Designing Professional Development for the Knowledge Era

The Changing Face of the Workforce and Intergenerational Impacts

A Think Piece prepared by Avril Henry of AH Revelations Pty Ltd for ICVET (TAFE NSW International Centre for Vocational Education and Training Teaching and Learning)

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About the Author

From 1996 to 2003, Avril held HR Director roles at DMR Consulting Group, Merrill Lynch and Clayton Utz, covering the Asia Pacific region with responsibility for developing and implementing business related HR strategies, with a focus on leadership development, people management strategies, cultural change and integration.

Avril is a Fellow of CPA Australia, a Senior Associate of the Australian Institute of Banking & Finance, a member of the Australian Institute of Company Directors, Australian Institute of Management and the Australian Human Resources Institute. She is a past President of the Sydney Business & Professional Women’s Club and was a member of the Australian NGO delegation to the 1995 Beijing Women’s Conference. Avril is the immediate past Chairperson of the National Diversity Think Tank.

In 2003, Avril sought to follow her passion for making a difference and creating inclusive work environments, by reaching a greater audience. She set up her own business, focusing on Public Speaking and Consulting in Leadership, People and Performance strategies, and Executive Coaching. Avril’s areas of specialisation include Leadership; Communication; Team Work; Motivation, Attraction & Retention; Generational Diversity; Emotional Intelligence; Conflict Resolution and Bullying, Harassment & Sexual Harassment.

Her clients include both Government and Private Sector Organisations such as Australian Federal Police, Department of Prime Minister & Cabinet, Australian National Audit Office, Department of Education, Science and Training, New South Wales Police, Toyota, CBA, IBM, Merck Sharp Dohme, Eli Lilly and SC Johnson.

Effective November 2005, Avril has been appointed by the Department of Defence to head up a ministerial review of recruitment and retention practices in the Army, Navy & Airforce.


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By Avril Henry, Executive Director, AH Revelations Pty Ltd
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The ‘War for Talent’ has changed from considering how organisations attract and retain the brightest school leavers and university students, to ‘how are we going to get enough people to do the work?’ Organisations are facing significant skills shortages in the future, with many industries already starting to feel the pinch. This is being driven by our aging population and declining workforce, factors being significantly influenced by our intergenerational workforce. Generation X (born 1965 – 1979) and Generation Y (born from 1980 onwards) are having less children, changing careers more often and have different expectations of organisations and their leadership.

Organisations planning for the workforce of the future need to understand what the key motivators are of each generation. With Boomers moving closer to retirement, it is increasingly important to understand what Generations X and Y are motivated by. Amongst the top five motivators of both generations are access to learning and development, effective and inspiring leadership and a work life balance, which involves flexibility. If ever there was a time when development of employees was important that time is now, and this will not change in the future.

In a recent survey of Generation Y done in 2005 by AH Revelations, 97% of respondents were interested in on-the-job learning, 81% were interested in online learning and over 75% intend studying further in the next 2-5 years. Generation X are not that different to Gen Y in their attitude to training and development, and are willing to invest in it themselves at their own expense should the organisation they work for not be willing to do so. The 2004 Hays Australian Workplace research series showed that 84% of employees surveyed said they felt more committed to an employer who invests in their training and development. Some 86% said that training and development was seen by them as an investment in their professional future with their employer, and 70% said a lack of training would convince them to look for a new job elsewhere. Disturbingly the same survey showed that 41% of employees receive neither training nor development and a further 34% received very few relevant training opportunities. Generations X and Y would not accept this, and would simply leave such organisations.

Generations X and Y are not loyal to organisations or brands the way Baby Boomers and Veterans have been, as they watched their parents lose their jobs through downsizing and redundancies after many years of loyal service. They believe that the only job security is to be employable. They believe this is achieved through being well educated and multi-skilled, hence the significant increase in the number of people completing high school and then pursuing tertiary studies since the early 1990s. This has also significantly influenced their thinking about training and development at work. They believe that training is an entitlement, and hence will demand on-the-job training and access to ‘soft skills’ training.
Soft skills training is of particular importance to Generation X, who intend being better managers, especially of people, than their Baby Boomer and Veteran managers were. Soft skills is often seen by the older generations as something that is ‘nice to do’ and if there is ‘any training budget left over’. From my own experience prior to working in Human Resources, I know that we often cut the training budget first when under cost reduction pressure. This was not unique to the organisations or industries in which I worked, in fact, one would find that it was (and in some cases still is) common to most Australian organisations. This is because it is easy to cut the training budget as, in the past, no one really noticed and most people only received technical or technology training, and then only enough to do their current job. There was no thought or planning for future needs and investing in developing skills for the future market and workplace.

The fact that Gen X and Gen Y are no longer loyal to organisations and see their careers as being a series of different jobs, in different industries, often unrelated, will impact the way we work, learn and manage people. An insight into the career and education aspirations of Baby Boomers, Gen X and Gen Y can be summarised as follows:

**Baby Boomers**

- They have generally had only one career, working for one or two employers
- However, following the redundancies and downsizing of the 1990’s many Boomers have been forced into another career, employer or self employment
- It is questionable whether Boomers would have made any change to their employment had it not been ‘forced’ upon them
- Boomers talk about management and leadership training, but many are not convinced of the need for it
- They love classroom style learning and off-site meetings, with team building exercises and socialising
- They do not enjoy, or embrace, online learning

**Generation X**

- Gen X will have at least three distinct careers, more than 12 employers, and will be self employed by choice at least once
- They have a strong interest in soft skills, management and leadership training
- Many will have more than one tertiary qualification by their early 30’s, often in unrelated areas of study
- Many Generation Xs will complete an MBA or Masters degree by their early to mid 30s
They enjoy brainstorming and interactive learning where they can openly express themselves

They want access to coaching by either a senior executive with credibility and experience, or an external coach

**Generation Y**

- Gen Y will have more than 5 distinct careers, more than 20 employers, and self-employed by choice more than twice
- Gen Y will work overseas several times, often for short periods of a year or less
- The four keys to training for Gen Y is that it needs to be Relevant, Interactive, Personalised and Entertaining
- Variety is important when training a room full of Gen Ys
- Gen Y value education and training and see it as being a significant tool in helping them to be more successful
- Gen Y want to mentored by older, more experienced people at work who are good listeners

The way the two younger generations view work, their careers and training and development are not the only important factors which will continue to influence and shape the workplace of the future. The other important factors are their expectations and views on leadership, management, workplace culture and the whole work/life debate.

Both these generations do not like being ‘told’ what to do at work, or being ‘talked at’. They want to have interactive conversations about work, projects and deadlines. The more they are engaged by the manager, the more connected they feel which leads to greater commitment. They want to be respected and valued for their technical skills, technological astuteness and the contribution they make. They want to be involved and heard, which does not mean that they necessarily expect managers to agree with them, but they at least want the opportunity to express their opinion and contribute to the solution. Gen X in particular, are a very solutions oriented generation, and want to feel ownership of the solution – this makes them feel valued and gives them an opportunity to demonstrate their skills and knowledge, which is important to them.

Flexibility is also an important factor for these two generations at work. However, their definition of flexibility is quite different to Boomers and Veterans, who think flexibility is part-time work for women with school-aged children!! To these two generations it means the opportunity to work to pre-determined standards and deadlines, but with the options of working flexible hours and in virtual locations, if appropriate, to enable their work fits in with their ‘lives’. These two generations are intent on having a work/life balance, both men and women, and Gen Y in particular, are very lifestyle-centred in their thinking and attitudes. This has significant implications for when, where and how we work. It’s interesting to note that there are still many Baby Boomer managers who think that telecommuting means people
are ‘at their home desk’ between the traditional office hours of 9 to 5! They are yet to fully understand the true nature of flexibility and using technology to work virtually. This is not something that Gen X and Y struggle with – the only thing they struggle with is management’s attitude to flexibility and their resistance to change and embracing flexibility. Organisations will need to address the issues of family friendly policies and workplace flexibility as a matter of urgency, as having a work/life balance is another of the top five motivators for both Gen X and Y.

What are the implications then for Australian organisations who seek to plan their workforces for the future? This will be dependant on the strategies they adopt to recruit, manage, retain and motivate the current changing workforce. I believe Australian organisations need to:

1. **Develop Learning Organisations**

   This would require the organisation to develop a culture where learning and development is seen as important throughout the organisation, with leadership from the CEO and senior executive team. This means that at the senior executive level, they too invest in their own learning and development in a way that is visible to the employees.

   In a learning organisation the employees should be actively involved in developing their own learning and development plans, which should also be personalised rather than ‘off the shell’ courses for everyone. There should be flexibility for people to subscribe to web based learning, if that suits their individual learning style better. Subscriptions to professional organisations, networks and magazines should be seen as part of the training and development budget. Attendance at professional and networking events should be encouraged as often knowledge is exchanged at such events, which contributes to the ongoing development of both the individual and the organisation.

2. **Cater to a Mobile Population**

   Many Baby Boomers have been motivated by job and financial security in their early 20s, often at the expense of opportunities to work overseas. Gen X and Gen Y are motivated by doing challenging work, interesting projects and working with teams and managers they respect and admire. In the pursuit of challenging work and developing their skills, they are open to opportunities interstate and overseas. Often the only obstacle is their manager, who has made assumptions about their mobility. The workforce of the future will become increasingly mobile and virtual. Due to technology, jobs can be done in different locations and time zones. Both these generations are risk-takers and are therefore open to trying jobs they have never done before, in different disciplines and industries. They do not have the same fear of failure as Boomers and Veterans have had. Organisations will need to think more creatively and innovatively about how, where and when work gets done.

3. **Redesign Jobs**

   The focus in the future will need to change from rigid, inelastic job descriptions to more fluid job families which outline the work that needs to be done and the skills and competencies required. At present much time is invested in developing detailed job descriptions with reporting lines, tasks, KPIs, budgets, etc, yet most jobs for knowledge
workers and professional people evolve constantly, and hence the job descriptions are out-of-date well before the annual performance review process. Too many job descriptions focus only on the What (tasks) and not the How (behavioural competencies), which is not necessarily the best indicator of overall performance.

4 Coach and Mentor less experienced Employees

Generation X prosper with regular coaching and guidance. It is ironical that we accept that the best sports people in the world need coaches for continuous improvement, yet in business today we still think business coaching is a fad. Fortunately Gen X recognise the need for coaching, especially in relation to people management skills, and are often willing to fund a coach out of the own pocket to improve their management and leadership skills. Gen Y strongly identify with many of the values of the Veterans, namely a strong sense of community, patriotism and loyalty to family and friends. They seek out older, more experienced managers who demonstrate respect for others, especially those who actively support younger employees, as mentors. Organisations need to invest in the development of coaching and mentoring skills through formal training programs, and not assume that simply because a manager or person likes people, this will make them a good coach or mentor. Coaching and mentoring are both learned skills, not natural abilities.

5 Invest in Leadership and Management Training

Organisations need to invest in the development of people management and leadership skills for all supervisors and managers responsible for managing people in the workplace. Australia has not had a good track record for investing in such training, despite the Karpin Report in 1995 identifying the development of management capability as one of the most important factors for the nation’s economic sustainability and global competitiveness in this century. We need to develop important soft skills such as conflict resolution, communication skills, influence and persuasion skills, change management skills, giving feedback and managing poor performance in the workplace, to improve the quality of management and leadership in Australia. For too long these skills have been seen as unimportant, but that has now changed with Gen X and Y expecting their managers to demonstrate these skills every day.

6 Enable Greater Flexibility

Organisations need to change the way they think about flexibility as flexibility is not part time work only. Part time work is simply one of the many possible flexible workplace arrangements. For Gen X and Y flexibility is about trust, ie, that their manager or supervisor trusts them enough to get the work done without micro-managing them. For many of them flexibility is about being able to work hard when the pressure is on, but having the freedom to take time out to pursue their many outside interests when work is not as busy. They may want to work 10 months of the year, happy to work long hours, but then have 4 weeks paid leave combined with 4 or 5 weeks unpaid leave to go trekking in Nepal or surfing in the Bahamas, or working as a volunteer in an orphanage in Africa or Cambodia. If they do not have this flexibility, they will simply leave the organisation.
7  Create More Inclusive, Collaborative Work Environments

The current leadership models of ‘command and control’ need to change to models of ‘inclusion and collaboration’. This will be achieved when managers and leaders listen a lot more, speak less, direct less, become more adaptable, are open to change and new, innovative ideas. The workplace of the future will value creativity, innovation and honesty. This is what Australian employees are looking for now, and increasingly will demand from the workplace and their managers and business leaders.

However, clearly the change is not happening fast enough, as is demonstrated by the fact that at the end of 2004, there were over 50,000 small businesses being run by young people under the age of 25 – Generation Y!! The key lesson contained in this statistic is that these Generation Y people are not even looking for jobs, and therefore are not available as potential employees. The messages they are sending to both the public and private sector is: ‘If you don’t provide us with a positive work environment, strong leadership, mentoring, a work life balance and access to learning and development, then culturally your organisation is not a good fit for me, so I’m not coming to work for you!’ The two younger generations will create a just-in-time workforce based on flexibility, technology and knowledge. Increasingly in the future people will choose to be contractors, consultants and self employed in a desire to create the desired workplace. It is already happening across Australia. Eric Hoffer said: ‘In times of change the learner will inherit the earth, while the learned will find themselves equipped to deal with a world that no longer exists’.

Acknowledgements


Henry Avril (2005) Leadership Revelations An Australian Perspective, CCH Australia, Sydney