Changing Workforce Demographics – Impacting Your Business

Merrie Singer
Singer HR Partners LLC
October 20, 2017

Agenda

- Current Workplace Challenges

- Changing Workplace Demographics

- Multigenerational Workplace

- Shrinking Labor Force

- Millennials & Centennials

- Cultural Shifts in the Workplace

- Solutions for Current and Future Challenges

Changing Workplace Demographics

- Demographic Changes
  - Ethnic changes
  - Generational spread
  - Ageing of the workforce
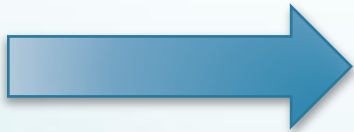
→ Alter traditional experience and expectations

Ethnic Demographic Changes

FIGURE 1.2	Composition of the U.S. Population		
		2010	**2050**
White		64.7%	46.3%
Hispanic/Latino (of any race)		16.0	30.2
African American		12.9	13.0
Asian Americans		4.6	7.8

Source: U.S. Census Bureau.

5 Generations in the Workplace

Traditionalists Pre 1945	Baby Boomers 1945-1960	Generation X 1961-1980	Generation Y (Millennials) 1981-1995	Generation Z Born After 1995
Loyal Cautious Formal Proud	Optimistic Self-focused Competitive Forever young	Independent Skeptical Tech pioneers	Self-expressive Group oriented Global Tech dependent	Cautious Technologically advanced Entrepreneurial Diverse

"Work" Defined As

- Traditionalists – an obligation

- Baby Boomers – an exciting adventure

- Gen X – a difficult challenge; a contract

- Gen Y – a means to an end; fulfillment

- Gen Z – a means to stability

5 Generations in the Workplace

| Characteristics	Maturists (pre-1945)	Baby Boomers (1945-1960)	Generation X (1961-1980)	Generation Y (1981-1995)	Generation Z (Born after 1995)
Formative experiences	Second World War, Rationing, Fixed-gender roles, Rock 'n' Roll, Nuclear families, Defined gender roles — particularly for women	Cold War, Post-War boom, "Swinging Sixties", Apollo Moon landings, Youth culture, Woodstock, Family-orientated, Rise of the teenager	End of Cold War, Fall of Berlin Wall, Reagan / Corbachev, Thatcherism, Live Aid, Introduction of first PC, Early mobile technology, Latch-key kids; rising levels of divorce	9/11 terrorist attacks, PlayStation, Social media, Invasion of Iraq, Reality TV, Google Earth, Glastonbury	Economic downturn, Global warming, Global focus, Mobile devices, Energy crisis, Arab Spring, Produce own media, Cloud computing, Wiki-leaks
Percentage in U.K. workforce*	3%	33%	35%	29%	Currently employed in either part-time jobs or new apprenticeships
Aspiration	Home ownership	Job security	Work-life balance	Freedom and flexibility	Security and stability
Attitude toward technology	Largely disengaged	Early information technology (IT) adaptors	Digital Immigrants	Digital Natives	"Technoholics" – entirely dependent on IT; limited grasp of alternatives
Attitude toward career	Jobs are for life	Organisational — careers are defined by employers	Early "portfolio" careers — loyal to profession, not necessarily to employer	Digital entrepreneurs — work "with" organisations not "for"	Career multitaskers — will move seamlessly between organisations and "pop-up" businesses
Signature product	Automobile	Television	Personal Computer	Tablet/Smart Phone	Google glass, graphene, nano-computing, 3-D printing, driverless cars
Communication media	Formal letter	Telephone	E-mail and text message	Text or social media	Hand-held (or integrated into clothing) communication devices
Communication preference	Face-to-face	Face-to-face ideally, but telephone or e-mail if required	Text messaging or e-mail	Online and mobile (text messaging)	Facetime
Preference when making financial decisions	Face-to-face meetings	Face-to-face ideally, but increasingly will go online	Online — would prefer face-to-face if time permitting	Face-to-face	Solutions will be digitally crowd-sourced

*Percentages are approximate at the time of publication.

Singer HR PARTNERS
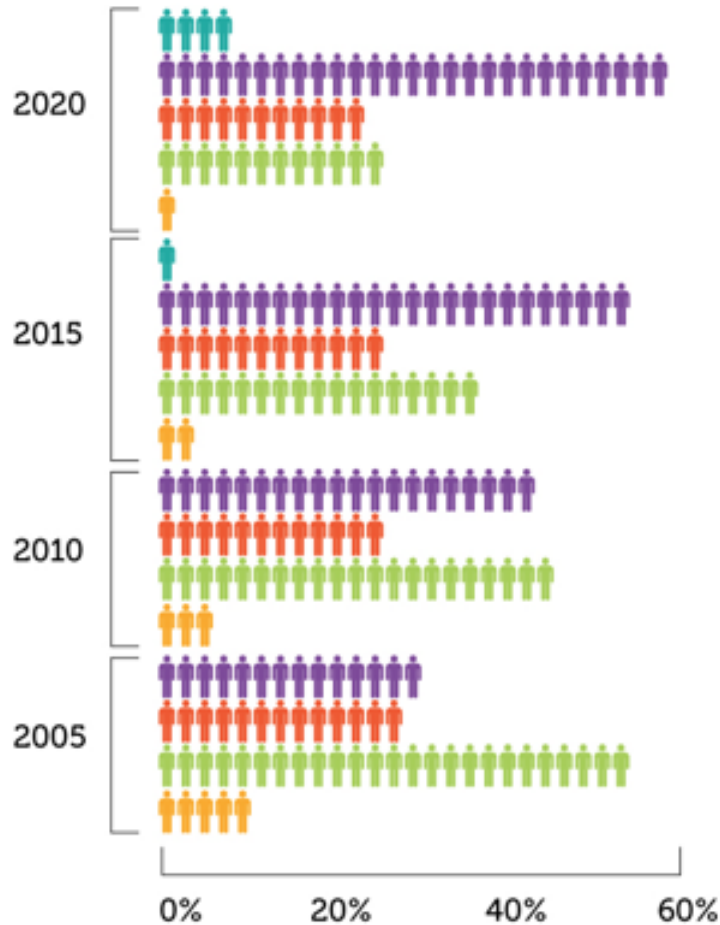
5 Generations in the Workplace

Myths of a Multigenerational Workplace

- Younger workers perform better than older ones

- Companies can't afford to retain Baby Boomers and other experienced workers

- Business and HR leaders are making age diversity a high priority

- By declining to retire, older employees are taking jobs from younger ones

Shrinking Labor Force

- Labor force is growing more slowly than in the past

- Labor force participation rate is declining
  - 2000 was 67%
  - 2050 estimated 58.5%

- Need to recruit and train a more diverse workforce

The Shrinking Workforce

- "Silver Tsunami"

- Millennials job hop

- Less workers entering the workforce

By 2020 a shortfall of 5 million workers

Shrinking Workforce Solutions

- Encourage some Boomers to stay
  - Flexible schedules
  - Part-time hours

- Build a mentoring culture
  - Knowledge transfer
  - Benefits: reduces turnover, increases job satisfaction, develops employee capabilities and demonstrates to employee investment

Shrinking Workforce Solutions

- Invest in employee Career Development
  - Retain top talent
  - Individual Career Paths

- Redesign job descriptions
  - Enrich and enlarge individual employee contributions

- Cultivate Millennials
  - ½ of workforce by 2020

Millennials Challenges

- Half of workforce by 2020
  - 2/3 plan to leave their job by 2020

- Top priorities
  - Work/life balance
  - Opportunity to progress as leaders
  - Flexible work arrangements
  - Sense of purpose
  - Professional development training programs

Millennials Solutions Example - Liberty Mutual

- Paid internships that become full-time jobs

- Lengthy onboarding and training programs

- Support for continuing education, including tuition reimbursement

- Executive and peer mentoring programs

- Opportunities to work in the community

- Flexible work arrangements

- Merit-based compensation

Nexters / Centennials / Gen Z

- Always connected

- Ability to communicate and form strong interpersonal relationships

- Professionalism patience, maturity, and integrity

- Global and multidisciplinary approach to work

- Require more support

Profile of Generation Z

- Technology is primary means of communication

- Still prefers face-to-face with managers

- Seeks out self-directed diverse experiences

- Go-getter mentality

- Wants to make a global impact

- Embraces flexibility and well-being

- Job security is important

Cultural Shifts in the Workplace

- Focus on different benefits

- Attitudes towards work and family

- Need for training and retraining of skills

Attitudes Toward Work and Family

- Day care

- Elder care

- Job rotation

- Parental leave

- Flextime

- Alternative work schedules

- Telecommuting

- Adoption assistance

- Same sex-benefits

Global Flexible Work Arrangements

2/3 of Millennials have adopted a FWA

Flexible time
Employees choosing when they start/finish work

69%

Flexible role
Employees choosing, within certain guidelines, what they do as part of their job

68%

Flexible recruitment
Offering different types of contracts, crowd-sourcing talent, etc.

67%

Flexible location
Employees choosing to work from the office, from home, or other locations

64%
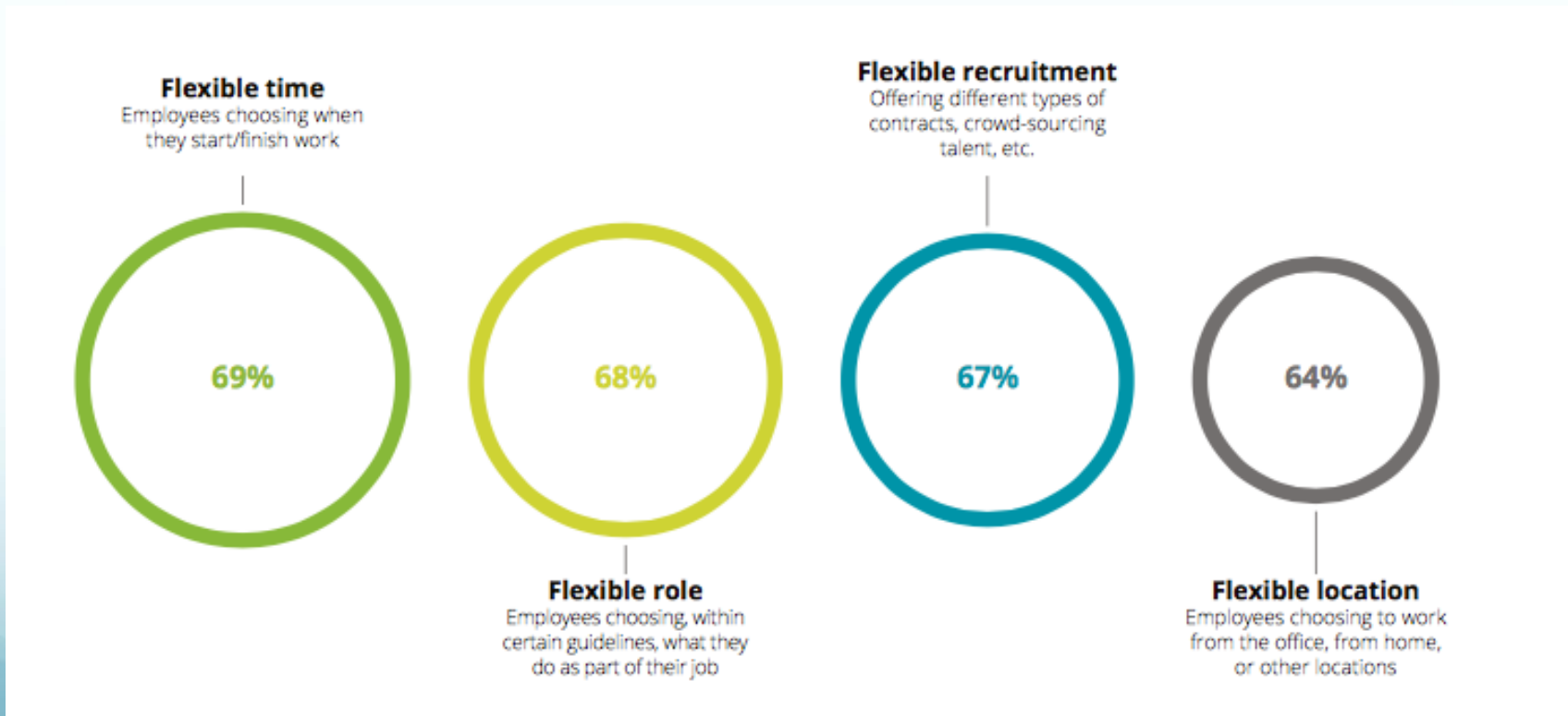
Millennial Benefits

- Expect the standard healthcare, retirement and disability benefits

- Want flexible benefits or benefits customization

- Biggest benefit younger workers want – Help with debt (student loan repayment assistance)

- More depression/anxiety in the workplace with millennials leads to need for more emotional wellbeing

- Non-financial perks considered an expectation

Recruiting
in a Labor Shortage

- Reevaluate skill set for entry level positions

- Prioritize though candidates with mental agility

- Continue to refine sourcing algorithms and look beyond resume for communication and critical thinking skills

- May need to add experiential situations for recruits to observe cognitive capabilities in action (competitions, hack-a-thons)

- May need to increase base wages for best talent

Recruiting Traditional vs. New Thinking

Traditional Thinking

- Hiring process focused on technical skills and prior work experience

- Job postings

New Thinking

- Greater focus on broad skills of candidates

- "Try out" job simulations

- Hire based on technical and cognitive skills

Performance Appraisals

- Younger workers want more frequent feedback
  - Quick, informal, immediate

- Annual reviews phased out and replaced with "check-ins"

- "Feed forward" rather than "Feed back"

- Focused on career development and skill development

- Overall ratings phased out

Performance Appraisal Solutions

- Set clear expectations

- Have solid reasons for your expectations

- Reward them for meeting expectations

- Give them opportunities to succeed, fail and learn

- Consider rotational assignments, horizontal movement across the company

* Millennials in the Workplace, Access Development (2017)

Millennial Work Environment

- Want to make a difference in the world more than professional recognition

- Want their employers to contribute to social or ethical causes

- 60% cite "a sense of purpose" in their work important

- Value flexibility

- *Millennials want: empowerment and collaboration but Gen Z are thought to work better independently*

Work Environment Solutions

- Invest in training and education for improved retention
  - Focus on job skills, experiential learning
  - Accelerated soft-skills training (communication skills)
  - Nano learning videos as new modality

- Start a mentoring program – consider reverse mentoring too

- Encourage intrapreuring

- Invest in technology – think guidelines not restrictions

Transparency and "Doing Good" Solutions

- Encourage on-the-clock volunteerism

- Create a corporate giving program

- Agree to match employee contributions to select causes

- Form partnerships with local non-profits

- Be honest and open about company finances

- Enact and promote ethical practices

* Millennials in the Workplace, Access Development (2017)

Future Working Relationships

Relationships are critical in the workplace.

- Perfect boss is 35% ethical and fair, 35% transparent, and 30% dependable and consistent

- Friendships in the workplace are important; 88% want co-workers to be their friends

- More important to enjoy work than make a lot of money

- 67% are likely to share personal information including salary, relationships and family issues

* Millennials in the Workplace, Access Development (2017)

Working Relationship Solutions

- Hire personality, develop ability – get culture fit

- Be flexible – assume they are getting work done and let them chit chat or take a long lunch

- Be inclusive – prevent cliques

- Focus on people, not finances – build company goals against customer satisfaction

- Never lose sight of productivity – emphasize performance and service; celebrate team success

* Millennials in the Workplace, Access Development (2017)

Questions?