



# UNLOCKING THE WORKPLACE GENERATIONAL CODE

HR Coach Research Institute

WHITE PAPER

# UNLOCKING THE WORKPLACE GENERATIONAL CODE



## Macro Environment Impact on Business

During the last five years, and especially in the last 12 months, everything has changed. The macro global, political, social, economic and environment landscape is experiencing a state of constant flux.

### **Are we still managing in uncertain times, or are we are now managing with resilience?**

In the wake of large-scale macro change, we can't lose sight of the micro environments where we all exist and make a living. The workplace is an ever-changing environment also.

The HR Coach Research Institute Quarterly Index has tracked business confidence since 2007. Data collected over the past five years has show significant volatility, and the effects of this are widespread. Within each workplace, the uncertain external environment invariably impacts the way we manage, but in what way?

Key trends have been identified through analysis of data collected from over 600 workplaces and 18,000 employees. This has provided insights into the impact the external environment has on employer and employee relationships, and the way we work.

The below graph shows the NAB Business Confidence Indicators mapped to the key issues raised in the annual HR Coach Research Institute White Papers.

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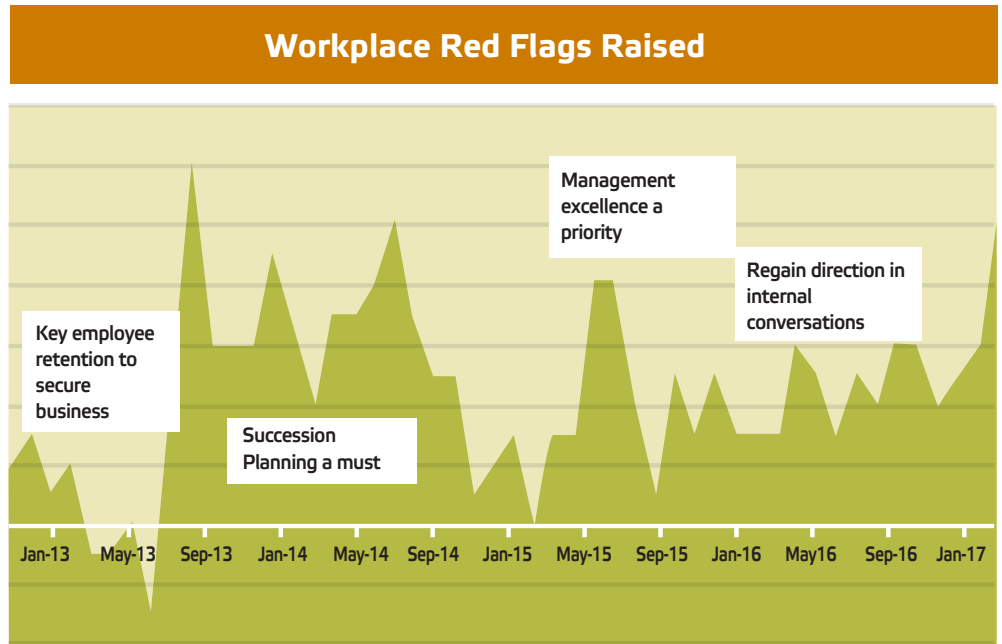


Figure 1: 5-Year Business Confidence & White Paper issues raised

The current information these white papers have provided business owners support to navigate and protect their relationships with employees, while regaining confidence in their own strategy.

The trends for internal business confidence have also been mapped over this time by the STAR Workplace Results Dashboard. Where no direct correlation can be made with the external data, comparing the trends side by side is an interesting exercise.

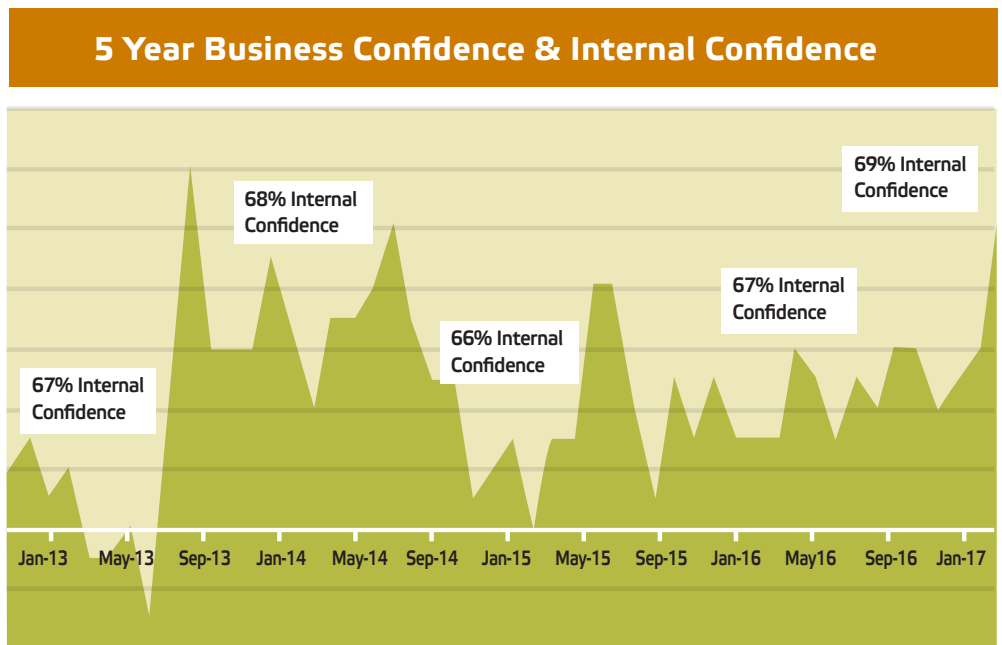


Figure 2: 5-Year Business Confidence & Internal Confidence



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While the rise in both business confidence and internal workplace results is promising, this may be short term and it is certainly volatile. What we do know is that nothing can be taken for granted.

So what lies ahead?

## The Challenge of a Multi-Generational Workforce

For the first time in history, we now have five generational groups actively operating within the workforce. Does this add another dimension to existing internal workplace pressures? And if so, how do we unlock its value and overcome the generational barriers at work?

In 2008, the HR Coach Research Institute conducted a Generation Y study in which Gen Y's conducted interviews with other Gen Y participants. Results showed that they felt harshly judged by other generations. At the time, there was low employment and an undersupply of employees, so Generation Y had bargaining power and they were mismanaged.

One of the participant's comments quoted in the report reflects the situation then:

"So why aren't businesses getting the best out of Generation Y?  
It is simple – we are talking about them – and not with them."

Now nine years on, is this sentiment still valid?

In 2010, we reported in the Aging Workforce Report 2010 - 2020 that in the next decade, 1.7million Australian workers will reach the traditional retirement age of 65 years. At the time, this figure represented 18% of the labour force.

In 2017, people over 69 years represented 1% of the workforce. Australia's workforce profile now, and as it's predicted for 2025, indicates that a change of guard is happening.

Current age today	% of workforce	Predicted % of workforce in 2025
69 +	1%	0%
50 - 68	27%	13%
35 - 49	35%	29%
20 - 34	31%	31%
5 - 19	6%	27%

Workplace dynamics change over time, so what is current and relevant at this crossroads is important. Understanding trends for the next five years will be helpful in establishing what we can manage and control right now.

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## Generational Research Foundation

Data has been extracted from the STAR Workplace Reports to study generational impact in the workplace over 24 months (from 2015 – 2016). This study included over 100 workplaces and approximately 3,500 employees.

The results have shown there is another complex dimension to the generation debate. A bigger story is hidden under the veneer. There is a battle between managers and employees within generation groups with regards to equity. This is creating a great divide that will be challenging to manage.

For the purpose of this report, the generation groups are:


- Number of Gen Z (1989 – 2006)
- Number of Gen Y (1978 – 1988)
- Number of Gen X (1965 – 1977)
- Number of Baby Boomers (1946 – 1964)
- Number of Veterans (1929 – 1945)

Veterans were not included in the final data analysis due to the invalid data sample size.

Below is a summary of the highest and lowest scoring satisfiers within the data sample, and four key trends that have arisen in the past two years.

### Trend 1: Generational Triggers

The bottom-line results indicate that Trust and Flexibility are the winning strategies to increase employee satisfaction. Opportunities for advancement and pay are the dissatisfiers.

	Top 3 The Satisfiers	Bottom 3 The Dissatisfiers
 <b>Generation Z</b>	<ol style="list-style-type: none"> <li>1. Being trusted</li> <li>2. Flexibility in work arrangements</li> <li>3. Clean, comfortable work environment</li> </ol>	<ol style="list-style-type: none"> <li>1. Formal communication</li> <li>2. Opportunities for advancement</li> <li>3. Recognition of my contribution</li> </ol>
 <b>Generation Y</b>	<ol style="list-style-type: none"> <li>1. Interesting and challenging job</li> <li>2. Being trusted</li> <li>3. Flexibility in work arrangements</li> </ol>	<ol style="list-style-type: none"> <li>1. Remuneration and pay</li> <li>2. Efficient planning and decision making</li> <li>3. Opportunities for advancement</li> </ol>
 <b>Generation X</b>	<ol style="list-style-type: none"> <li>1. Ability to satisfy customers' needs</li> <li>2. Being trusted</li> <li>3. Flexibility in work arrangements</li> </ol>	<ol style="list-style-type: none"> <li>1. Remuneration and pay</li> <li>2. Efficient planning and decision making</li> <li>3. Training and development for my job</li> </ol>
 <b>Baby Boomers</b>	<ol style="list-style-type: none"> <li>1. Being trusted</li> <li>2. Flexibility in work arrangements</li> <li>3. I know what I am accountable for</li> </ol>	<ol style="list-style-type: none"> <li>1. Remuneration and pay</li> <li>2. Opportunities for advancement</li> <li>3. Professional development in my job</li> </ol>

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## Trend 2: Generation X – Great Expectations & A Great Divide

The total result reveals that Generation X is most satisfied overall. But if we look deeper, we can see some alarming variations between Employees and Managers within Generation X.

### Satisfaction Variance between Employees and Managers

Remuneration and Pay:	22% employee groups less satisfied
Recognition of contribution:	10% employee groups less satisfied
Receiving customer feedback:	9% employee groups less satisfied
Knowing the future direction:	9% employee groups less satisfied
Ability to satisfy customer needs:	5% manager groups less satisfied

## Trend 3: Feedback – A New Perspective

The qualitative results have also identified a trend that has not been previously seen on this scale. Generation X and Y are driving a different conversation regarding feedback. Where this sentiment is reflected to some extent in all generations, X & Y are seeking the opportunity to respond to their employers with their own feedback.

Traditional approaches to performance reviews just won't cut it in the future because generations now have such unprecedented access to open, two-sided communication. This form of socialised communication happens every day in their social and virtual lives, and they expect the same access, and voice, when they're at work. Employers are powerless to stop this trend.

## Trend 4: Strategy and Productivity - the Key Drivers for Employers

The overall results for the 100+ workplaces that participated in the survey in the past two years, revealed new strategy and strategic HR trends. The results, when mapped to the HRF101: Human Resource Framework, clearly demonstrate that the pressure is on employers. The issue that's top of mind for employers is driving an improvement in productivity.

	Employer	Employee
Organisation Measurement & Planning	58%	70%
HR Processes & Systems	59%	72%
Governance & Compliance	70%	73%
Performance Management	63%	75%
Workplace Improvement	73%	73%

Figure 3: HRF101: Human Resource Framework satisfaction ratings over 2 years

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## We Need a Fresh Approach

An assessment of the research results allows us to draw some assumptions about current workplace dynamics:

- Trust and flexibility are key satisfiers for all employees
- Employers are feeling productivity pressures in a complex external environment
- Employees want the ability to provide feedback
- A great divide exists within generational groups
- Gen X employees, in particular, feel left behind and extremely frustrated

## Performance Groups Build Resilience

Building on a strength such as 'Trust' has the potential to accelerate **positive performance** faster than fixing an issue that is consistently a weakness. We also know that employers need better support from their employees in managing a complex business environment.

## Tailored Performance Feedback Systems

A great deal is known about performance review systems, including traditional performance reviews and performance coaching models. A mature, highly trusted workplace requires a different approach than a fragmented low-trust workplace.

Performance Groups offer mature organisations with a high level of trust a fresh approach to performance management. They are not suitable for every situation, however, and must be selected as an option and implemented carefully. Performance Groups are a programmed approach to peer coaching. They are ideal for multi-generational and multi-dimensional workplaces where the group can create a collaborative experience, enabling participants to have deeper and more meaningful conversations in a protected, well-managed environment.

The Performance Feedback Matrix below indicates which model is best suited to the level of trust and complexity within an organisation.



Figure 4: Performance Feedback Matrix



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In a Performance Group peer-coaching model, employees are selected to meet on a regular basis and the process is managed by an independent Chair.

The benefits of a well-facilitated Performance Group include:

- Employees step up
- Programmed and project-based initiatives are accelerated
- Managers are supported to develop their key employees
- Trust and 'being trusted' are clearly demonstrated
- Collaboration within multi-generational and multi-dimensional groups is promoted
- The meetings are meaningful and tracked
- Peer support and participant accountability is enhanced
- Participants are recognised for the person they are, not just the job they perform

### **Unlock the Generational Code**

Performance Groups are current, exciting, inclusive and built for today's business and work environment. They foster deep collaboration and accelerate performance. As constantly changing external factors place pressure on businesses, those that collaborate with multi-dimensional groups will unlock the generational workplace challenge, build resilience and prosper.



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## ABOUT HR COACH INTERNATIONAL

HR Coach International supports an international network of business professionals, working with clients to be more strategic and proactive in their people management. With member organisations internationally, it is backed by the HR Coach Research Institute to provide insight and currency in applied methodology.

## ABOUT THE HR COACH RESEARCH INSTITUTE

Since 2002, the HR Coach Research's primary focus has been the connectivity between business strategy and employees. Key research outcomes have included:

- Performance Group Employee Feedback Model – 2017
- 5 Effective Conversations at Work - 2016
- Succession Planning, planning stages model – 2014
- Career Monitor Model for Retention – 2013
- HRF101, Human Resource Framework for Business – 2010
- Business benchmark series for employer and employee engagement connectivity – 2008
- Staff Systems software – 2004
- Strategic Action Model – 2004
- Innovation patent for measurement of organisational capability – 2003
- Identification of key behaviour matrix of managers and employees – 2002

### For More Information contact:

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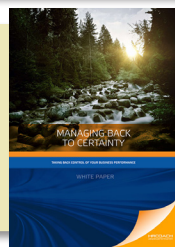
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## White Paper Catalogue

Connectedness between employers and employees continues to be complex. Since 2007, the HR Coach Research Institute has explored this relationship in real time through ongoing research projects and publications.

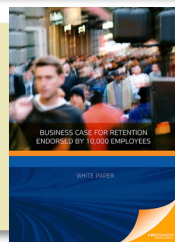
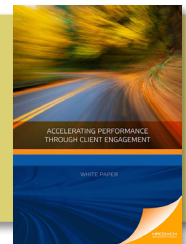
Here is a sample:

**“Managing in Uncertain Times”** – explored the impact of employee engagement in difficult economic periods. This white paper uncovered that management fatigue is a probable outcome when too many pressure points exist inside a business.



**“Managing Back to Certainty”** – explored the impact of employers’ engagement with their own businesses. When employers who are in an extended state of shock stop reinvesting in their business, strategy or people, it creates downward pressure on the business and constrains growth.

**“Accelerating Business Performance”** – explored the impact of client engagement. Client focus creates a common goal and generates faster and more reliable revenue streams for an existing business.



**“Business Case for Retention”** – explored how managing retention is equally a process of maintaining ‘business as usual’ and protecting the core, as it is about opportunity. Risk-mitigation strategies and growth strategies need to be balanced.

**“Succession Planning – The Bridge Builders”** – explored external market changes and the impact these have on internal succession and maintaining asset value. The paper raised the question of who steps up, who steps back and who steps out.



**“Management in the Spotlight”** – explored the absence of investment in supervisory and middle managers. The net impact of this trend is an absence of quality, and also customer failure.

**“5 Effective Conversations at Work”** – explored the lack of focus on quality conversations at work. Because meetings offer no second chances, they are the most important workplace conversation to get right.

