



Disruptive Demographics

The multi-generational workforce: Tailoring education and flexible work for all employees

Joseph F. Coughlin, Director, Massachusetts Institute of Technology AgeLab

It's no secret that the U.S. workforce is aging. But this fact, while often repeated, paints an incomplete picture. Yes, the workforce is growing older—since 1980 the average age has risen from 38 to 42¹—but there is another significant phenomenon under way: the workforce is becoming much more diverse in terms of age.

Today, there are four distinct generations in the workforce: the so-called Silent Generation, those born during the Depression and World War II; the huge Baby Boom generation, which has reshaped U.S. society in many ways; Generation X, a smaller group born in the late 1960s and 1970s; and the Millennials, often the children of Baby Boomers who grew up with the Internet and take many “modern” technologies as simple givens.

Each generation has different life experiences, learning styles and familiarity with technology. For employers, this age diversity has major implications in a number of areas. As plan sponsors, organizations must realize that there's no one-size-fits-all approach that will let them communicate with employees: An employer must understand how each generation wants to learn to keep them active in their own retirement planning. And as employers of top talent, organizations must understand how the different generations think about scheduling flexibility in order to keep them productive in their jobs.

The Silent Generation

Today, the Silent Generation, many of whom served in Korean and Vietnam, accounts for less than 10% of the workforce, according to the Bureau of Labor Statistics. But employers frequently want to keep these older employees engaged as long as possible. They serve as a repository of wisdom and institutional knowledge, helping a company “know what it knows.”

When it comes to learning, the Silent Generation wants a teacher. Generally speaking, this generation prefers formal education options, with a traditional teacher/student dynamic in which the teacher is a clear authority figure. These are the employees that will attend a lunchtime seminar, sit in folding chairs with paper plates of food, and listen to the speaker talk about life in retirement.

Although the Baby Boomers introduced the idea of flexible scheduling into the workforce, the Silent Generation is increasingly demanding flexibility as they transition to retirement. They want to stay engaged with the workplace to some degree, but they want to downshift responsibilities, perhaps travel more or take care of a loved one at home.



Financial Services

¹Bureau of Labor Statistics

The multi-generational workforce

The Baby Boomers

The Baby Boomers make up about 40% of the civilian workforce. They introduced new ideas such as work-life balance and flex time, and today they provide the leadership at most private and public organizations.

When it comes to learning, the Baby Boomers want the employer to be a navigator. They're not content with a single expert provided at a lunchtime seminar; they want the employer to point them in the direction of other experts so they can track down the information themselves. For instance, many would prefer the employer gives them a retirement calculator so they can determine their own retirement needs, not simply be told by some "lunchtime expert" how much they need to save.

In terms of workplace flexibility (an idea that the Baby Boomers helped institutionalize), older members of this generation also want the ability to transition into retirement and/or support family demands. They may need the flexibility to manage their own health or, often, to care for an aging parent.

Generation X

Generation X is much smaller than the Boomer generation but still accounts for about 33% of the workforce. These individuals, in their 30s and 40s, are the engine of knowledge and expertise at many companies and are responsible for driving productivity and innovation.

When it comes to learning styles, this group wants the employer to connect them to people. While the Baby Boomers introduced such concepts as work-life balance to the workplace, Generation X popularized the notion of mentoring. This generation is inclined to create networks of experts—such as retirement experts—that they can tap when needed. Like the boomers, Gen Xers want to track down information on their own, but they want to validate their findings with a mentor face to face.

When it comes to workplace flexibility, Gen Xers want more leeway in terms of when and where they work in order to manage the demands of growing families. This is the generation that pioneered the shift to telecommuting, adopting new technologies that allowed them to stay connected to the office from afar.

The Millennials

Born from about 1980 to 1995, these offspring of the Baby Boomers grew up with much of the technology that seemed revolutionary not too long ago. Some members of this generation are still in school; others are fairly new to the workplace. They account for about 21% of employed civilians and are energizing the next-generation workforce.

When it comes to learning, the Millennials want "all of the above": They want to navigate and find information on their own, they want networks of mentors, and they want powerful, mobile technologies that keep them connected to information and people 24-7. Essentially, they want the employer to create an ecosystem in which they can learn.

It's also a generation that puts a premium on workplace flexibility in terms of when and how they work. Their common attitude is that they work to live; they don't live to work. In fact, they take flexibility demands a step further than older generations. They want employers to adjust business practices to fit their personal values, whether it's a green initiative, diversity in the workplace or community service programs.

The diversity challenge

The fact that our learning habits are shaped by a lifetime of experience is not surprising. Nevertheless, for employers who must communicate with employees across the age spectrum this diversity creates a challenge. As noted earlier, there is no one-size-fits-all approach to training employees and teaching them about retirement. Nor is there a single approach to workplace flexibility, which is critical in retaining talent. A multi-generational workforce demands a multi-generational engagement strategy; it's the only way to keep everyone productive on the job and active in their own retirement planning.

