect transactional authority: control of resources, control of rewards, and control of work conditions.

Because they look to their immediate supervisors to meet their basic needs and expectations, they freely make demands of them.

Precisely because Millennials seem to both disregard authority figures and at the same time demand a great deal of them, leaders and managers often find Millennials maddening and difficult to manage. Meanwhile, the truth is, of course, more complicated.

Millennials are NOT a bunch of disloyal, delicate, lazy, greedy, disrespectful, inappropriate slackers with short attention spans, who only want to learn from computers, only want to communicate with hand-held devices, and won't take no for an answer.

Our research demonstrates clearly that Millennials want leaders who take them seriously at work, not leaders who try to humor them; leaders who set them up for success in the real world, not leaders who pretend they are succeeding no matter what they do.

Yes, of course, Millennials want more money, more flexibility, more training, more interesting projects, and more exposure to decision-makers. Yes, they want more of everything! But they don't expect any of it automatically. What they really want to know, every step of the way, is: "Exactly what do I need to do to earn what matters most to me?"

Are we all Millennials now?

- Workers of all ages today rely every day on their immediate managers for help meeting their basic needs and expectations and dealing with a whole range of day-to-day issues that arise at work.
- Workers of all ages today are more likely to disagree – often privately and sometimes openly – with their employers' stated missions, policies, and decisions.
- Workers of all ages are more likely to question or challenge employers' rules, managers' instructions, employment conditions, and established rewards structures.

The free-agent mindset is now the prevailing workforce mindset.

Employees of all ages today are much less likely to believe employers' promises about long-term rewards. While many employees may doubt the sincerity of long-term promises, that is not the biggest problem. Many more employees worry that their prospects for receiving long-term rewards are vulnerable to a whole range of external and internal forces that might shorten the natural life of the organization employing them. Workers worry openly about events or circumstances that have little or nothing to do with business, such as politics, diplomacy, war, terrorism, and natural disasters. They worry about broad business-climate factors, including monetary policy, global market shifts, changes in particular industries, and organizational changes. As well, they are acutely aware that the organization employing them might simply lose out in the fiercely competitive marketplace. Workers also worry about the continued employment of their immediate supervisors and other leaders who know them best.

Without credible long-term promises from employers, employees of all generations no longer labor quietly and obediently. Rather, most employees work anxiously to take care of themselves and their families and try to get what they can from their employers – one day at a time. People of all ages and at all levels realize nowadays that they are "free agents" because they have no other choice.

Workers of all ages today know that job security is dead

Most workers today – regardless of generation – assume that most employment relationships will be relatively short-term and transactional. In relative terms, older workers tend to lose and younger workers tend to gain – at least in the short term – from the diminishing importance of seniority and longevity of employment.

Workers of all ages today are under more pressure than ever as work becomes more demanding for everyone

In every industry, in nearly every organization, individuals are working harder and facing increasing pressure to work longer, smarter, faster, and better. Meanwhile, workers must routinely learn and utilize new technologies, processes, practices, skills and knowledge, all the while adjusting to ongoing organizational changes which cause growing fear of imminent job loss. While younger workers may have certain advantages in this environment, they tend to suffer more than older workers when they receive less management guidance and support.

Workers of all ages today want, expect, and often request greater flexibility in work conditions

As the pressure increases, so does the need for some relief from the pressure. That's why "work-life balance" is such a powerful counter-trend. What work-life balance means most of the time is "more control over my own schedule." The rest of the time it means "flexible location" or "flexible dress" or "flexible something." Sometimes it means an employee can bring his dog to work. People of all ages want greater flexibility in their work conditions. The biggest difference with Millennials is that they are more comfortable making specific requests for immediate (rather than long-term) increases in pay, benefits, and work conditions and they are more likely to make those requests earlier in their tenure of employment than workers of previous generations would have.

	Workforce of the Past	Workforce of the Future (and the Future is Now)
Learning/Training Preferences	Directed and facilitated; defined curriculum; specific goal orientation	Self-directed, collaborative; ongoing, open-ended, and multiple-source
Communication Style	Formal, through proper channels	Constant, ongoing; high-tech and high-touch
Problem Solving	Relying on expertise and standard operating procedures	Forced to improvise due to so many "first ever" problems
Innovation	Research and development; trial and error	Iteration, testing, reiteration
Decision Making	Team informed	Team consulted, involved, and persuaded
Legitimate Authority	Position; rules; chain of command	Talent; respect; influence; quid pro quo

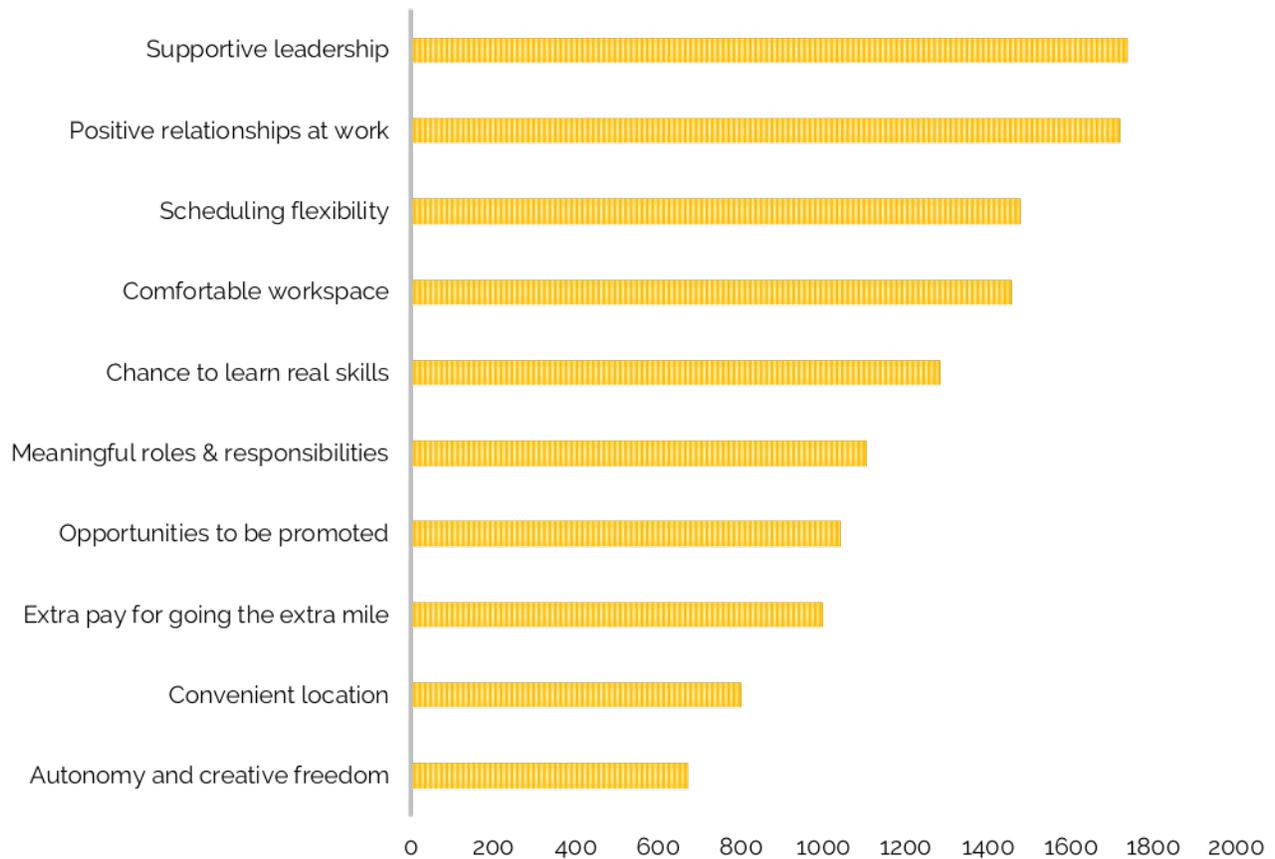
IMPACT OF GENERATION Z

Why the Human Element Matters More than Ever

Generation Z cares about the human element at work

In our survey of 4,093 Gen Z respondents, Supportive Leadership and Positive Relationships at Work ranked as their top two most important factors to consider in a job.

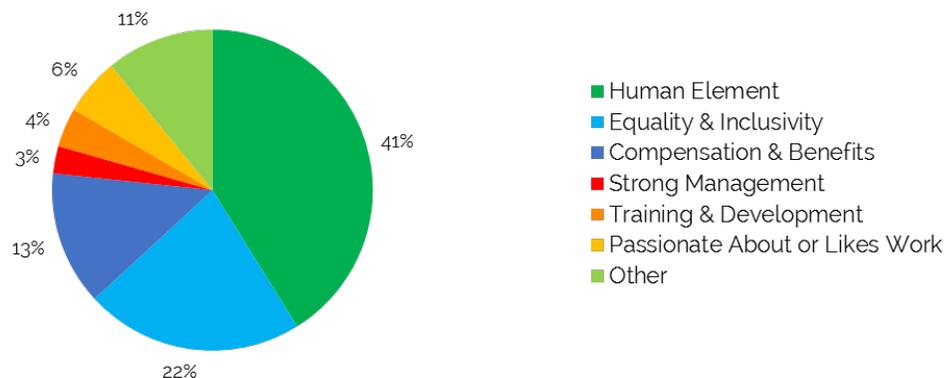
JOB FACTORS RANKED IN ORDER OF IMPORTANCE BASED ON "CHOOSE YOUR TOP THREE"



Of those who chose to provide further detail in the form of open-ended responses, a whopping 41% reiterated the value of the human element.

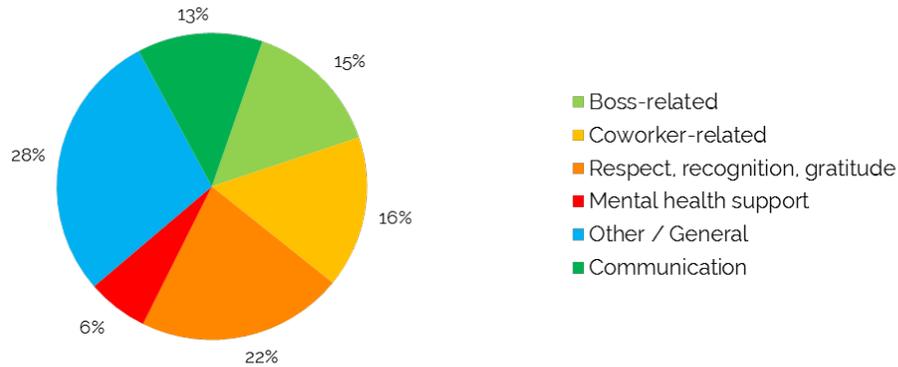
SIGNIFICANT OPEN-ENDED RESPONSES

TOTAL: 836



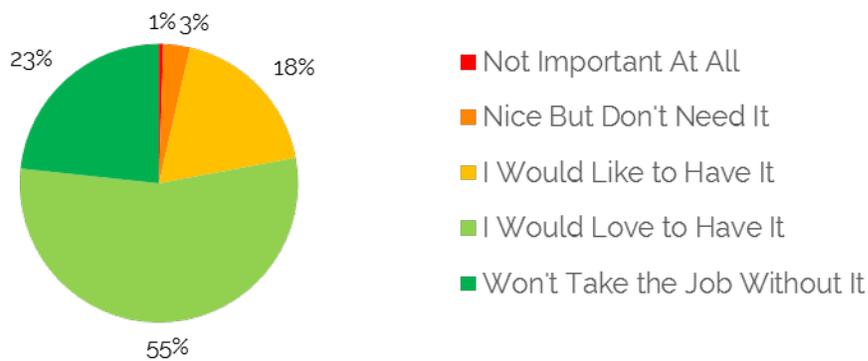
Mutual respect, gratitude, and recognition between coworkers and leadership was another recurring theme throughout the data.

BREAKDOWN OF HUMAN ELEMENT RESPONSES

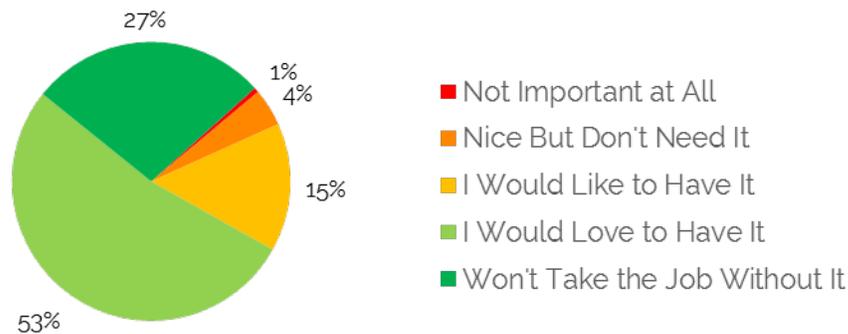


In addition to choosing their top three job factors, respondents rated Supportive Leadership and Positive Relationships at Work individually:

SUPPORTIVE LEADERSHIP



POSITIVE RELATIONSHIPS AT WORK



Don't make the mistake of thinking that Gen Zers only want to interact with screens, they can only be engaged by technology, or that you need to entirely rethink your management strategy in order to retain them. If anything, Gen Z demands that you commit even more to the fundamentals of highly-engaged management: meeting regularly 1-on-1, coaching performance every step of the way, and supporting career development within your organization.

IMPACTS ON LEADERSHIP

How Managers and Supervisors Must Adapt in 2019

Over the years, our Generational Shift study has repeatedly taken us back to the undermanagement epidemic. That's because undermanagement is almost always there, hiding in plain sight. Our ongoing research shows that undermanagement is a perennial issue: the remarkably consistent data shows that nine out of ten managers fail to maintain an ongoing one-on-one dialogue sufficient to deliver on the "the fundamentals."

It's always been hard to manage people. It is much harder today than ever before and it's getting harder every day. Why? The causes of the undermanagement epidemic dovetail very much with the trend lines of the Great Generational Shift. Let's start with globalization and technology. The pace of change is accelerating for everyone all the time – from the macro level all the way down to the micro. In today's knowledge-driven, machine-powered, highly interconnected, fiercely competitive global marketplace, everything is complex, fast-moving, and always in flux. Work that used to take weeks takes moments. Relationships that would have been nearly impossible due to geography are now taken for granted. Communication and travel are nearly instantaneous.

Yet we are also vulnerable in entirely new ways. One technical glitch today can slow down your operation for days or weeks at a time – not just in your own physical location, but in locations with contractors and vendors to whom you might be connected, all over the world. An earthquake on the other side of the world today – actual or metaphorical – could affect you today in ways you probably cannot even imagine, including ways that didn't exist yesterday. Not to mention the effects these factors could have on your customers, vendors, contractors, partners, colleagues, and counterparts in other departments and workgroups.

Everybody is under more pressure. The corporate order of the day is to run ever more lean and flexible. Squeeze more and more productivity and quality out of tightly controlled resources. Chase innovation and technology to keep from falling behind. Manage talent as a capital (depreciating) asset, in the wake of a profound transformation in the fundamental employer-employee relationship. After decades of constant downsizing, restructuring, and reengineering, employees no longer expect to pay their dues and climb the corporate ladder.

Job security has been dead for some time now. The default presumption of long-term hierarchical employment relationships has been replaced by a new presumptive career path built on a growing portfolio of short-term transactional employment relationships of varying scope and duration.

Never forget that most employees work because they must. They work to support themselves and their families. Most are pursuing some kind of intermediate and longer-term security, but today that plan is rarely contingent upon a long-term relationship with one particular employer. Very few employees now look at one employer as a primary source of their long-term career security, much less their long-term economic security.

The promise (implied or even explicit) of long-term vesting rewards from employers is no longer enough to get employees to perform today. Employees are less willing to follow orders, work harder, and contribute their best today in exchange for vague promises about what they might get in five years or ten years. Who knows where they'll be in five or ten years? There is simply too much uncertainty.

Employees today want to know, "What do you want from me today, tomorrow, this week, this month, this year? And what do you have to offer me in return today, tomorrow, this week, this month, this year?"

Managers today are always in danger of losing good people. People come and go. People move around internally. These factors militate against continuity in working relationships. Sometimes those who are least likely to leave are the hardest to manage. Everybody is a special case.

Managing people has become an ongoing (sometimes daily) negotiation. That is high maintenance!

	Workforce of the Past	Workforce of the Future (and the Future is Now)
Life and Career	Build a life around my career	Build a career around the kind of life I want to have
Relating to Employers	Where do I fit in your organization?	Where do YOU fit in my life story?
Work Habits and Conditions	One size fits all	Customization of everything
What They Want from a Manager	Please just let me do my job - I'll let you know if there's a problem	Please help me do my job - Give me guidance, direction, support, and feedback
Performance Evaluation	Annual or semiannual review	Regular and frequent; daily feedback
Rewards They Want (Other than Money)	Job security	Flexibility
Leadership Style	Authoritarian; directive	Coaching, teaching, dialogue; transactional

At the same time, most managers, like most everybody else, are being asked to do more with less. They have more of their own non-management tasks and responsibilities, increased administrative burdens, and growing managerial spans of control, often including employees working in different locations or on different schedules, as well as depending more and more on people in other workgroups and departments. With so much resource and process streamlining, there is growing interdependency in almost everybody's work. Everything we do now involves a lot of moving parts – we depend on so many other people – all the time.

Meanwhile, everybody involved is human. People have feelings. That's a significant complication for everybody involved.

Personnel discontinuity

People come and go. That's always been true. But employment relationships today are far more short-term and fluid than they have been before in the modern economy, so you are always losing good people. And you are always trying to get new people on-board and up to speed. On top of that, one great employee is worth more than three or four or five mediocre employees. Sometimes you have to go to great lengths to effectively reward, retain, and develop the very best employees.

Constant change coming at you from every direction

Whether it's technology, the markets, the weather, geopolitics, micropolitics, customer requirements, vendor requirements, or employee requirements – there is always something causing change and change regularly forces rework.

Interdependency

More and more of our work involves lots of moving parts and, therefore, lots of counterparts here, there, and everywhere. Most people must rely on many others within and without their immediate work group in order to do their own work.

Resource constraints

Everybody is expected nowadays to do more with less. Increasingly, people report that they are making do with tighter and tighter resources, longer and more complex supply lines, with shorter and shorter lead times. Often people find themselves trying to do their jobs with what they feel are insufficient resources.

Employees are human

Human beings have weaknesses as well as strengths. Humans are not always great at self-management. They have habits, and not always good ones. Not only that, but everybody has bad days. Some people have bad weeks, months, and years. Productivity and quality of work are highly

variable, sometimes due to employee performance. On top of all that, humans have attitudes, and not always good ones.

There are so many factors beyond any one manager's control. Some may feel that problems have outgrown the fundamentals of management. They believe their situation is too complex, their challenges are too advanced. Most managers simply convince themselves that the fundamentals are simply no longer enough, or they just don't have time.

What is the solution?

In the research we conduct before, during, and after our management seminars, we study what the very best managers do that is different from the others: the managers whose employees consistently deliver the highest productivity and quality; with high retention of high performers and high turnover among low performers; with the best business outcomes and high morale and team spirit; whose direct reports are most likely to describe them as "one of the best managers I've ever had."

What is the common denominator among those managers? An abiding commitment to the fundamentals – relentless high-quality communication. Consistently engaging every direct report in an ongoing, highly-structured, content-rich one-on-one dialogue about the work that needs to be done by that person. Things go much better when managers consistently make expectations clear and provide candid feedback for every individual every step of the way. Use team meetings only for what team meetings are good for – and make the most of them. When managers maintain high-quality one-on-one dialogues with their direct reports, they almost always increase employee performance and morale, increase retention of high performers and turnover among low performers, and achieve significant measurable improvements in business outcomes.

High-Structure, High-Substance Communication The Foundation of Highly-Engaged Management

Regular One-on-Ones at Every Level

- Scheduled at least weekly
- Clear, employee-specific agenda
- Focused on the work
- Coaching-style dialogue:
 - Describe, and always point to next steps
- Provide support, guidance, and direction
- Help with resource planning

Make Accountability a Process

- Get everyone in the habit of giving an account of their performance
- Clarify expectations every step of the way
- Solve small problems before they turn into big problems
- Link rewards with performance whenever possible

The Eight Fundamentals of Highly-Engaged Management



ARE YOU ADAPTING?

The Great Generational Shift continues to present new challenges for employers in every industry, employees of all ages, and for managers at every level. We hope this 2019 Update will help your organization continue to adapt. Let us know if you need our help.

– Bruce Tulgan, Founder/CEO, RainmakerThinking, Inc. ®

The Great Generational Shift white paper compiled and edited by
Liz “Lightning Girl” Richards

“The generational shift unfolding today is of historic significance, defined by the confluence of macro forces driving change at an extraordinary magnitude and pace.”

CONTACT

Bruce Tulgan and RainmakerThinking can help you navigate the effects of the Great Generational Shift in your organization.

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ABOUT RAINMAKER THINKING & OUR RESEARCH

RainmakerThinking, Inc. is a management research, training, and consulting firm and the leading authority on generational issues in the workplace. It was founded in 1993 by best-selling author Bruce Tulgan.

RainmakerThinking continues to lead three longitudinal workplace studies:

- The Generational Shift in the Workforce (since 1993),
- Leadership, Management, and Supervision (since 1995), and
- Human Capital Management (since 1997).

This white paper details our most up-to-date findings from our ongoing Generational Shift study, including data we've collected from more than 200,000 managers and tens of thousands of non-managers, as well as internal data and management practices reviews from more than 400 different organizations reflecting input from millions of employees since 1993.

Our Generation Z data was gathered from June – July 2018 by the RainmakerThinking Summer Intern Research Team, themselves members of Generation Z. They administered the survey both in-person and online, gathering answers from a total of 4,093 respondents, aged 16 – 23. In addition to rating and ranking job factors, survey respondents wrote in answers about what matters to them in a job.

ABOUT BRUCE TULGAN

Bruce Tulgan is internationally recognized as the leading expert on young people in the workplace and one of the leading experts on leadership and management. Bruce is a best-selling author, an adviser to business leaders all over the world, and a sought-after keynote speaker and management trainer.

Bruce is the author of numerous books including his most recent book, *Bridging the Soft Skills Gap: How to Teach the Missing Basics to Today's Young Talent* (Wiley, 2015), the best-seller *It's Okay to Be the Boss* (HarperCollins, revised & updated, 2014), *The 27 Challenges Managers Face* (Wiley, 2014), and *Not Everyone Gets a Trophy* (revised & updated, 2016). Bruce's first book was the classic *Managing Generation X* (W.W. Norton, 2000; first published in 1995).

He lives in New Haven, Connecticut with his wife Debby Applegate, Ph.D., who won the 2007 Pulitzer Prize for Biography for her book *The Most Famous Man in America: The Biography of Henry Ward Beecher* (Doubleday, 2006).