



# SEISMIC SHIFT

*Adapting to a Changing Workforce*

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Change is the only constant, and the heart of organizational existence is the ability to adapt, to respond fittingly to change. The primary purpose of this document is to examine a coming change in the workforce, a shift due to the Baby Boomer exodus combined with a Generation Y influx and Generation X shortage, and to examine risk mitigation alternatives in response to this change.

Although the oldest of the 78 million Baby Boomers are just starting to leave the workforce, significant impact of their exodus will be felt by 2014 when a third have retired. This situation is amplified when you consider that Generation X, born 1964-1979 (currently 28 to 43), is only a third the population of their predecessors. Furthermore, Generation Y, also known as the Echo Boomers (born 1980-2000, currently 8 to 27) outnumber their Baby Boomer parents.

While any characteristics given to describe a large age bracket are by no means representative of all within the group, it is beneficial to review the categorization and general trends as a starting point. In fact, many who are exceptions to their given labels may end up being the saviors of this change.

## **Resource Classification**

### **Baby Boomers (born 1946 to 1963)**

This generation is well known for working long hours, attention to detail, and loyalty to their employers. Based on current retirement trends and projections, many Baby Boomers will retire early, on average at 62. However, for many, retirement may equal simply seeking a less stressful or dream job after spending the majority of their lives working harder than any other generation.

### **Generation X (born 1964 to 1979)**

Also known as the Invisible Generation, they are a small fraction of the number of those who precede them, totaling around 26 million. Generation X is the most entrepreneurial generation, techno-literate, and frequently labeled as slackers and unmotivated. In fact, the "X" tag was given by their elders due to the lack of any defining characteristics. Those in this group are more likely to be family oriented, and less loyal to their employers.

### **Generation Y (born 1980 to 2000)**

Also known as 'Echo Boomers', they are well known for high energy, technical skills, and charisma. More frequently however, they are labeled as underachievers, spoiled, job hoppers, demanding, impatient, and poor communicators. If they are asked to work more than 40 hours, they will simply change jobs. They expect flexible work schedules, laid back work environments, and increased time off. Their loyalty is more to themselves, their families, and their free time activities than to the organizations to which they work. Their numbers slightly exceed their Baby Boomers parents at around 79 million.

## **The Dilemma**

### **Inexperienced Workforce**

Retiring workers is nothing new; the issue is that the next generation is a small footprint, one third of the preceding generation. At the current rate, by 2014 many of the Echo Boomers, who will range from 20 to 34, will need to fill roles currently filled by retiring Baby Boomers. There are not enough from Generation X (who will then be 35-49) to fill these positions. By 2018, over 50% of Baby boomers will be retired, and the most talented of Echo Boomers must be ready to step into roles that they, based on current trends, will not satisfy effectively.

### **Differing Focus**

When researching opinions on this topic, it was no surprise to see the above-mentioned generations focusing on different aspects of the workforce shift. Articles written by Baby Boomers tend to focus on what they will do when they cross the bridge of retirement: partial retirement, phased outs, starting small businesses, traveling the world, spending more time with family, etc. From the Invisible Generation, the articles are scarce and tend to focus the most on an expected culture change and hardship due to lack of preparations. Then there are the Echo Boomer writings, which focus heavily on getting to revolutionize business culture and a swift effortless climb up the corporate ladder. The gravity of the pending workforce shift appears to be poorly calculated by many due to their current focal point.

### **Alternatives**

There are many books and articles about how to make the best of the resource shift, specifically in regards to individual industries and directed at particular age groups. While these issues are important, they will play a secondary role in the analysis of the alternatives, as the true issue is corporate efficiency, ROI. Viable solutions must be successful at retaining the skills of the Baby Boomers as long as possible, helping the Invisible Generation appear, and harnessing the high energy, technical skills, and charisma of the Echo Boomers.

### **Knowledge Retention**

Organizations and those that trail behind frequently undervalue the wisdom and knowledge amassed by the Baby Boomers. Due to opposing focal points, the knowledge is not likely to be passed without some type of intervention. For business continuance reasons, organizations will need to intervene and improve the retention rates of this valuable commodity.

Giving Baby Boomers financial incentives or even forcing them to work longer is one frequently proposed alternative. This is contrary to the American dream of working hard for 40+ years then expend your lifesavings traveling, relaxing, and spending more time with family. There are however many in the Baby Boomer generation who want to redefine retirement. Not surprisingly, the generation that set the mark for hard work wants to continue in their sense of accomplishment and positive impact on society. They should be appeased with solutions of compromise that allow them to continue working, more often than not, in a different capacity.

Mentoring Generations X and Y should be an immediate priority in all organizations' strategic plans. In the past, the benefits to mentoring have been hard to quantify with actual dollar values, therefore the costs are frequently deemed too high. In this case, the costs incurred if knowledge is not retained, could be exponential compared to past mentoring efforts. The cost avoidance is well worth the investment.

Besides standard mentoring practices, Baby Boomers who wish to redefine retirement can possibly stay on as part-time associates, mentoring the next generation. Many in Generation X, and especially Y would benefit highly from someone to bounce ideas off, someone to encourage them. Because of the generational differences, the mentors should be trained how to counsel and encourage a younger generation.

### **Organizational Structure**

Mergers and acquisitions are likely to increase with a much smaller group of experienced workers. Companies that are struggling to survive due to poor planning will be acquired by firms who are in the same boat of inefficiency, or by those who planned to acquire the poor planners. The recommendation is not only to take necessary internal measures to survive, but to proactively plan for these opportunities of efficiency.

The evidence is substantial and there is little doubt that the most efficient companies are project based. When projects are inline with the corporate strategy, when scope is inline with projects, when project teams are organizationally inline with projects, statistics show a considerable increase in project success at meeting corporate strategy. Project management is no longer in its early development; it has been proven and needs to be more thoroughly implemented. Culture changes take time, and corporate wide project management offices that manage not only IT but also business projects are a major change in philosophy for many companies. This only increases the need to start the adaptation sooner than later.

### **Culture changes**

Due to the common attitude of the Echo Boomers, the costs associated with employee turnover alone have the potential to soar. Forcing Generation X to work overtime will have costly results if there is not some type of incentive to do so other than a risk of unemployment; the most talented will simply job hop. Not only will it be very difficult and inefficient to fight a culture change, there are negotiation opportunities that can solve issues on many fronts.

Ironically, the same thing the very different age groups are looking for in a company, are becoming the same. Both those who wish to redefine retirement and their children are looking for a new way to do work. The change will happen eventually, but those who adapt earlier and smarter will reduce inefficiency. Generation Y will not be productive in the current work environment, and they will not be productive in the type of environment they are hoping for either. Adaptations must truly increase productivity.

A big element of getting the most efficiency out of the spoiled Echo Boomers will be to make them feel appreciated. However, they do not feel appreciated the same way as previous generations. Monetary compensation is always a factor, but they are more apt to appreciate the little benefits and status of the company itself, including its impact on society. Organizations that adapt to, but do not fold completely to the demands of the younger generations will be the most successful.

### **Conclusion**

Some authors label this issue as a total workforce meltdown, few think of it as a minor challenge; but little is being done to manage it proactively. Change is on the horizon and this subject is much more complex than this quick document. Optimistically, this paper has spurred you to additional thoughts regarding your specific industry and organization. Adapting to change opens many doors of opportunity to proactive people and organizations. Change is truly the only constant.

### **Resources**

This document did not directly quote or acquire ideas from specific sources. All ideas are an original idea of the author, or a consensus among many that can be found simply by some Google searches. Below are recommended readings for further study.

*The 2010 Meltdown: Solving the Impending Jobs Crisis* by Edward E. Gordon

*Impending Crisis: Too Many Jobs, Too Few People* by Roger E. Herman, Thomas G. Olivo, Joyce L. Gioia