

EY “Generations Survey” findings

4 September 2014



Building a better
working world

Agenda

- Generations by definition

Survey:

- Demographics
- Background/Methodology
- Key findings
- Workplace environment
- Perceptions of *members* of each generation
- Perceptions of *managers* of each generation
- Managing the generational mix
- Now what?

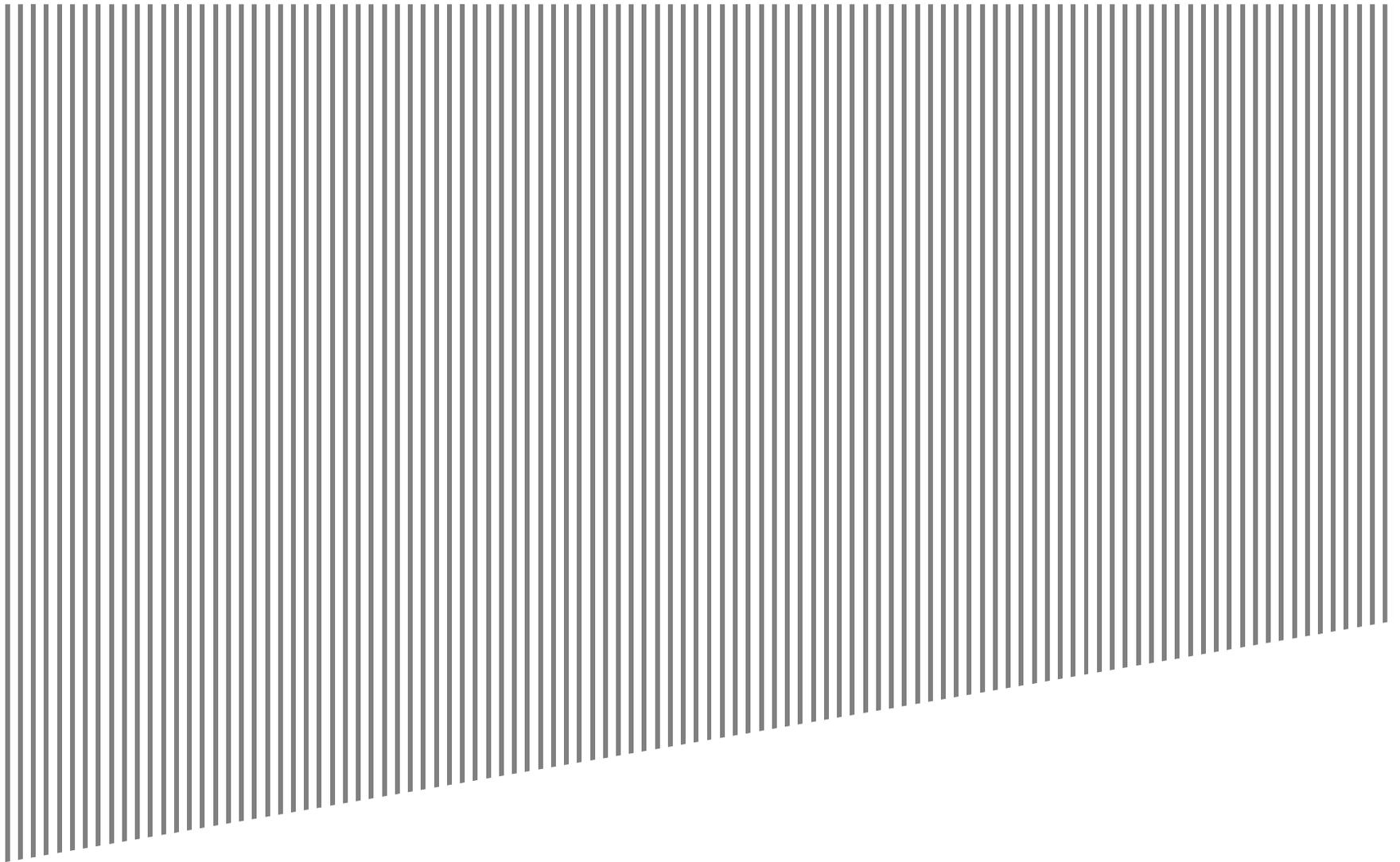
Show of hands! (not mandatory)

- ❑ Boomers
(Born between 1946-64)
- ❑ Generation X
(Born 1965-80)
- ❑ Generation Y or Millennials
(Born 1981 and later)

Survey Methodology

- ▶ The **external** EY Generations Study was conducted via an online data collection method from June 20-27, 2013.
- ▶ The survey was fielded by ORC International; the survey instrument was designed in collaboration with FleishmanHillard Research & EY.
- ▶ Total sample size was 1,215 **cross-company** professionals.
- ▶ Respondents included at least 200 managers and 200 non-managers in each of the three select generations.
- ▶ The survey identifies the key differentiators of identifying managerial strengths and opportunities for each generation as well as quantifies the management shift to younger generations in the past five years.

Demographics

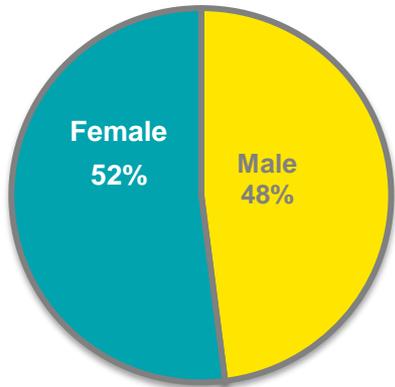


Demographics

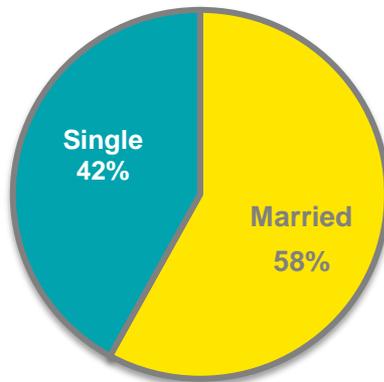
The sample population represented a diversity of demographic characteristics.

- ▶ Respondents were evenly split among the three defined generational age groups.
- ▶ Despite a majority indicating they are currently married, respondents were much less likely to have children under the age of 18 living at home.
- ▶ The sample was fairly evenly divided among male and female respondents.

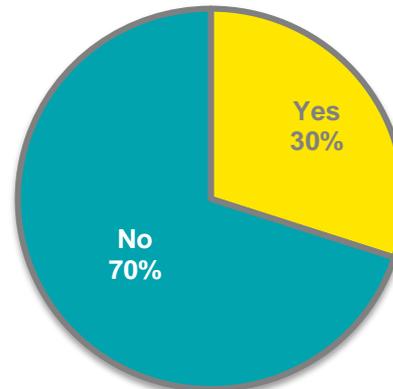
Gender



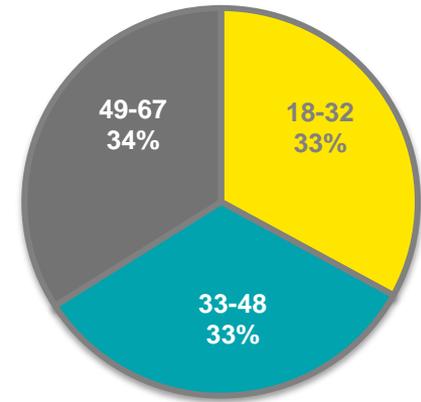
Marital status



Children <18 in home



Age

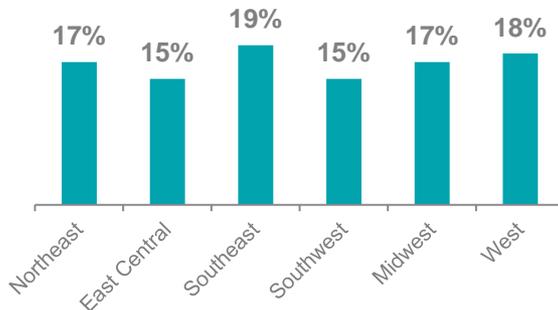


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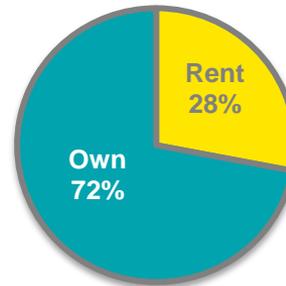
Demographics

- ▶ An overwhelming majority of respondents reported having at least some level of higher education (95%) and full-time employment (98%), contributing to more than half (57%) of the respondents reporting household incomes in excess of US\$75,000 per year.
- ▶ The sample population was predominantly white (85%).
- ▶ Gen Y respondents were significantly more likely to have at least a 4 year degree compared to Gen X and baby boomers.

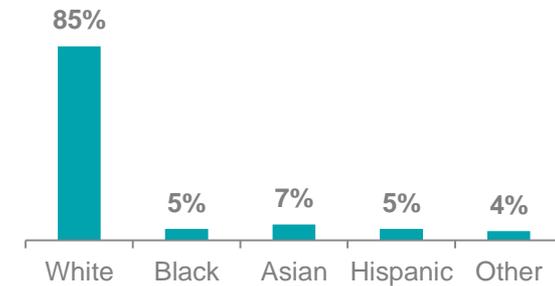
Region



Rent vs. own

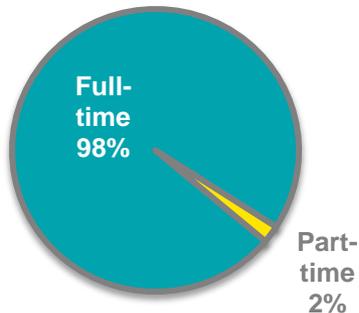


Race/ethnicity

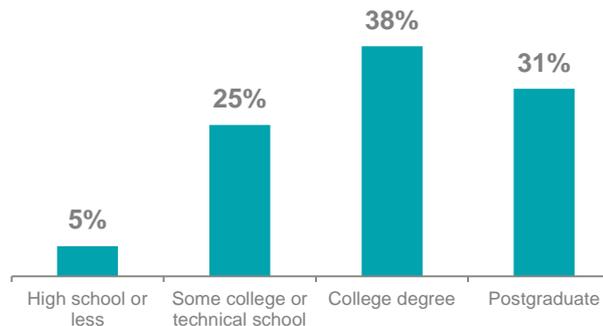


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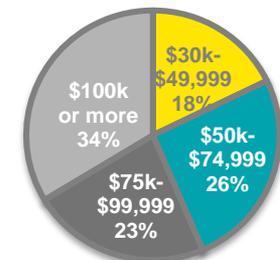
Employment status



Education



Household income

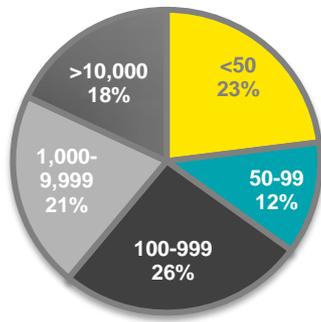


Company demographics

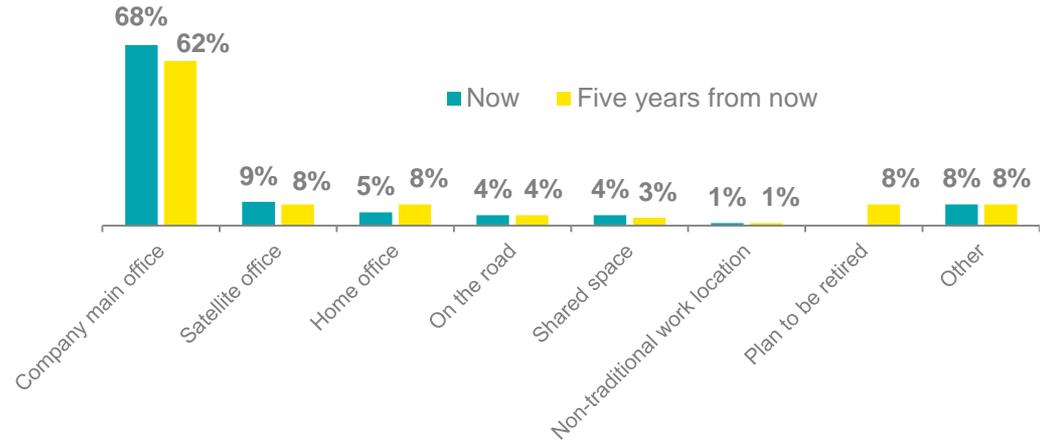
Respondents were evenly split among management and non-management positions and work in a wide range of company sizes.

- ▶ More than three-fourths (77%) report primarily working in an office type setting; however, respondents anticipate a slight decline in this regard over the next five years as more employees gravitate toward a home-office setting.
- ▶ The role of “manager” was equally common among all three generations, while “executive” was more frequent among baby boomers and “associate” was more common among Gen Y.

Employees in organization

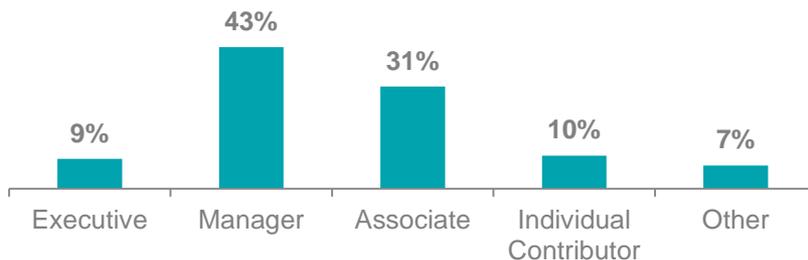


Primary job location

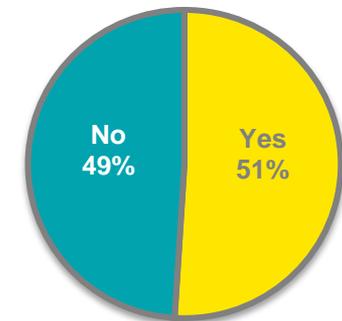


n= 1215

Job/role at organization



Manage work of others

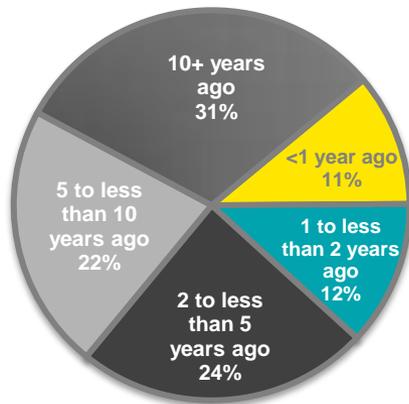


Manager demographics

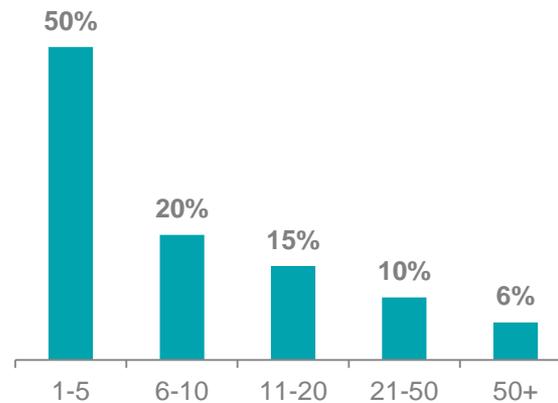
Respondents identified as managers represented a wide range of managerial experience in number of years managing and types and volume of employees managed.

- ▶ Half of the managers surveyed oversee five or fewer employees.
- ▶ One out of five managers reports managing a mostly even mix of all three generations, even more prevalent with managers from the boomer generation, where one out of four report managing an even mix.
 - ▶ Gen Y and Gen X managers are most likely to manage a group of peers, while boomer managers are more likely to manage Gen X employees.

When did you move into a management position?

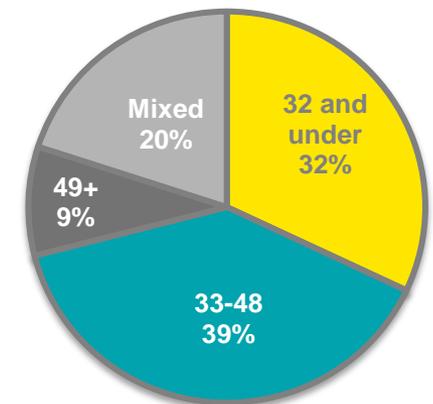


Number of people managed



n=614

Age of employees managed

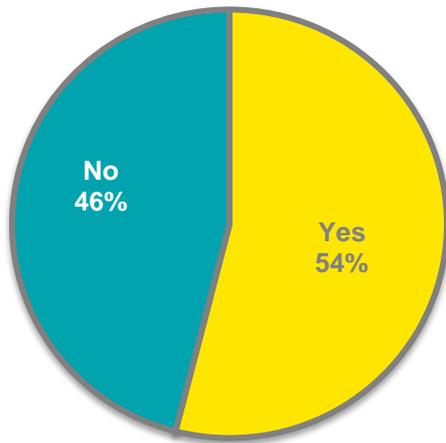


Non-manager demographics

More than half of respondents who identified as not currently being in a management position have had previous managerial experience.

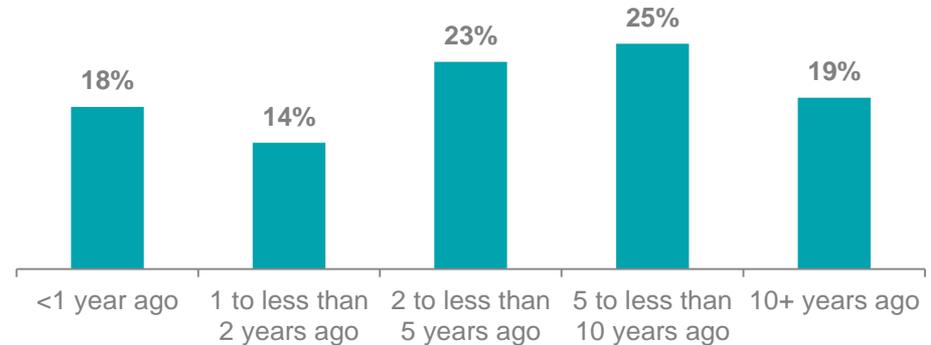
- ▶ Younger respondents (Gen Y and X) were significantly more likely to report a recent managerial experience of less than five years ago compared to baby boomers.
 - ▶ Gen Y - 81%
 - ▶ Gen X - 55%
 - ▶ Baby boomers - 37%

Previously managed



n=601

When did you move out of management role?



n=325

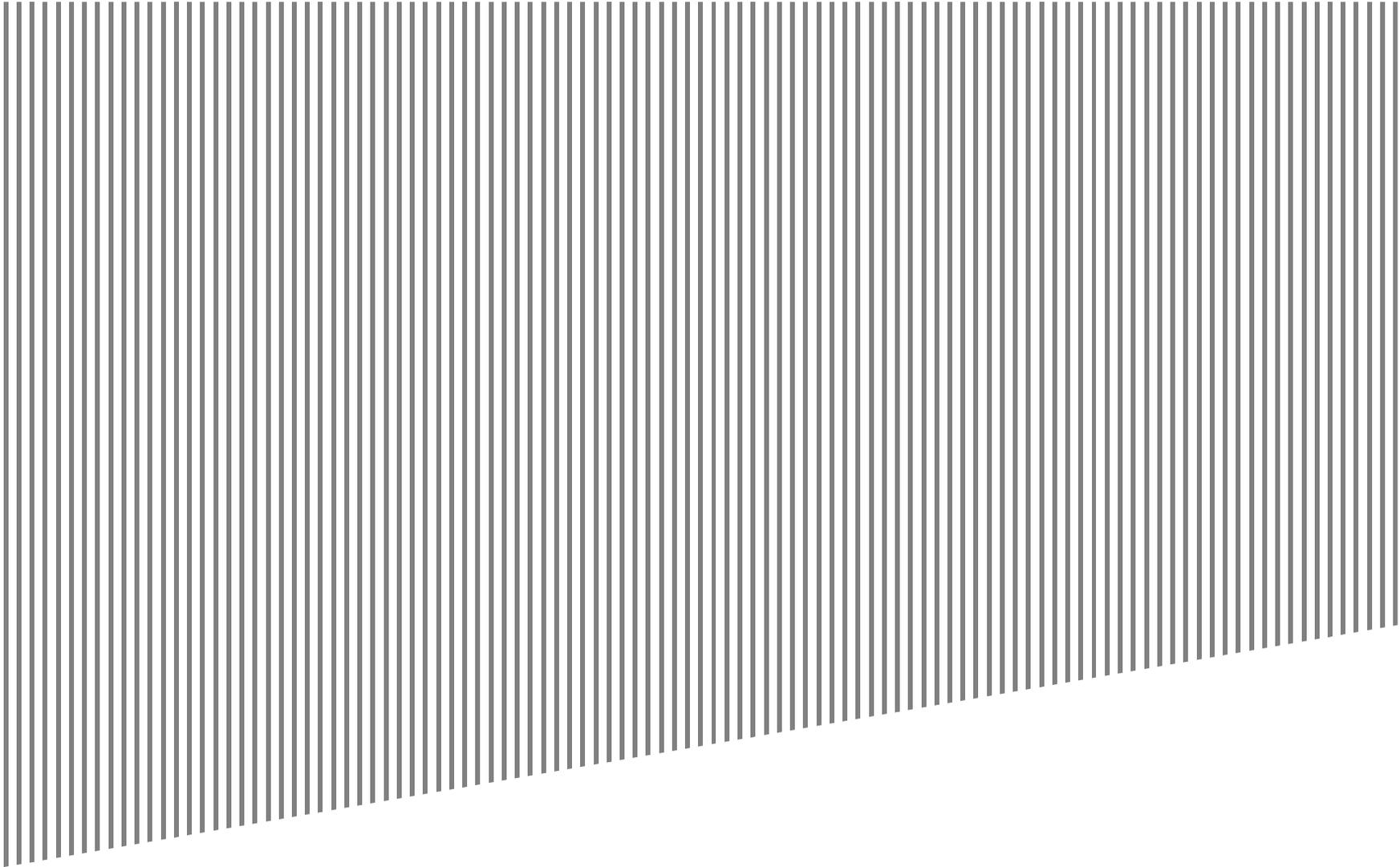
At first glance: the highlights

- ▶ The survey reveals that management is evolving quickly.
- ▶ Between 2008 and 2013 - both during and coming out of the recession - there has been a significant shift in Gen Y and Gen X moving into management roles:

Moving into management	Gen Y	Gen X	Boomers
< 1 year to < 5 years ago (2008-2013)	87%	38%	19%
Five to < 10 years ago (2003-2008)	12%	30%	23%
10+ years ago (earlier than 2003)	1%	31%	59%

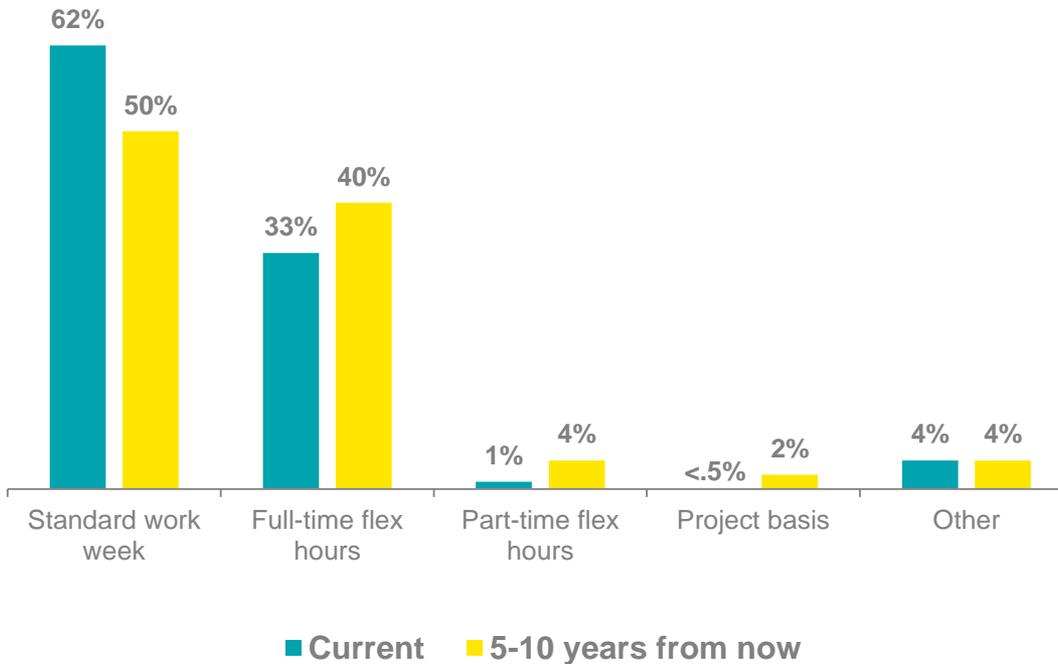
- ▶ In light of this shift, the research provides context for managing the generational mix.
- ▶ One in five (20%) managers report managing a mostly even mix of employees from all three generations.
 - ▶ Gen Y (48%) managers are more likely to manage other Gen Y employees.
 - ▶ Gen X (43%) managers are more likely to manage other Gen X employees.
 - ▶ Boomer (15%) managers are more likely to manage Gen X employees.

Workplace environment



Work schedule

Current work schedule



n=1215

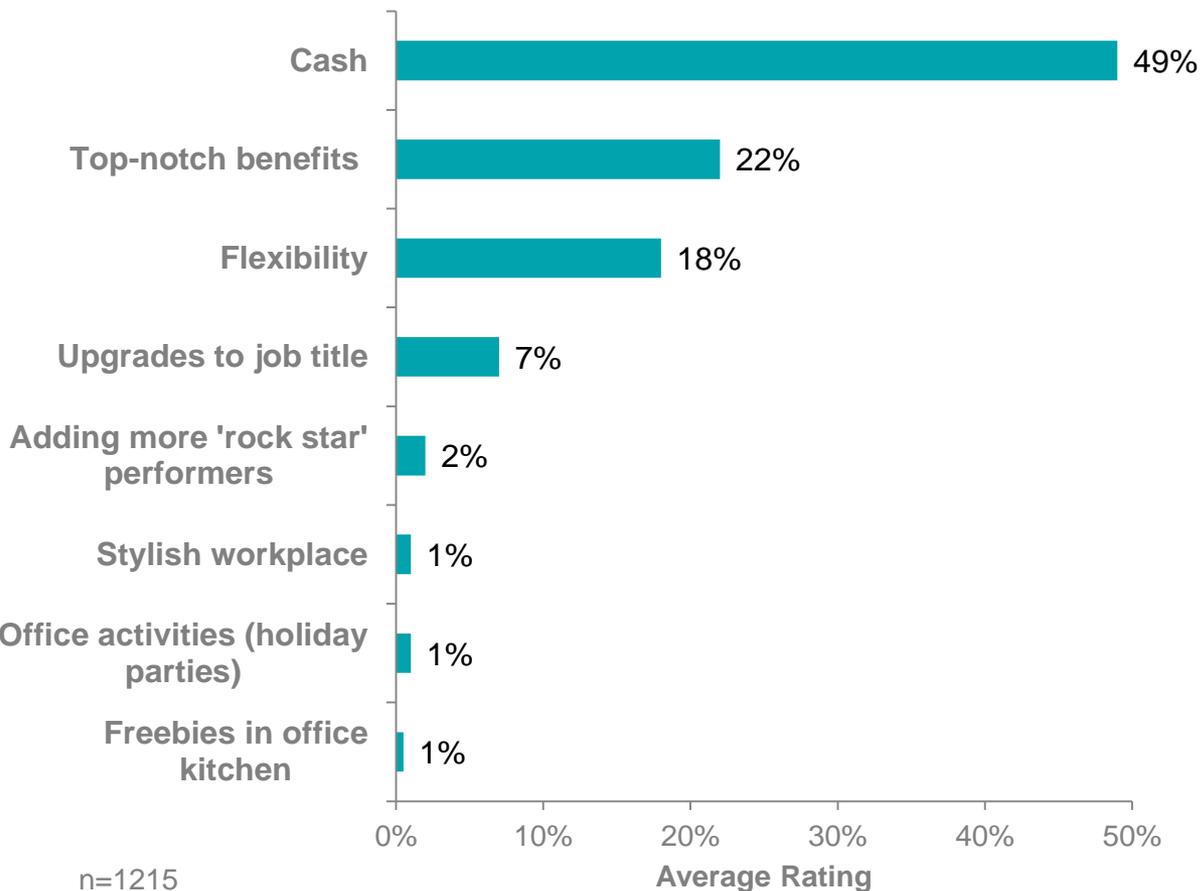
One in three respondents state that they currently work with a more flexible schedule.

- ▶ Managers were significantly more likely to enjoy a full-time but flexible schedule compared to non-managerial respondents (38% compared to 27%, respectively).
- ▶ Gen Y respondents were significantly more likely to anticipate a more flexible work schedule in the future compared to older-generation respondents [46% compared to 39% (Gen X) and 33% (boomers), respectively].

Q12. How would you describe your current work schedule?

Workplace perks

Percentage who ranked each perk first



Perks that can have a direct impact on an employee's wallet were deemed the most important among respondents.

- ▶ Cash was ranked first by nearly half (49%) of all respondents, while benefits (e.g., healthcare and retirement) were ranked first by 22%.
- ▶ Baby boomers were significantly more likely to identify benefits as the most important perk compared to younger generations [29% compared to 17% (Gen Y) and 19% (Gen X), respectively].
- ▶ Gen Y respondents were significantly more likely to prefer a promotion as the top perk (13%) than Gen X (5%) and boomers (4%) who may already have achieved these career milestones.

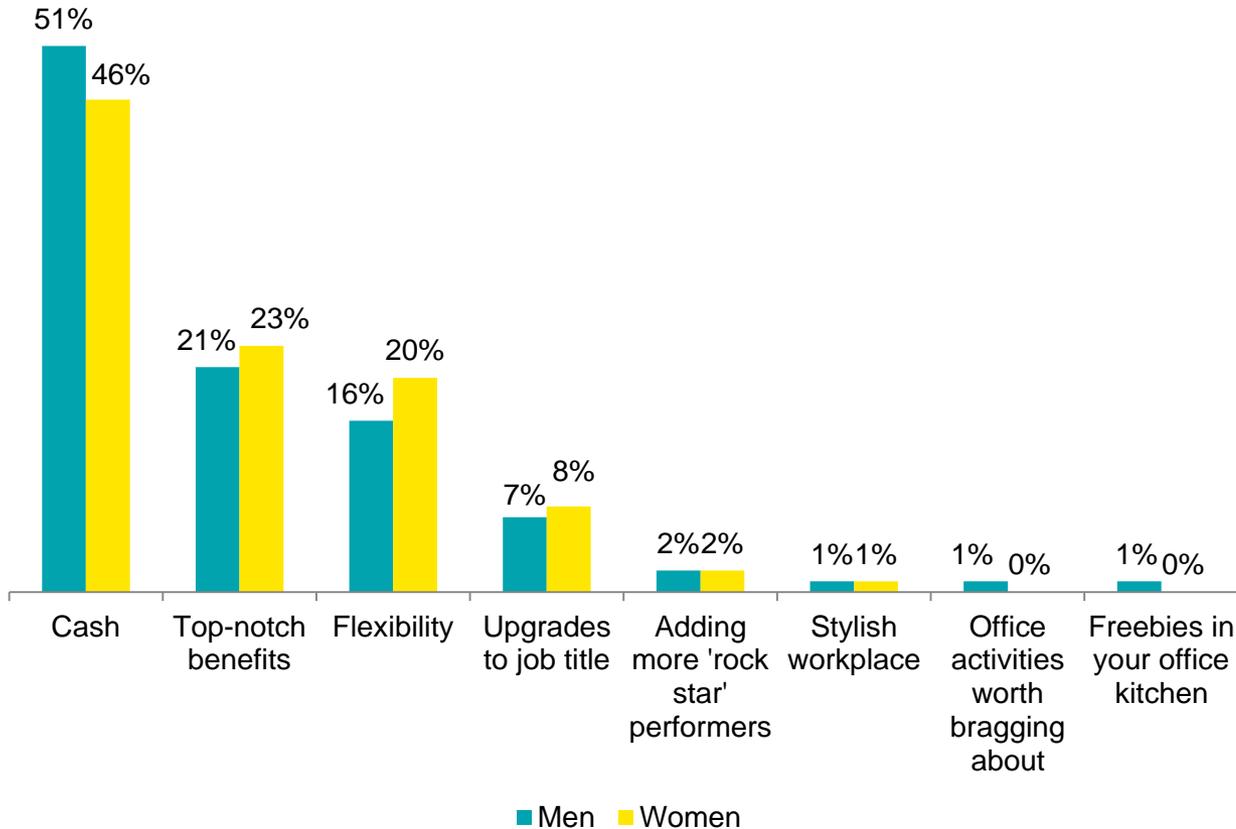
Q13. Please rank the following workplace perks based on how important they are to you.

Workplace perks (average ratings)

Attribute	Average Rating (1 = most important, 8 = least important)
Cash (e.g., bigger paycheck, bonuses, etc.)	2.1
Top-notch benefits (e.g., healthcare, retirement, etc.)	2.7
Flexibility	3.5
Upgrades to your job title (e.g., promotions)	4.6
Adding more 'rock star' performers on your team	5.6
Office activities worth bragging about to a friend/family member (e.g., holiday parties, happy hours, tickets to events, etc.)	5.8
Freebies in your office kitchen (e.g., coffee, snacks, etc.)	5.8
Stylish workplace (e.g., bigger personal office, desk, location, more modern office décor)	5.8

- ▶ Managers rated top-notch benefits slightly lower (2.9) than non-managers (2.5) for importance, specifically Gen Y managers (3.2).
- ▶ Flexibility was the highest non-monetary (cash/benefits) attribute rated across all generations.
- ▶ Adding more 'rock star' performers was valued slightly lower by boomers than other generations.

Workplace perks – perceptions by gender

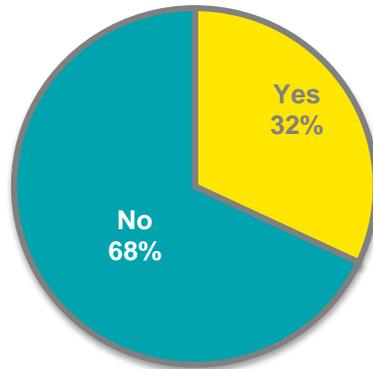


Cash, top-notch benefits and flexibility are the most important workplace perks for both men and women – however - women tend to value top-notch benefits and flexibility more than men.

- ▶ Gen Y values promotions the most of all generations, with Gen Y women (16%) valuing them even more than Gen Y men (10%).

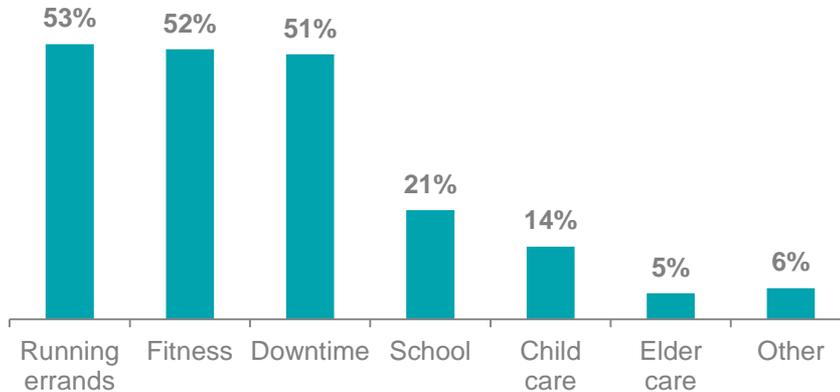
Workplace flexibility

Would you walk away if you didn't have flexibility?



n=1215

What would you do with more schedule flexibility?



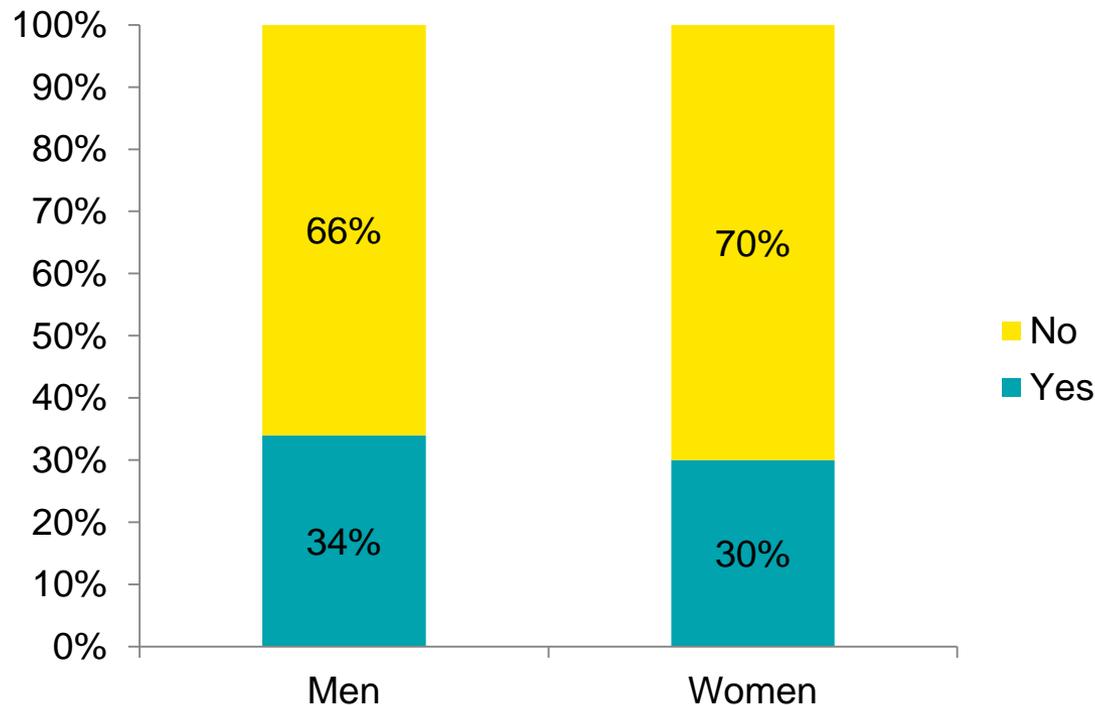
n=1215

One in three respondents view day-to-day flexibility in their job as a must-have for their career.

- ▶ Gen Y (33%) and Gen X (38%) were significantly more likely than boomers (25%) to say they would walk away from their current job if they felt there was a lack of flexibility.
- ▶ If given the opportunity to enjoy more schedule flexibility, Gen Y respondents were significantly more likely to use additional schedule flexibility for additional schooling, while Gen X respondents were the most likely to use it to supplement child care.

Workplace flexibility – perceptions by *gender*

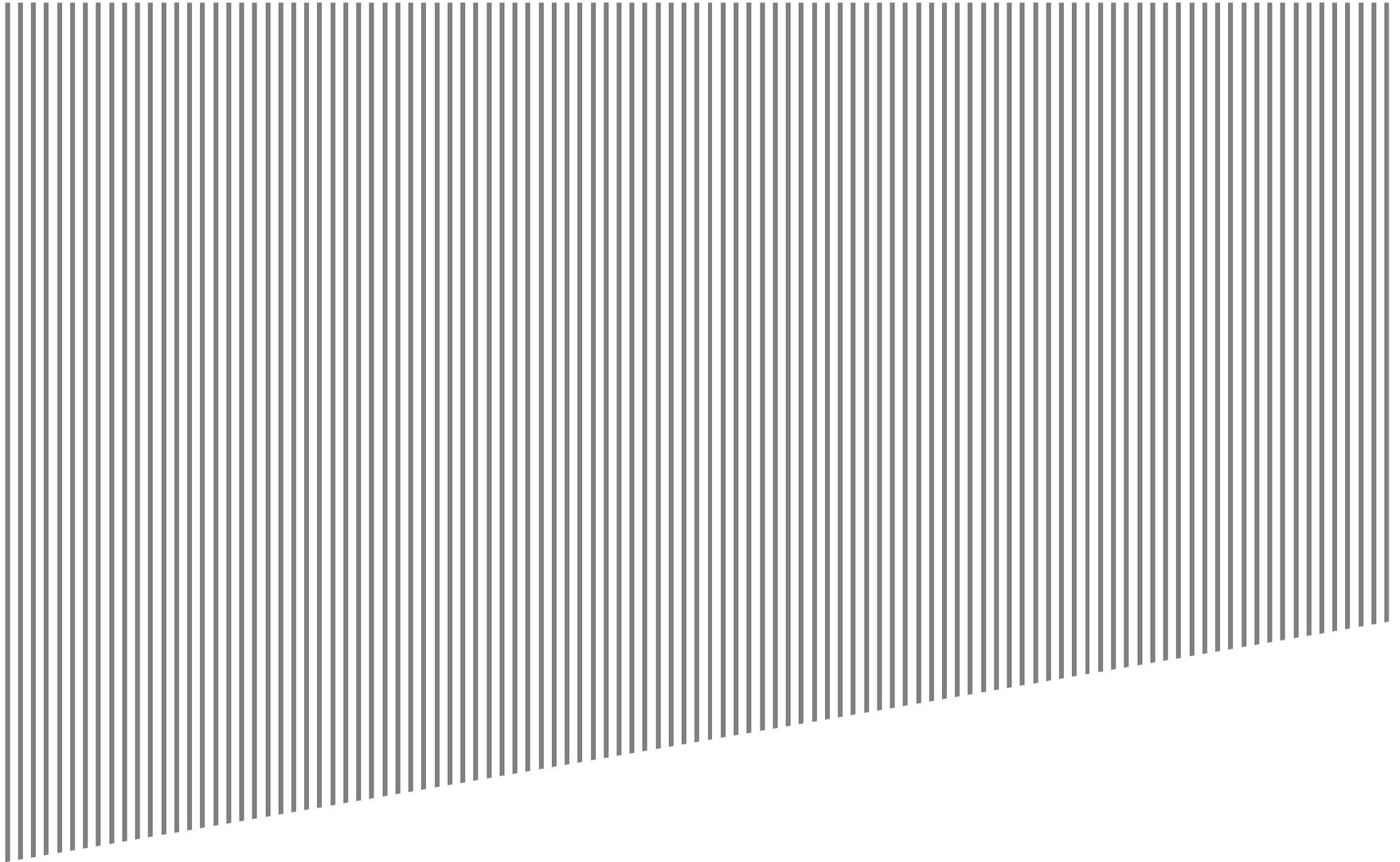
Would you walk away from your current job if you felt you did not have day-to-day flexibility?



Men are slightly more likely to walk away from their job if they did not have day-to-day flexibility.

- ▶ Women were less likely than men to walk away from their job without day-to-day flexibility across all three generations.
- ▶ Gen X men (40%) were the most likely to walk away from their current job if they felt they didn't have day-to-day flexibility - Gen X women were close behind with 37%.
- ▶ Boomer men (27%) and women (24%) were least likely to walk away from their jobs if they did not have day-to-day flexibility.
- ▶ The largest gap between men and women was found in Gen Y - 36% of men and 30% of women would walk away from their jobs without this flexibility.

Perceptions of *members* of each generation



Perceived characteristics of each generation

Percentage that strongly/somewhat agree each generation displays the following characteristics



- ▶ Gen X and boomers were more likely to be perceived as a “productive part of my organization,” a “team player,” “hardworking,” and “nurturing and essential for developmental opportunities” than Gen Y.
- ▶ Gen Y was more likely to be perceived as “entitled and concerned primarily about individual promotion” and “lacking relevant experience to make an immediate contribution” than Gen X and boomers.
- ▶ Yet it’s interesting to note that members of every generation view their own generation as entitled to a degree, including 60% Gen Y, 49% Gen X and 27% boomers.

Perceived characteristics of each generation (cont.)

Percentage that strongly/somewhat agree each generation displays the following characteristics



- ▶ A majority (at least 56%) of respondents felt Gen X displayed each of the positive characteristics. Similarly, the only negative Gen X attribute identified by more than half (51%) of respondents was “entitled and concerned primarily about individual promotion.”
- ▶ Boomers were least likely to be considered “enthusiastic” and most likely to be considered “cynical and condescending.”

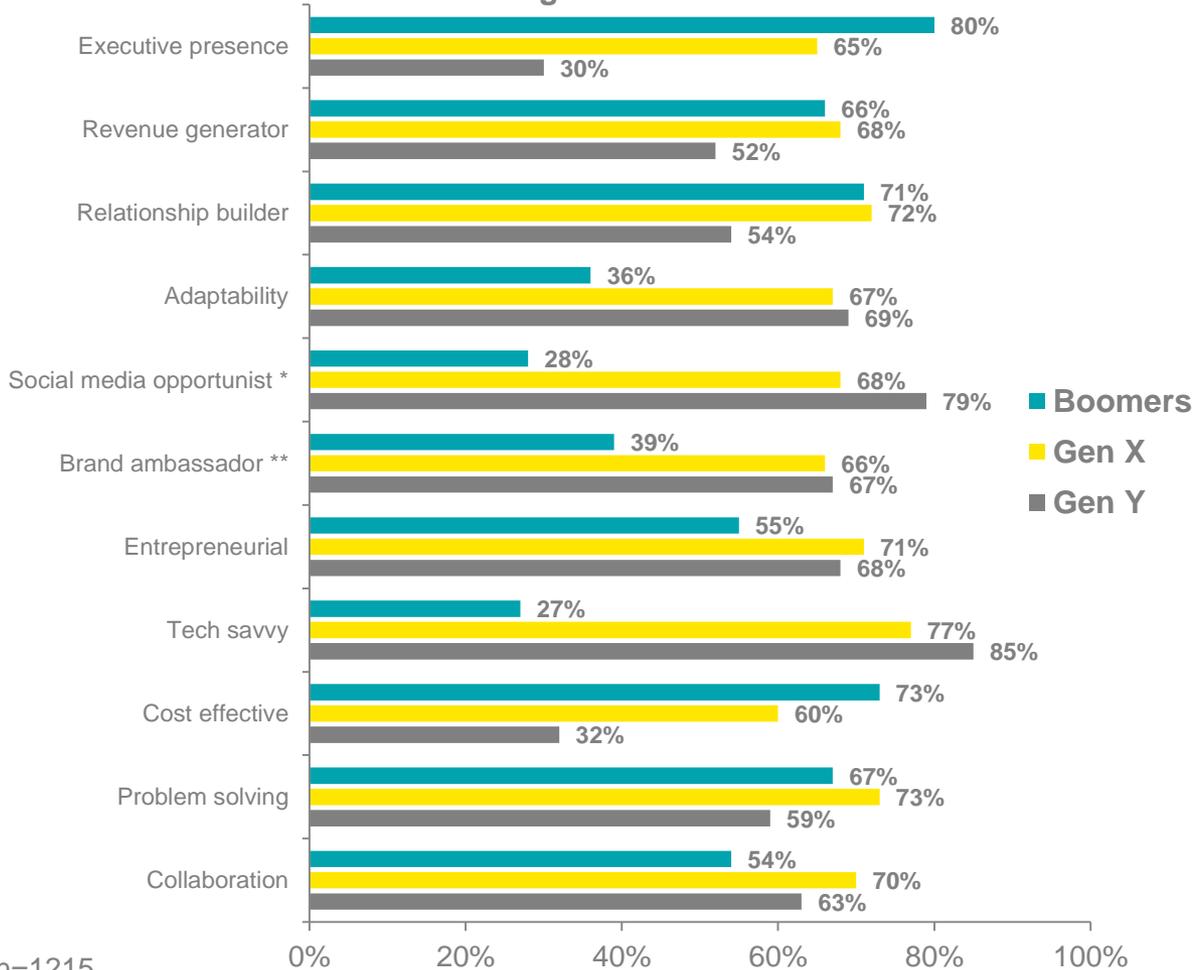
n=1215

0% 20% 40% 60% 80%

Q29. Please indicate how much you agree or disagree with the following characteristics for each generation.

Perceived characteristics of each generation (cont.)

Percentage that strongly/somewhat agree each generation displays the following characteristics



Gen X displays the broadest range of positive characteristics.

- ▶ A majority (60% or more) of respondents felt Gen X displayed all of the characteristics.
- ▶ Boomers are considered the least “tech savvy” of the three generations. This attribute had the highest disparity among generations (a 58% gap between boomers and Gen Y).
- ▶ Not surprisingly, respondents were much more likely to self-identify their own generation as displaying each characteristic.

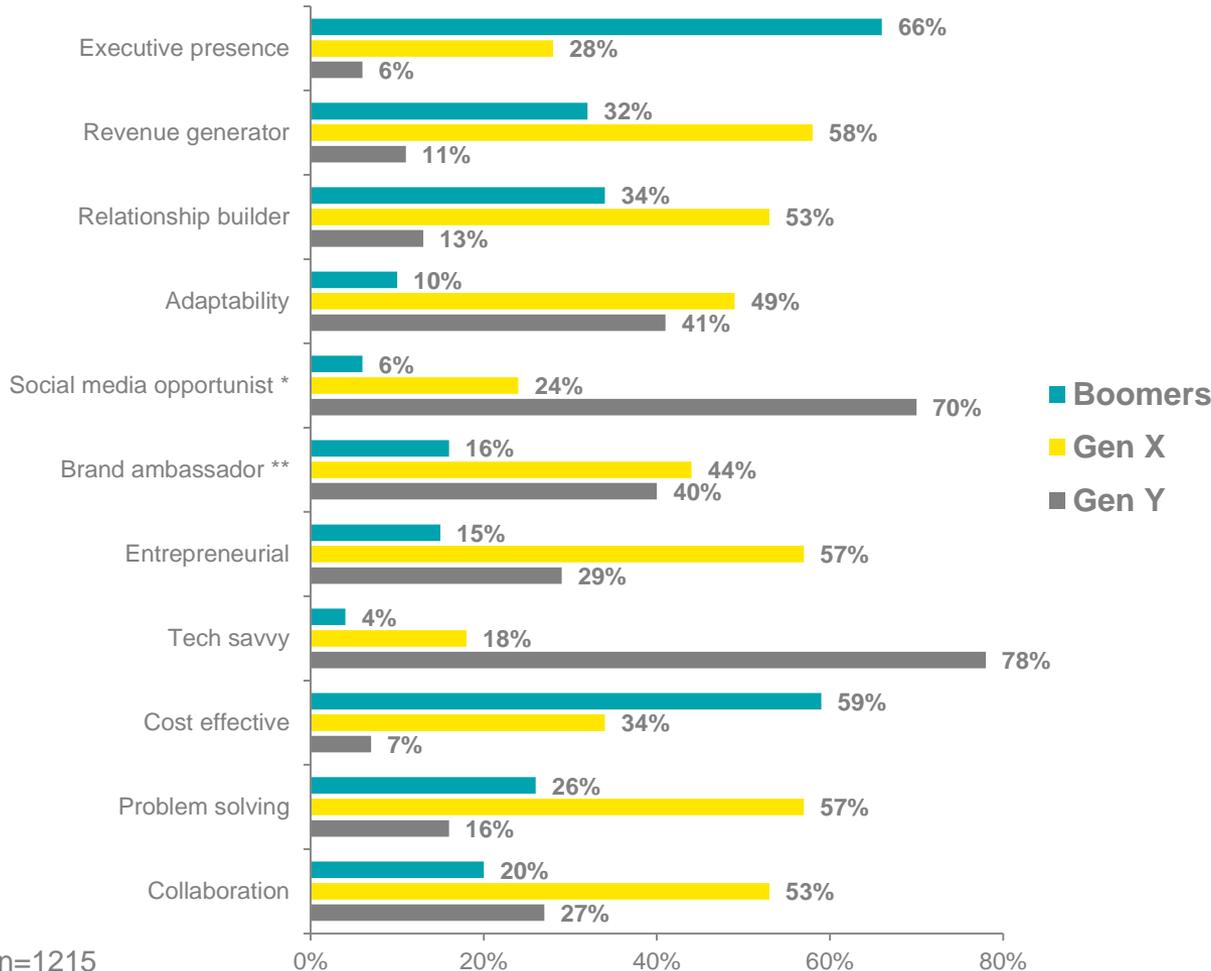
Q16. Please indicate the extent to which you agree or disagree that each generation displays the following characteristics.

*Social media opportunist: Leverages social media beyond marketing for business development, customer service, new product/service development, etc.

**Brand ambassador: Leverages various channels, such as social media platforms or speaking engagements, to build an emotional connection and engagement with your brand

Which generation is the *best* at displaying the following characteristics?

Percentage that strongly/somewhat agree which generation is best at displaying a characteristic



Gen X was the most frequently identified group at being the best at a majority of characteristics (cited most frequently in seven out of 11 attributes).

- ▶ Boomers were considered the best at displaying “executive presence” and being “cost effective” (66% and 59%, respectively).
- ▶ Gen Y got the single largest endorsement, with more than three-quarters (78%) of respondents giving them credit for being “tech savvy” and nearly three-quarters identifying them as social media opportunists, or leveraging social media beyond marketing.
- ▶ In general, Gen X was more willing to share votes with either of the other two generations, while Gen Y and boomers were more likely to credit Gen X when they weren’t nominating their own generation.

Q17. Please indicate which generation you feel is the BEST at displaying the following characteristics.

*Social media opportunist: Leverages social media beyond marketing for business development, customer service, new product/service development, etc.

**Brand ambassador: Leverages various channels, such as social media platforms or speaking engagements, to build an emotional connection and engagement with your brand

Perceived strengths and weaknesses of each generation

Gen Y

Strengths

Tech savvy (49%)

- ▶ *“Ability to adapt to/easily learn the latest technology.”*
- ▶ *“Comfortable with changing technology and willing to use it to save resources and revenue.”*

Social media savvy (9%)

- ▶ *“Understanding of social networking, branding and how to integrate technology with business.”*

Flexibility (7%)

- ▶ *“Flexibility and not being tied to how things were.”*
- ▶ *“The younger generation is more flexible in dealing with different cultures and in times of change and economic instability. Also they are up on the changing and current technology.”*

Areas to Strengthen

Lack of experience (27%)

- ▶ *“Don't have the experience of dealing with difficult customers and vendors.”*
- ▶ *“Inexperience and a tendency to want to start at the top without earning the position.”*
- ▶ *“Not enough exposure to working with people and staff.”*

Lack of communication skills (11%)

- ▶ *“Face to face communication is lacking with the younger generation which is extremely important as a manager.”*

Immaturity (9%)

- ▶ *“Groups in the 35-44 (39%) and 45-54 (39%) age ranges report less take-home pay than the previous year.”*
- ▶ *“Their youth and inexperience with the way that things really are.”*

Perceived strengths and weaknesses of each generation

Gen X

Strengths

Experience (21%)

- ▶ *“Has already tried looking from different ways and learned from the mistakes that lay there.”*
- ▶ *“Experienced enough to know their particular fields and ready to take on managerial roles.”*

Tech savvy (15%)

- ▶ *“Experience with technology, coupled with life experience, to manage teams effectively.”*
- ▶ *“Generation X has the best of both worlds. They are well educated in the computer & technology industry and have a high-level business sense by working with Baby Boomers.”*

Adaptability (8%)

- ▶ *“Adaptability, enough experience to have seen changes in the market yet open to new ideas.”*

Areas to Strengthen

Not tech savvy (9%)

- ▶ *“Not willing to embrace new technology and frustration with the "texting" (vs. "talking") generation.”*
- ▶ *“Some are tech savvy, some are not.”*

Inflexible (4%)

- ▶ *“Some may be maxing out on growth ability.”*
- ▶ *“Not appreciating the value of the fresh perspective of the younger generation.”*

Family commitments (4%)

- ▶ *“Family obligations; can't come to work if their child is sick; not as dependable.”*
- ▶ *“Juggling aging parents and families that have begun later.”*

Q24. What do you believe are the greatest strengths of each of the following generations?

Q25. What do you believe are the greatest weaknesses/challenges of each of the following generations?

Perceived strengths and weaknesses of each generation

Boomers

Strengths

Experience (45%)

- ▶ *“Went through several trying episodes as a country and that shaped this generation to be effective.”*
- ▶ *“They have been through several cycles of economic boom and bust if they were paying attention, they will learn from it.”*

Knowledge (8%)

- ▶ *“Knowledge and experience give them an edge as long as they are willing to listen and try new ideas also.”*
- ▶ *“Irreplaceable knowledge and experience in leadership, industry knowledge and mentoring.”*

Leadership (8%)

- ▶ *“Experience in leading and building teams and gaining buy in from the various diverse groups.”*

Areas to Strengthen

Not tech savvy (31%)

- ▶ *“Lack of knowledge and/or ease with using technology and how it can be beneficial to a business both in sustaining the status quo and also promoting growth.”*

Inflexible (16%)

- ▶ *“Set in their ways, sometimes mentally tired, not always ready to compromise, hesitant to give credit to others.”*
- ▶ *“Some are set in their ways and have a hard time adjusting to change.”*

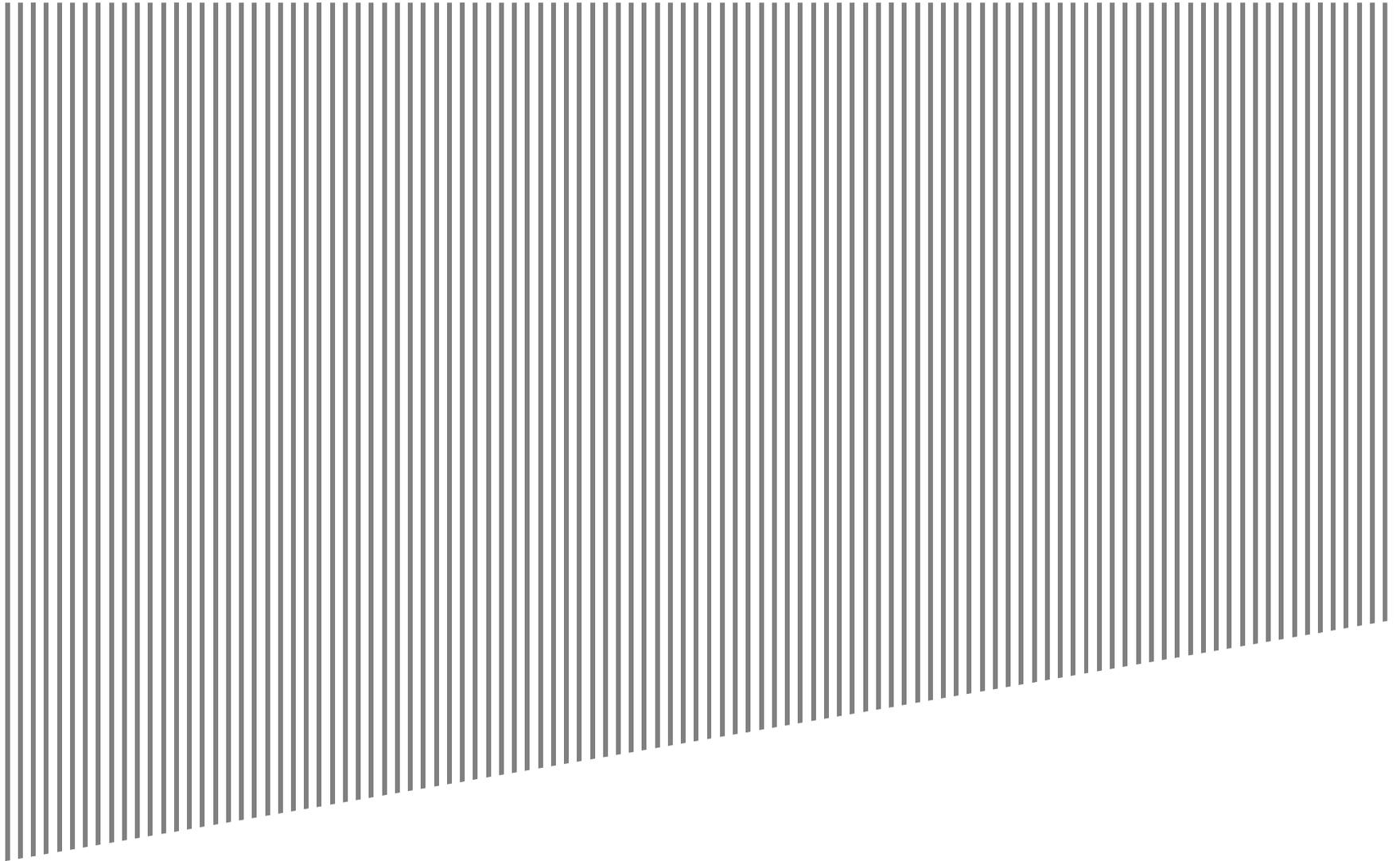
Slow to learn (8%)

- ▶ *“Ability to handle culture changes.”*
- ▶ *“Not adapting well to change and the digital world.”*

Q24. What do you believe are the greatest strengths of each of the following generations?

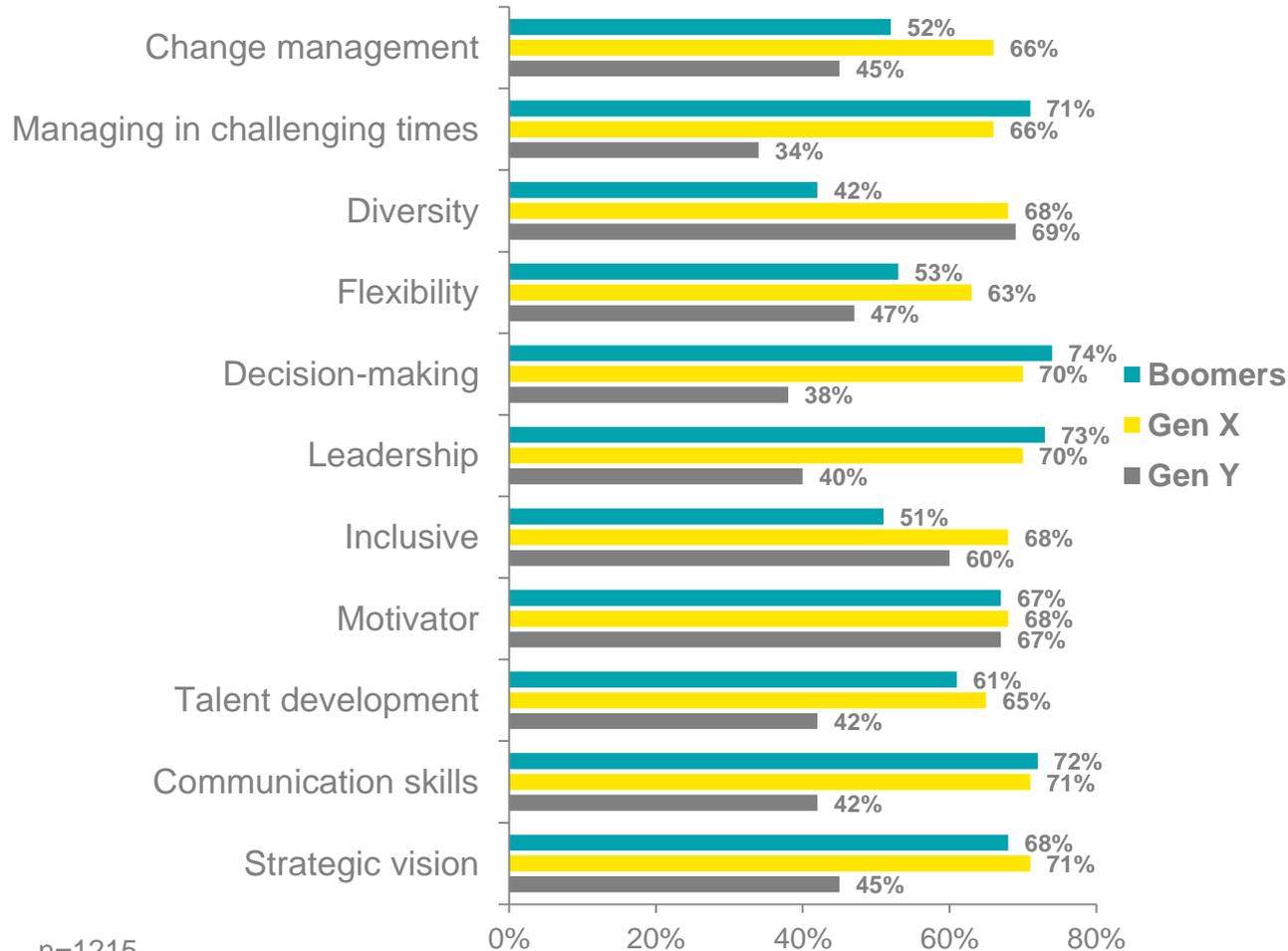
Q25. What do you believe are the greatest weaknesses/challenges of each of the following generations?

Perceptions of *managers* of each generation



Perceived managerial skills of each generation

Percentage that strongly/somewhat agree managers from each generation display the following skills



n=1215

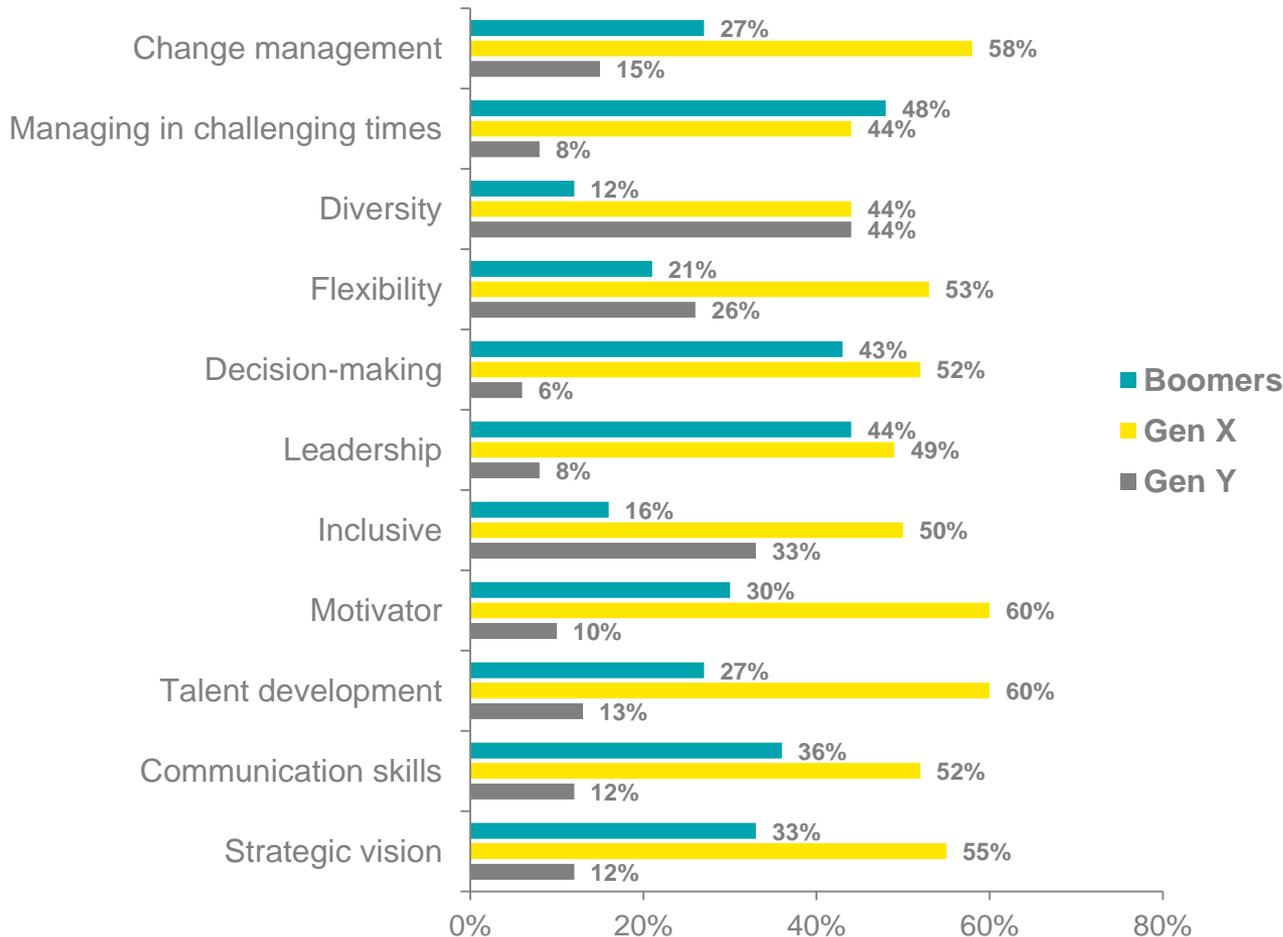
Gen Y is identified as displaying only two of the managerial characteristics by more than half of the respondents.

- ▶ More than 6 in 10 (61%) agree that Gen X displays all of the characteristics.
- ▶ Boomers were least likely to be identified as displaying “diversity,” while edging out Gen X for “managing during challenging times,” “leadership” and “communication skills.”
- ▶ Gen Y was the highest rated generation for diversity, but lowest for eight of the 11 managerial characteristics.

Q18. Now, please indicate the extent you agree or disagree that managers from each generation display the following management skills.

Which generation is the *best* at displaying the following *management* skills?

Percentage that strongly/somewhat agree which generation's managers best display the following skills



Regarding managerial skills, respondents overwhelmingly favored Gen X (considered the “best” on nine of the 11 attributes).

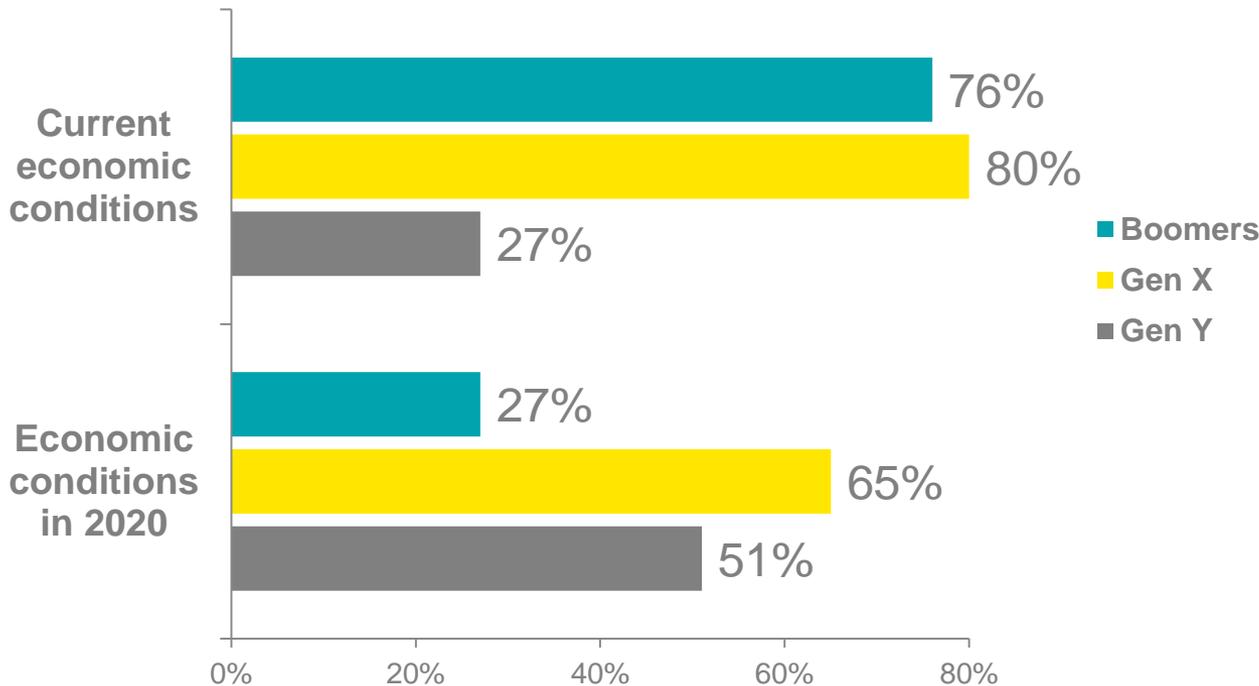
- ▶ Boomers edged out Gen X in being able to “manage in challenging times,” which is consistent with boomers’ high rating in “executive presence.”
- ▶ Gen Y was tied for the highest in displaying “diversity,” otherwise earning the fewest mentions as best for eight of 11 management skills.

n=1215

Q19. Now, please indicate which generation of managers you feel is the best at displaying the following management skills.

Generations' ability to effectively manage in the present vs. the future

Is each generation equipped to effectively manage during each of the following?



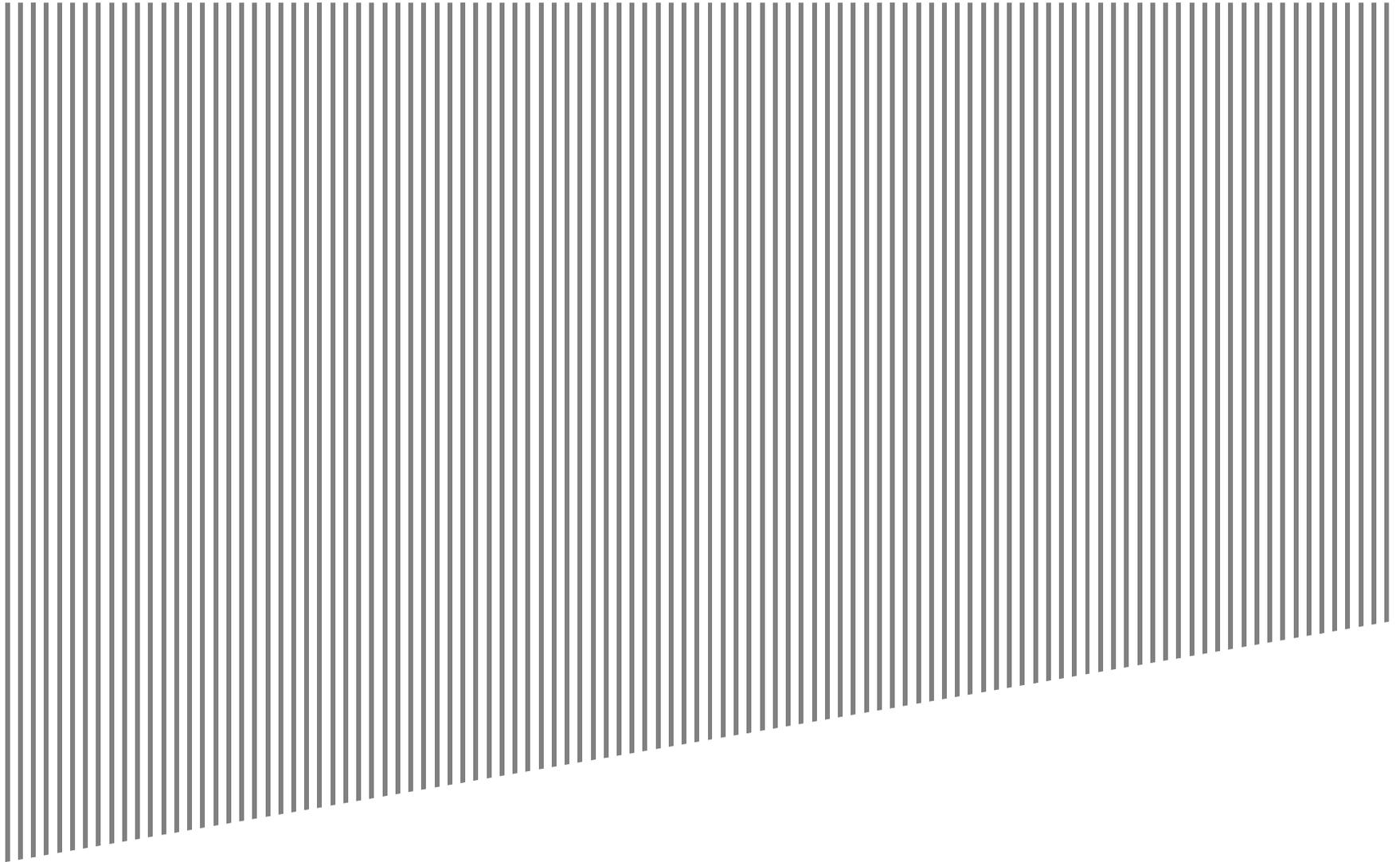
Respondents feel that Gen X is best equipped to manage under current economic conditions and those faced in the future.

- ▶ Support for Gen X and boomers to manage in the future dropped substantially, while expectations that Gen Y will manage effectively in the future nearly doubled.
- ▶ As expected, boomers were least likely to be identified as best equipped for 2020 economic conditions — likely as respondents expect boomers to retire by 2020.

n=1215

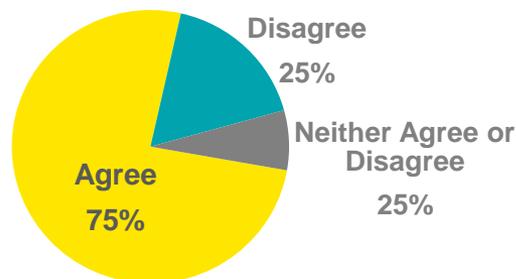
Q21. Do you think Generation Y (those ages 32 and younger) is equipped to manage effectively during each of the following?

Managing the generational mix



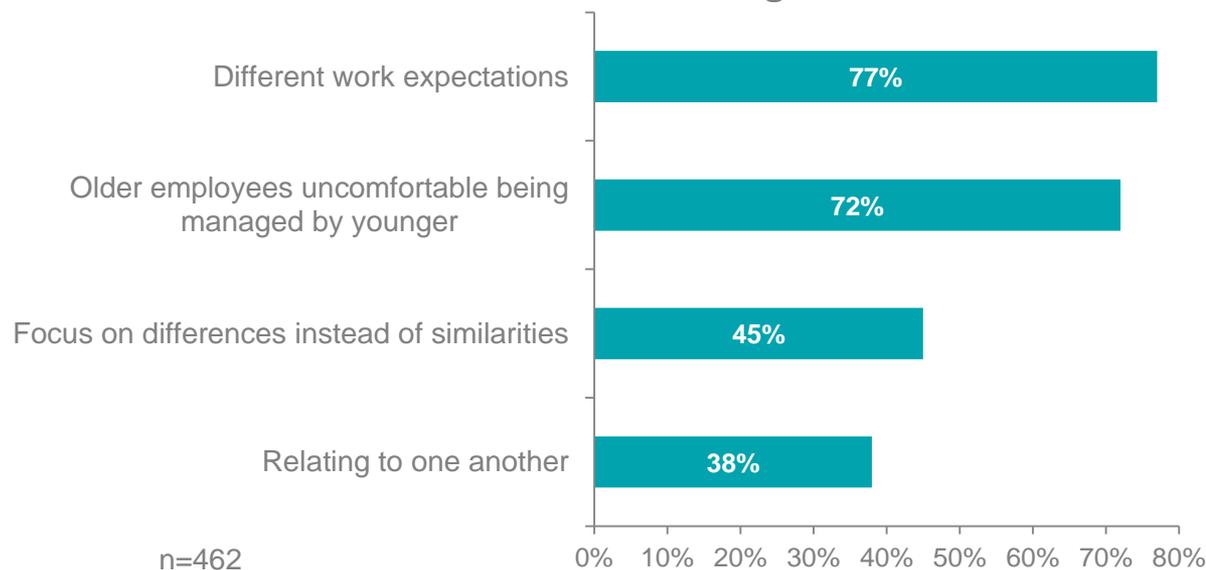
Generational challenges

Do you agree or disagree that it is a challenge managing multi-generational teams?



n=614

How much of a challenge is each?



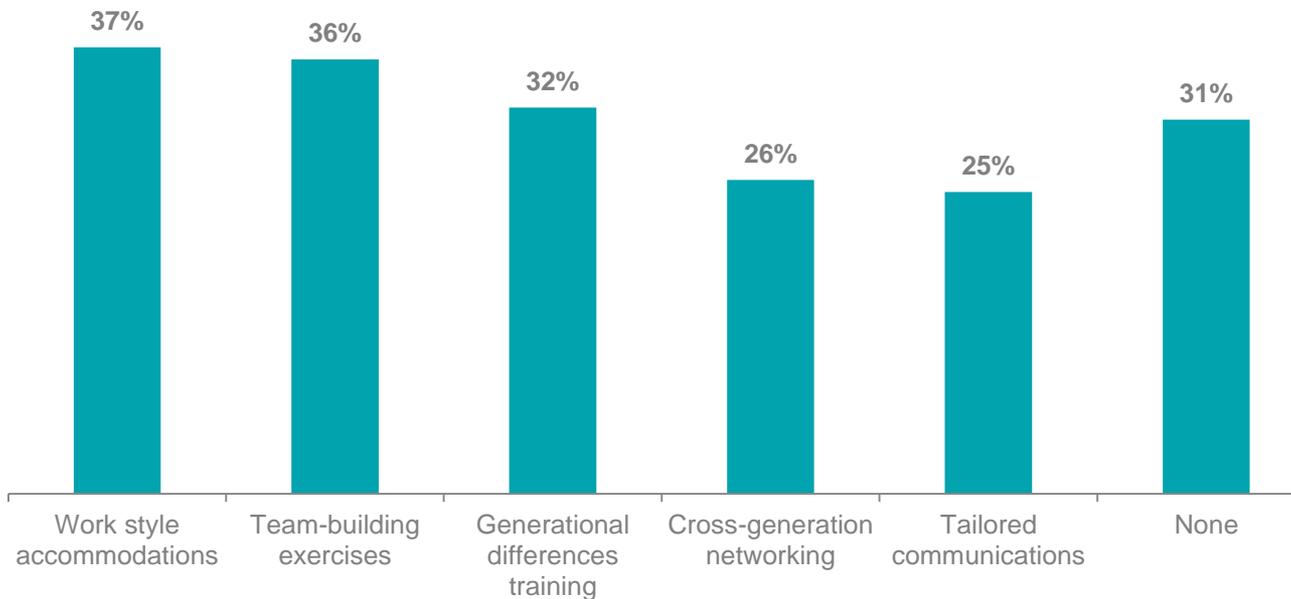
n=462

Three-quarters (75%) of respondents who identified as managers agree that managing multi-generational teams is a challenge.

- ▶ Different work expectations (77%) and a lack of comfort with younger employees managing older employees (72%) were the leading challenges identified across all generations.

Organizational steps taken to alleviate generational challenges

Steps taken by organization to address generational challenges



n=1215

More than two-thirds (69%) of respondents said their organization has made at least some form of effort toward alleviating the challenges in managing a generational mix.

- ▶ Gen Y respondents were significantly more likely to say their organization has accommodated different work styles compared to Gen X respondents (41% compared to 33%, respectively).
- ▶ Managers (40%) were more likely than non-managers (32%) to identify team-building exercises as a step taken to address generational challenges.

Q26. Which of the following has your organization done to help alleviate challenges in managing a generational mix?

At EY, here's the learning:

- ▶ Interact with people as individuals.
- ▶ Acknowledge your biases – hold yourself accountable.
- ▶ Challenge people when you hear them promoting stereotypes or generalizations.
- ▶ Focus on the things we have in common.
- ▶ Have clear and frequent conversations.
- ▶ Engage with people who may be different than you.
- ▶ Learn from those in other generations: coach, counsel and mentor.
- ▶ Make sure everyone has a seat at the table – regardless of generation or other differences.
- ▶ Don't mistake age-related differences for generational differences (Ask yourself if this an attitude or behavior that previous generations held at that age?)
- ▶ **Generational differences may not be the issue – it could be frames of reference that differ.**

Begin to understand if we want the same things:

- ▶ Have the best of intentions.
- ▶ Believe others have positive intentions.
- ▶ No excuses: you can talk about differences.
- ▶ It is ok to make mistakes.
- ▶ Coach others and be gracious when they apologize.
- ▶ Don't guess – ask.
- ▶ Don't assume – explain.