

The Great Generational Shift

UPDATE 2017

By Bruce Tulgan

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Since 1993, we have been tracking the “Great Generational Shift” underway in the workforce and we remain committed to updating our research every year in this white paper. To date, our primary research has included hundreds of thousands of participants from more than 400 organizations, as well as our ongoing review of internal survey data from our clients reflecting millions of respondents.

In this 2017 update, we provide adjustments based on our latest data from tracking this powerful demographic transformation. This is the generational shift that demographers and workforce planners have been anticipating for decades. Now it’s actually happening. As the Baby Boomers’ slow but steady exodus from the workforce continues, the Second Wave Millennials continue entering the workforce in droves. This radical shift in numbers is accompanied by a profound transformation in the norms, values, attitudes, expectations and behaviors of the emerging post-Boomer workforce.

What follows:

1. The Numbers Problem: Workforce 2017 (and 2020 is just around the corner).
2. The Forces Driving Change: No Ordinary Generation Gap.
3. The Workforce of the Future Is Arriving: Welcome to the Workplace of the Future.
4. Human Capital Management 2017: What Does the Generational Shift Mean for Employers?
5. Employee Mindset 2017: Spotlight on the Second Wave Millennials.
6. Leadership 2017: What Does the Generational Shift Mean for Leaders, Managers, and Supervisors?

In just the last year alone, millions of First Wave Boomers and pre-Boomers have left the North American workforce, while millions of Second Wave Millennials have joined.

1. The Numbers Problem: Workforce 2017 (and 2020 is just around the corner).

Based on our model, there are six different generations still working side by side in 2017, but just barely:

	2017
Pre-BB (pre-1946)	<1%
BB First Wave (1946-1954)	11%
BB Second Wave (1955-1964)	16%
Generation X (1965-1977)	27%
Millennials First Wave (1978-1989)	27%
Millennials Second Wave (1990-2000)	17%
Post-Millennial	>1%

Note: Demographers differ about the exact parameters of each generation. The definitions are always somewhat in flux. Because both the Baby Boomers and the Millennials are such large generations, our model splits them both into “First Wave” and “Second Wave” cohorts.

In just the last year alone, millions of First Wave Boomers and pre-Boomers have left the North American workforce, while millions of Second Wave Millennials have joined:

	2016	2017
Pre-BB (pre-1946)	1%	<1%
BB First Wave (1946-1954)	13%	11%
BB Second Wave (1955-1964)	17%	16%
Generation X (1965-1977)	27%	27%
Millennials First Wave (1978-1989)	28%	27%
Millennials Second Wave (1990-2000)	14%	17%
Post-Millennial	0%	>1%

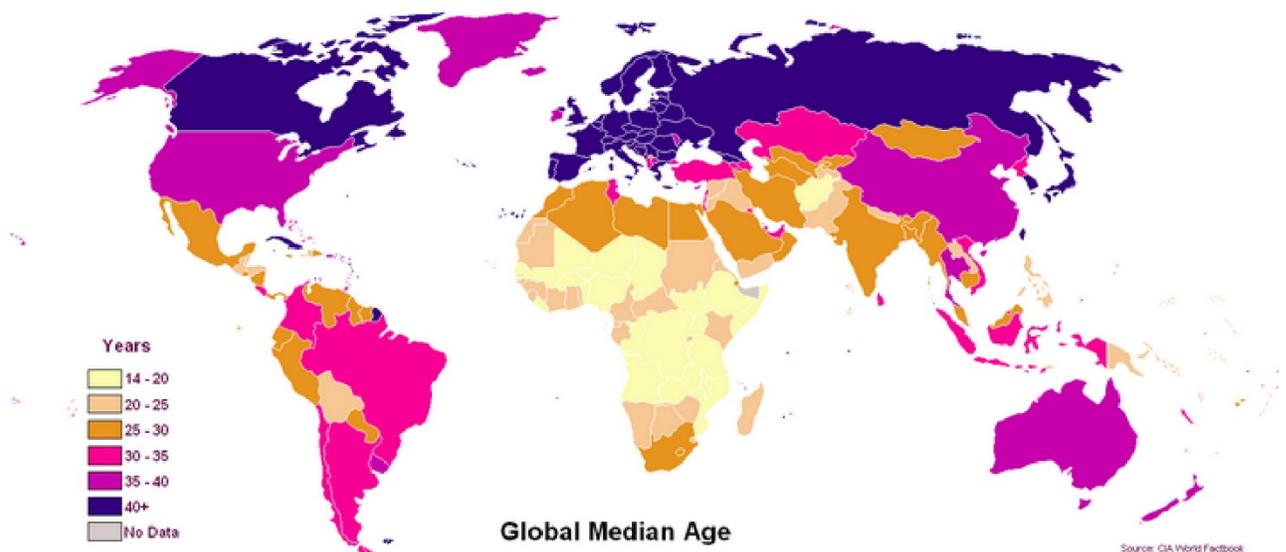
The long dominant Boomers are on the wane, while the Second Wave Millennials are on the rise. The oldest of the First Wave Boomers are now in their 70s and every single day, in North America alone, another 10,000 First Wave Boomers turn 70. In terms of percentage, the trends are very similar throughout Europe and in Japan. By 2020, First Wave Boomers will be well under 6% of the workforce and those who do remain in the workforce will continue trending heavily toward “reinventing” retirement and late-career pre-retirement: Working less than full-time, often partially telecommuting, and often working nonexclusively for more than one employer. At the same time and for the

foreseeable future, the Second Wave Millennials (and soon post-Millennials) will be the fastest growing segment of the workforce. By 2020, those born 1990 and later will be greater than 28% of the workforce altogether (including post-Millennials).

	2017	2020
Pre-BB (pre-1946)	<1%	0%
BB First Wave (1946-1954)	11%	<6%
BB Second Wave (1955-1964)	16%	13%
Generation X (1965-1977)	27%	26%
Millennials First Wave (1978-1989)	27%	27%
Millennials Second Wave (1990-2000)	17%	24%
Post-Millennial	>1%	>4%

While the shift in numbers is swift and steady even in “older” North America, Europe, and Japan, the youth bubble is much, much larger in Africa, Latin America, and much of Asia. By 2020, in these younger parts of the world, those born 1990 and later will be more than 60% of the workforce. Considering the increasing globalization of the workforce, one important feature of the emerging young workforce is that it will be increasingly global, with a much greater percentage of the new young global workforce coming from outside of North America, Europe, and Japan.

The youth bubble is much bigger in Africa, most of Asia and Latin America



2. The Forces Driving Change: No Ordinary Generation Gap.

Why is this generation gap different from most?

Throughout most of history, in most societies, every new generation has come along with new attitudes and expectations that differ – at least in part – from those of previous generations. That’s why every new generation prompts a “generation gap” of sorts.

Today’s generation gap, in contrast, is about much more than a clash of styles and preferences; much more than the creative energy of youth challenging the cautious wisdom of experience; more than the new butting up against the old. The “Generational Shift” unfolding today is of historic significance, defined by the confluence of macro forces driving change at an extraordinary magnitude and pace. The Second Wave Millennials coming of age today have been shaped by those same forces of change. As such, the current generation gap is not only an important diversity issue, but also coincides with a qualitative transformation in the norms of life and work and society – at every level. Everything is changing so much and so fast that the youngest, least experienced people bring to the table a unique wisdom that comes from being in sync – much more so than older, more experienced people – with the immediate and intermediate future, like so many “canaries in the coal mine.” That’s why generational differences evident in today’s youth can serve as a powerful lens through which to understand the trajectory of today’s changing world.

Our efforts remain focused on understanding today’s changing workforce, changing workplace, changing nature of employment, and even changes in the very nature of work itself. To that end, we continue tracking the same six profound historical forces of change we’ve watched unfolding in plain sight now for more than two decades:

1. Globalization
2. Technology
3. Institutional insecurity
4. The information environment
5. Human diversity
6. Virtual reality

Can there be any doubt that these same six macro forces driving change continue to accelerate and continue to define the transformations evident in every aspect of life and work? Does anyone remember a year prior to 2016-2017 with more object-lessons demonstrating the impact of each and every one of these forces of change?

Globalization

We are all now capable of connecting and traveling to work across borders in every direction and combination. Unlike any other time in history, we can all look forward to a lifetime of interdependency and competition with a rising global youth tide from every corner of this ever-flattening world.

Technology

The pace of technological advance today is unprecedented. Information. Computing. Communication. Food. Transportation. Commerce. War. Entertainment. Medicine. In every aspect of life, anything can become obsolete at any time – possibilities appear and disappear swiftly, radically, and often without warning.

Institutional Insecurity

Ours is a world threatened by terrorism and environmental cataclysm, one in which the economy fluctuates wildly from boom to bust; governments sometimes shut down or run out of money; and great companies conquer, or fail, or merge, or continually downsize, restructure, and reengineer. Institutions in every domain have been forced into a constant state of flux just in order to survive and succeed in this constantly changing world. We all know that we cannot rely on institutions to be the anchors of our success and security.

The Information Environment

We are all now forced to think, learn, and communicate in a never-ending ocean of information. Ours is an information environment defined by wireless internet ubiquity, wholesale technology integration, infinite content, and immediacy. We have infinite access to information and ideas and perspectives – unlimited words, images, and sounds.

Human Diversity

In every dimension, the world is becoming more diverse and more integrated. Each generation is more diverse than the last. That's true in terms of geographical point of origin, ethnic heritage, ability/disability, age, language, lifestyle preference, sexual orientation, color, size, and every other way of categorizing people. Every single individual, with his or her own combination of background, traits, and characteristics, is his or her own unique diversity story.

Virtual Reality

We are all plugged in to an endless stream of content and in continuous dialogue – through social media-based chatting and sharing and gaming – forever mixing and matching and manipulating from an infinite array of sources to create and then project back out into the world our own ever-changing personal montage of information, knowledge, meaning, and selfhood.

3. The Workforce of the Future is Arriving: Welcome to the Workplace of the Future.

Employers in 2017 are scrambling to adjust to a new normal of change and uncertainty which is driven, not only by the forces of change outlined in the previous section of this white paper, but also by an environment of regular but unpredictable – and rather wild – market fluctuations. Indeed, that scramble has been picking up steam every year since 1993, when we began tracking the “Great Generational Shift.”

The changes we’ve been tracking are coming to fruition, maturing everywhere we look. The worldwide business environment of perpetually high risk, constrained resources, and fierce competition puts constant pressure on employers to remain lean, flexible and high-performing. Despite these pressures constraining employer resources, employers are struggling to attract, motivate and retain the best young talent – especially in the STEM (Science, Technology, Engineering, and Math) fields – as they watch their oldest, most-experienced employees ride off into the sunset. This leaves business leaders asking how they can possibly square their business needs with the now incredibly widespread workforce expectations (nay, demands) for greater flexibility in work conditions and career paths.

*Nowadays, the workplace
revolves around
short-term
employment
relationships.*

The workplace of the past was based on one-size-fits-all, long-term hierarchical employment relationships in which employees worked full-time, on-site, uninterrupted, and exclusively for one employer in exchange for job security and long-term vesting rewards like pensions. Nowadays, the workplace revolves around short-term transactional employment relationships. And there is no going back. Because organizations will need to continually increase productivity, quality, and cost effectiveness, employment relationships will become increasingly short-term, transactional, and highly variable. The traditional employer-employee relationship will finally fade away.

So, what does the workplace of the future look like?

The workplace of the future is lean, high-performing and incredibly flexible. Any work that can be streamlined is done through highly-efficient (read: churned and squeezed labor) production – part-timers, short-termers, consultants, vendors – that can be staffed-up quickly and staffed-down just as quickly. There are significantly fewer long-term traditional employees. There are many more people who flow in and out of the organization – in highly variable roles and arrangements.

Yes, some people do come to work whenever they feel like it and bring their dogs. But those lucky people are also under a lot of pressure to do lots of valuable work very well, very fast, with a great attitude – to deliver on-time, high-quality results with very few errors or defects. Flexibility and accountability go hand-in-hand where those superstars are making their valuable contributions every day. By the way, when they fail to deliver, they don’t get paid. At least, they certainly don’t get to keep coming to work whenever

they feel like it and they leave their dogs home for a while... until their next big demonstrable success, anyway.

The most effective employers build and maintain small and powerful core groups of key talent, and also manage fluid talent pools – in order to maintain long-term flexible employment relationships. Flexible work conditions, learning and knowledge-management, pay-for-performance, and coaching-style leadership are the keys to being an “employer of choice” for in-demand talent. The ability to get people on-board, up-to-speed and delivering results quickly is the key to most staffing challenges. Strict accountability goes hand-in-hand with rewards for employees – opportunities to earn more money and flexibility go to employees willing and able to bend over backward and jump through hoops for employers.

First Wave Baby Boomers continue exiting the workforce

They take with them a great deal of skill, knowledge, wisdom, institutional memory, relationships, and the last vestiges of the old-fashioned work ethic. Organizations with significant “age bubbles” must dedicate substantial resources to support knowledge-transfer and “wisdom transfer,” as well as flexible retention, succession planning, and leadership development.

The global youth tide continues to rise

Organizations that rely disproportionately upon young workers will be facing the challenges of an increasingly high-maintenance workforce in which employees will not hesitate to make suggestions, special requests, and demands – in particular related to rewards and flexible work conditions. This will require dedicating substantial resources to staffing strategy, attraction, selection, on-boarding, training, performance management, accountability, differential rewards, and retention.

Employers will face perpetual staffing shortages

The pressure to get more and more work out of fewer and fewer people means staying lean-staffed, always. At the same time, the rising demand for high-skilled labor – especially in the STEM (Science, Technology, Engineering, and Math) fields – promises ongoing staffing shortages and technical skill gaps. Employers in every industry will be struggling to attract, motivate, and retain the best talent.

Organizations with significant “youth bubbles” struggle with the “development investment paradox”

Employers must invest in developing their new young employees, but the more an employer invests, the more negotiating power the new young employee has in a short-term transactional labor market. With the employer’s development investment in hand, the new young employee becomes more valuable and can leverage the employer’s development investment by selling it to another employer or by negotiating for increased rewards.

This gives today’s most valuable young employees more negotiating power in the employment relationship at an earlier stage in employment

What appears as “high-maintenance” is actually this new power to ask for more. Opportunities to earn more money and flexibility will go to the employees who most consistently deliver the most value. Employers will be forced to pay high premiums with lush benefits, lavish work conditions, and lots of flexibility for in-demand talent: What we call “dream jobs for superstars.” As well, more and more non-superstars will be looking for more and more of at least some of these “dream job factors.”

4. Human Capital Management 2017: What Does the Generational Shift Mean for Employers?

As employers are constantly trying to become more lean, flexible, and high-performing, downsizing, restructuring, and reengineering are now accepted as constants of the workplace – taken for granted now as “continuous improvement.”

Employers are more likely to undertake major organizational changes that eliminate jobs regardless of employees’ lengths of service. Such changes include mergers, acquisitions, spin-offs, restructurings, and liquidations. Employers are also more likely to implement new technologies that eliminate jobs due to reengineering. Meanwhile, there is a strong trend among employers of hiring fewer “employees” (full-time, exclusive workers), while hiring more contingent workers; and most employers’ staffing strategies for the future continue to move in this direction. As a result, the number of traditional “employees” is diminishing as a percentage of the overall workforce, while the percentage of “contingent workers” is increasing.

There has been a fundamental change in employment practices, away from long-term stable employment relationships and toward a more efficient supply-chain management approach – known as human capital management. The goal is to optimize human resources: That means having the right people in the right places at the right times, employing them exactly as long as you need them and no longer, and paying them the market value of their contributions and no more. Because of these new realities, employers are now less likely to make formal or informal guarantees about continued employment and job security.

In most companies, organization charts have become flatter; layers of management have been removed; reporting relationships are more temporary; more employees are being managed by short-term project leaders instead of “organization chart” managers. Employers are less likely to award status, prestige, authority, flexibility, and rewards on the basis of seniority; and employers are more likely to award status, prestige, authority, flexibility, and rewards on the basis of short-term measurable goals. Employers are also reducing long-term fixed pay as a percentage of overall employee compensation, while increasing the percentage of variable performance-based pay; and employers’ compensation strategies for the future reflect this change. Part of this new compensation strategy includes a reduction in the percentage of employee “benefits” (paid for by the company for full-time, exclusive workers) in relation to overall compensation. Further, employers are increasing the percentage of “employee services” (paid for by the worker on a pre-tax basis), such as health insurance and retirement savings.

The question leaders and managers should be asking is this: “Given the Great Generational Shift, what kind of organization do we need to create to make sure we can continue to still be known for our ‘great people’? What kind of workplace do we need to create to bring out the very best work in the very best people on a consistent and sustainable basis?”

Here's the answer: The successful organization of the near future will have one or more core groups of critical talent, but it will also rely on a fluid, flexible talent pool. The organization of the near future will have a wide repertoire of ways to employ people and leverage talent – full-time, part-time, flex-time, on-site, off-site, telecommuting; as consultants, temps, partners, vendors, franchisors, franchisees; upside down and inside out. Successful organizations will be able to get people on-board and up-to-speed and into meaningful roles very quickly, not to mention ongoing training and development to stay one step ahead of the constantly changing needs for new skills and knowledge.

Successful organizations will continue to cut waste to the bone, improve efficiency, implement new technologies to streamline operations and eliminate labor, drive employee productivity, and try to get more and more work out of fewer and fewer people. Meanwhile, they will be forced to pay high-premiums with lush benefits and lavish work conditions for in-demand talent – short-term, long-term, and medium – dream jobs for superstars. And at least some of the “dream job factors” for any “employee” an

employer wants to retain for any significant period of time. The successful organization will have as many different career paths as they have people.

The New Staffing Strategy: You Need as Many Ways of Employing People as You Have People



The New Learning Organization: You Need to Make Every Employee a Knowledge Worker



The New Pay for Performance: Do More for Some People and Less for Others, Based on Performance



The New Retention Strategy: Create as Many Career Paths as You Have People



5. Employee Mindset 2017: Spotlight on the Second Wave Millennials.

Millennials don't look at a large, established organization and think, "I wonder where I'll fit in your complex picture." Rather, they look at an employer and think, "I wonder where *you* will fit in *my* life story." Every step of the way, Millennials want to find a work situation they can fit into the kind of life they are building for themselves. Because they grew up overly supervised, coached, and constantly rewarded by their parents, Millennials will never be content to labor quietly and obediently in a sink-or-swim environment. They are less likely to trust the "system" or the organization to take care of them over time and thus less likely to make immediate sacrifices in exchange for promises of long-term rewards. In fact, the Millennials' career path will be a long series of short-term and transactional employment relationships: "What do you want from me? What do you have to offer in return now and for the foreseeable future? I'll stay here as long as it's working out for both of us."

They have very high expectations, first for themselves, but also for their employers. And they have the highest expectations for their immediate bosses. And yet they are more likely to disagree openly with employers' missions, policies, and decisions, and to challenge employment conditions and established reward systems. They are less obedient to employers' rules and supervisors' instructions. They are less likely to heed organizational chart authority. After all, they had incredibly close relationships with their previous authoritative role models, their parents, who treated them as equals. Instead, Millennials respect transactional authority: control of resources, control of rewards, and control of work conditions. Because they look to their immediate supervisors to meet their basic needs and expectations, they freely make demands of them.

Precisely because Millennials seem to both disregard authority figures and at the same time demand a great deal of them, leaders and managers often find Millennials maddening and difficult to manage. Meanwhile, the truth, of course, is more complicated.

Millennials are NOT a bunch of disloyal, delicate, lazy, greedy, disrespectful, inappropriate slackers with short attention spans, who only want to learn from computers, only want to communicate with hand-held devices, and won't take "no" for an answer. Our research demonstrates clearly that Millennials want leaders who take them seriously at work, not leaders who try to humor them; leaders who set them up for success in the real world, not leaders who pretend they are succeeding no matter what they do.

Yes, of course, Millennials want more money, more flexibility, more training, more interesting projects, and more exposure to decision-makers. Yes, they want more of everything! But they don't expect any of it on a silver platter. They just want to know, every step of the way, "Exactly what do I need to do to earn that?!"

As the Second Wave Millennials flood into the workplace, the workforce will become more and more high-maintenance:

Second Wave Millennials are the most likely to make specific requests regarding work conditions including the assignment of tasks, resource planning, problem solving, training, scheduling, work location, work space, dispute resolution, guidance, coaching, recognition, promotions, raises, benefits and other rewards.

Second Wave Millennials are most likely to disagree – often privately and sometimes openly – with their employers’ stated missions, policies, and decisions.

Second Wave Millennials are the most likely to question or challenge employers’ rules, managers’ instructions, employment conditions, and established rewards structures.

Precisely because Millennials seem to both disregard authority figures and at the same time demand a great deal of them, leaders and managers often find Millennials maddening and difficult to manage.

Are we all Millennials now?

Workers of all ages rely every day on their immediate managers for help meeting their basic needs and expectations and dealing with a whole range of day-to-day issues that arise at work.

Workers of all ages today are more likely to disagree – often privately and sometimes openly – with their employers’ stated missions, policies, and decisions.

Workers of all ages are more likely to question or challenge employers’ rules, managers’ instructions, employment conditions, and established rewards structures.

The free agent mindset is now the prevailing workforce mindset.

Employees of all ages today are much less likely to believe employers’ promises about long-term rewards. While many employees may doubt the sincerity of long-term promises, that is not the biggest problem. Many more employees worry that their prospects for receiving long-term rewards are vulnerable to a whole range of external and internal forces that might shorten the natural life of the organization employing them. Workers worry openly about events or circumstances that have little or nothing to do with business, such as politics, diplomacy, war, terrorism, and natural disasters. They worry about broad business-climate factors, including monetary policy, global market shifts, change in particular industries, and organizational changes. As well, they are acutely aware that the organization employing them might simply lose out in the fiercely competitive marketplace. Workers also worry about the continued employment of their immediate supervisors and other leaders who know them best.

Without credible long-term promises from employers, employees of all generations no longer labor quietly and obediently. Rather, most employees work anxiously to take care

The Free-Agent Mindset

Workers of All Ages Know that **Job Security is Dead.**

Assumption that most employment relationships will be **short-term** and **transactional**.

Diminishing importance of seniority and longevity of employment.

In general, **older workers tend to lose** and **younger workers tend to gain**.

Workers of All Ages Are **Under More Pressure Than Ever.**

There is **increasing pressure** to work longer, smarter, faster, and better.

Workers must **routinely learn** and utilize new technologies, processes, practices, skills and knowledge.

Constant adjustment to ongoing organizational change and **growing fear of job loss**.

Younger workers suffer more when they receive less guidance and support from management.

Workers of All Ages **Want and Expect Greater Flexibility in Work Conditions.**

Increased pressure has made **work-life balance** a powerful counter trend.

Work-life balance typically means "**more control over my own schedule.**"

Millennials are much more likely to make specific requests for **immediate increases** in pay, benefits, and work conditions.

of themselves and their families and try to get what they can from their employers – one day at a time. People of all ages and all levels realize nowadays that they are “free agents” because they have no other choice.

6. Leadership 2017: What Does the Generational Shift Mean for Leaders, Managers, and Supervisors?

Over the years, our Generational Shift research has repeatedly taken us back to the undermanagement epidemic. That’s because undermanagement is almost always there, hiding in plain sight. Our ongoing research shows that undermanagement is a perennial issue: The remarkably consistent data shows that nine out of ten managers fail to maintain an ongoing one-on-one dialogue sufficient to deliver on “the fundamentals.”

It’s always been hard to manage people. It is much harder today than ever before and it’s getting harder every day. Why? Due to many of the same factors discussed throughout this white paper. The causes of the undermanagement epidemic dovetail greatly with the trend lines of the Great Generational Shift.

Let’s start with globalization and technology. The pace of change is accelerating for everyone all the time – from the macro level all the way down to the micro. In today’s knowledge-driven, machine powered, highly interconnected, fiercely competitive global marketplace, everything is complex, fast-moving, and always in flux. Work that used to take weeks takes moments. Relationships that would have been nearly impossible due to geography are now taken for granted. Communication and travel are nearly instantaneous.

Yet we are also vulnerable in entirely new ways. One technical glitch today can slow down (or shut down) your operation for days or weeks at a time – not just in your own machines, but in machines who-knows-where with which you had no idea you had any connection whatsoever. An earthquake on the other side of the world today – actual or metaphorical – could affect you today in ways you probably cannot even imagine, including ways that didn’t exist yesterday. Not to mention your customers, vendors, contractors, partners, colleagues, and counterparts in other departments and workgroups.

Everybody is under more pressure. The corporate order of the day is to run ever more lean and flexible. Squeeze more and more productivity and quality out of tightly controlled resources. Chase innovation and technology to keep from falling behind. Manage talent as a capital (depreciating) asset, in the wake of a profound transformation in the fundamental employer-employee relationship. After decades of constant downsizing, restructuring, and reengineering, nobody expects to pay their dues and climb the corporate ladder any longer.

Job security has been dead for some time now. The default presumption of long-term hierarchical employment relationships has been replaced by a new presumptive career path built on a growing portfolio of short-term transactional employment relationships of varying scope and duration.

Never forget that most employees work because they must. They work to support themselves and their families. Most are pursuing some kind of intermediate and longer-term security, but today that plan is rarely contingent upon a long-term relationship with one particular employer. Very few of today's employees look at one employer as a primary source of their long-term career security, much less their long-term economic security.

The problem is that the promise (implied or even explicit) of long-term vesting rewards from employers is no longer enough to get employees to perform today. Employees are less willing to follow orders, work harder, and contribute their best today in exchange for vague promises about what they *might* get in five years or ten years. Who knows where they'll be in five or ten years?! There is simply too much uncertainty.

Employees today want to know, "What do you want from me today, tomorrow, this week, this month, this year? And what do you have to offer me in return today, tomorrow, this week, this month, this year?"

Managers today are always in danger of losing good people. People come and go. People move around internally. These factors militate against continuity in working relationships. Sometimes those who are least likely to leave are the hardest to manage. Everybody is a special case.

Managing people has become an ongoing (sometimes daily) negotiation. That is high-maintenance!

At the same time, most managers, like most everybody else, are being asked to do more with less. They have more of their own non-management tasks and responsibilities, increased administrative burdens, and growing managerial spans of control, often including employees working in different locations or on different schedules, as well as depending more and more on people in other workgroups and departments. With so much resource and process streamlining, there is growing interdependency in almost everybody's work. Everything we do now involves a lot of moving parts – we depend on so many other people – all the time.

Meanwhile, everybody involved is human. People have feelings. That's a significant complication for everybody involved.

There are so many factors beyond any one manager's control. Maybe it feels like our problems have outgrown the fundamentals. Our situation is too complex. Our challenges are too advanced. Most managers simply convince themselves that the fundamentals are simply no longer enough, or they just don't have time.

What is the solution?

For many years, in the research we conduct before, during, and after our management seminars, we have studied what the very best managers actually do that is different from the others: Managers whose employees consistently deliver the highest productivity and quality; with high retention of high-performers and high turnover among low-performers; with the best business outcomes, high morale and team spirit; whose direct-reports are most likely to describe that manager as "one of the best managers I've ever had."

THE INEVITABLE CHALLENGES MANAGERS FACE EVERY DAY

Personnel discontinuity **People come and go. That's always been true.**

But employment relationships today are far more short-term and fluid than they have been before in the modern economy. So you are always losing good people. And you are always trying to get new people on-board and up-to-speed. On top of that, one great employee is worth more than three or four or five mediocre employees. Sometimes you have to go to great lengths to effectively reward, retain, and develop the very best employees.

Constant change **Change is coming from every direction, every day.**

Technology. The markets. The weather. Geopolitics. Micropolitics.

Customer requirements; vendor requirements; employee requirements.

Change regularly forces rework, often involving lots of moving parts.

Interdependency **More of our work involves lots of moving parts...**

...and, therefore, lots of counterparts here, there, and everywhere. Most people must rely on many others within and without their immediate work group in order to do their own work.

Resource constraints **Everybody is expected to do more with less.**

Increasingly, people report that they are making do with tighter and tighter resources, longer and more complex supply lines, with shorter and shorter lead times. Often people find themselves trying to do their jobs with what they feel are insufficient resources.

Employees are human **Humans have weaknesses as well as strengths.**

Human beings are not always great at self-management. They have habits, and not always good ones. Not only that, but everybody has bad days. Some people have bad weeks, months, and years. Productivity and quality of work are highly variable, sometimes due to employee performance. On top of all that, humans have attitudes, and not always good ones.

What is the common denominator among those managers? An abiding commitment to the fundamentals – relentless high-quality communication – consistently engaging every direct-report in an ongoing, highly-structured, content-rich, one-on-one dialogue about the work that needs to be done by that person. Things go much better when managers consistently make expectations clear and provide candid feedback for every individual every step of the way. Use team meetings only for what team meetings are good for – and make the most of them. When managers maintain high-quality, one-on-one dialogues with their direct-reports, they almost always increase employee performance and morale, increase retention of high-performers and turnover among low-performers, and achieve significant measurable improvements in business-outcomes.

Conclusion

This 2017 update to our “Great Generational Shift” research continues to track and report on the epic turning point occurring today in our workforce and workplace. The shift is not only a function of population trends or demographics, but also in the norms and values of the workforce, and a corresponding transformation in the very fundamentals of the employer-employee relationship. The “Great Generational Shift” presents a whole new set of challenges for employers in every industry, employees of all ages, and for managers at every level. We hope this 2017 update will help you keep abreast of the challenges just around the corner. As always, please let us know if you need our help.

– Bruce Tulgan, Founder/CEO, RainmakerThinking, Inc. ®

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About RainmakerThinking, Inc.

RainmakerThinking, Inc. is a management research, training, and consulting firm and the leading authority on generational issues in the workplace. It was founded in 1993 by best-selling author Bruce Tulgan.

RainmakerThinking continues to lead three longitudinal workplace studies: THE GENERATIONAL SHIFT IN THE WORKFORCE (since 1993), LEADERSHIP, MANAGEMENT, AND SUPERVISION (since 1995), and HUMAN CAPITAL MANAGEMENT (since 1997). Hundreds of thousands of individuals from hundreds of different organizations have participated in this research since 1993.

Based on our ongoing research, RainmakerThinking has provided custom research, training, and consulting services for more than 400 different organizations ranging from the United States Army to Wal-Mart. RainmakerThinking has produced twenty books, hundreds of articles, and has been the subject or source for thousands of news stories around the world.

About Bruce Tulgan

Bruce Tulgan is internationally recognized as the leading expert on young people in the workplace and one of the leading experts on leadership and management. Bruce is a best-selling author, an adviser to business leaders all over the world, and a sought-after keynote speaker and management trainer.

Bruce is the author of numerous books including his most recent book, *Bridging the Soft Skills Gap: How to Teach the Missing Basics to Today's Young Talent* (Wiley, 2015), the best-seller *It's Okay to Be the Boss* (HarperCollins, revised & updated 2014), *The 27 Challenges Managers Face* (Wiley 2014), and *Not Everyone Gets a Trophy* (revised & updated, 2016). Bruce's first book was the classic, *Managing Generation X* (W.W. Norton, 2000; first published in 1995).

He lives in New Haven, Connecticut with his wife Debby Applegate, Ph.D., who won the 2007 Pulitzer Prize for Biography for her book *The Most Famous Man in America: The Biography of Henry Ward Beecher* (Doubleday, 2006).