Understanding Generational Differences in the Workplace: Findings and Conclusions

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Introduction

The study of generational differences has garnered increasing interest among organizations, practitioners and researchers in recent years. There are many reasons for this keen interest, including the need to manage people from several different generations, to better adapt the workplace to a multigenerational workforce, to attract and retain new talent, and to identify the working conditions that will lead to positive attitudes and behaviours among younger workers.

Since workers from different generations have always worked together, why does this situation currently appear to be raising challenges for human resource management? Three reasons are put forward. First, the different generations are said to have different values and expectations regarding work which are not easily compatible. Second, people from different generations are working together for longer periods now than they did in the past. Workers are less likely to follow the clear cut studies-work-retirement path that was formerly standard. People leave their jobs, upgrade their skills, look for new jobs, change careers, retire and then, increasingly, re-enter the labour market. Third and lastly, the difficulties stemming from this situation are brought about by discrepancies in the management practices of companies themselves. Stable, high-quality jobs are becoming scarce. Employees are no longer accumulating the funds needed to ensure financial security during retirement and find themselves having to work longer. Those who have invested in enhancing their skills and who have had unstable careers are staying in the workforce longer or taking advantage of bridge employment opportunities which delay their exit from the labour market.

In this research report, we will show that generational differences are a myth and have very little empirical support. Following a contextual overview, we will discuss the theoretical and analytical frameworks that have been used to explain the differences between the generations. We will end with some conclusions.

Generational Differences: A Contextual Overview

Which generations are currently sharing the workplace? Are we right to be concerned about their co-existence? What are their values and why are these values said to be different for the different generations?

To answer the first question, it is important to point out that, from a sociological perspective, people who belong to the same generation are those who, during their formative years, were marked by the same historical events and cultural phenomena (Noble & Schewe, 2003; Twenge et al., 2010), events which stand out in and helped form their

collective memory (Dencker et al., 2008). These historical, social and cultural effects, when experienced in a shared context, influence the development of the attitudes, values and personality traits of the people who have experienced them (Caspi et al., 2005). The best-known typology of generations in the United States was put forward by Strauss and Howe (1991). It distinguishes four different generations that are still present in the workforce: the silent generation or Veterans, the Baby Boomers, the thirteenth generation or Generation X, and Generation Y, also referred to as the Millennials (children of the Baby Boomers). This taxonomy stems from a more demographic approach which should be distinguished from the sociological approach. It defines cohorts based on birth years (Parry & Urwin, 2010). It should be noted that, apart from the two world wars, no event of great significance for human resource management has marked North America in recent decades, although it could be said that economic cycles and periods of recession have had a profound effect on the labour market and employment relations over the last twenty years. This new context may have led to the emergence of new values among the younger generations. Nevertheless, it is almost impossible to adopt a sociological approach and identify common experiences that may have led to specific changes in the values or behaviours of the different generations.

Are we right to be concerned about the co-existence of different generations in the workplace? One thing is certain; this situation is likely to persist longer than it did in the past and to take on different forms. As the tendency for workers to retire later becomes more entrenched, another new phenomenon is emerging, that is, the return to work after retirement and an increase in bridge employment (Adams & Rau, 2004). Hébert and Luong (2008) estimated that 61% of people who retired directly from career employment had opted for bridge employment one year later, while this rate was 47% four years after retirement. Conscious of the population decline and the risk of losing crucial skills, companies are increasing their efforts to retain older workers and dropping early-retirement incentives. Governments in all OECD countries are also proposing measures to promote active aging (OCDE, 2006; Saba & Guérin, 2004; 2005).

What are the generational differences that are causing so much concern? Identifying these differences appears to present quite a challenge. The literature on this subject is abundant but contradictory. The descriptions of differences in values, needs and attitudes are often entangled and based on opinions and speculative findings (Wils et al., 2011). Several researchers (Macky et al., 2008; Rhodes, 1983; Trzesniewski & Donnellan, 2010) have identified this concern as the main methodological challenge in the study of generational differences (Wils et al., 2011; Costanza et al., 2012). Clearly, it is not enough to observe and describe the generations. Rather, it is imperative to base these observations on a solid theory that specifies the unique character of each generation so as to be able to establish

hypotheses and point to real differences between them (Chen & Choi, 2008; Wils et al., 2011). Moreover, the significant generational differences found in some studies have not always been in line with expectations.

Generational Differences: Theory and Results

Despite the popularity of the subject and the strong convictions surrounding it, researchers who have used theoretical frameworks to explain the basis for the existence of generational differences have had difficulty identifying marked differences and explaining how behaviours and attitudes vary from one generation to another (Costanza et al, 2012; Finegold et al. 2002; Conger, 2000; Wong et al., 2008; Saba, 2009). What are these theoretical frameworks? What have the results of these studies been and how can they be explained?

Approaches used to explain generational differences

The life course theory examines how significant social and historical events and experiences shape the behaviour of individuals and generations of individuals throughout their lives and across generations (Elder, 1994, 1998; MacLean & Elder, 2007). The life course literature constitutes a first theory used to explain generational differences. It is characterized by a longitudinal perspective and attempts to explain how the members of a cohort are shaped by the historical and social contexts they have experienced.

The theory of cohorts proposed by Inglehart (1971) constitutes a second approach, based on the scarcity hypothesis and the socialization hypothesis. The scarcity hypothesis proposes that during periods of scarcity, individuals attach great importance to materialist values such as economic security, whereas during periods of prosperity, individuals pursue personal well-being and turn to post-materialist values such as autonomy or the protection of the environment. The socialization hypothesis proposes that the values of each generation change in accordance with the conditions that prevailed during their formative years. (Inglehart, 2008; Wils et al., 2011).

Psychological contract theory constitutes a third theoretical approach. It essentially explains the significant transformations that have taken place in the employment relationship. On the one hand, employers are calling for employees to be ever more faithful and loyal, extolling the virtues of eliminating status barriers, advocating equitable management practices, trumpeting the importance of skills development and proclaiming their desire to meet the needs of employees (Sparrow, 2000). On the other hand, in companies, there has been an increase in non-standard forms of work, fewer defined-benefit pension plans, a considerable earnings gap between managers and employees, a greater focus on meeting shareholders' demands to the detriment of employees, fewer training programs for fear of

losing employees to competitors, and an increase in the use of outsourcing (Saba et al., 2006; 2013). Applied to generational differences, psychological contract theory explains differences in employees' perceptions of the employment relationship and behaviour, according to age and cohort.

Assessing values and their differences according to generation, and examining the links between values and behaviours constitutes a fourth basic approach to understanding generational differences and their effects on behaviours at work. Wils et al. (2007) suggested a conceptualization of work values, based on Schwartz's studies (1992; 1999), which has been validated empirically (Waxin et al., 2009). These work values are organized around a circumplex structure made up of two axes. Each of these axes has two opposite poles: self-enhancement, which is the opposite of self-transcendence, and conservation, which is the opposite of openness to change. Self-enhancement includes values related to power and achievement; self-transcendence encompasses values related to benevolence and universalism; conservation is made up of values relating to tradition/conservatism and security; and openness to change includes values related to self-direction, stimulation and hedonism. Studies have shown that the probability that values will influence decisions is quite high, in particular in situations involving conscious choices (Bardi & Schwartz, 2003). However, while it is true that values affect the choices people make by determining the importance of the goals that are coherent with these values (Feather, 1990; Verplanken & Holland, 2002), behaviour tends to be more spontaneous. It is not always possible to anticipate an individual's behaviour in a given situation based on his/her values. It is necessary to first grasp how these values will translate into specific goals (Erez & Earley, 1993; Latham, 2007).

Generational Differences: Main Results and Explanations

The results of studies using appropriate theoretical frameworks have not supported the existence of fundamental systematic differences between the generations related to values, expectations regarding working conditions, and attitudes and behaviours at work. The few differences that have been found have been of low magnitude, have not necessarily distinguished any particular generation, and have sometimes even been contradictory. These results suggest that the differences found between the respondents must be explained by something other than generational differences. We will review the main findings of these studies and the interpretations accompanying them.

Some differences between the generations have been observed in relation to their expectations regarding working conditions. Younger workers tend to show higher expectations regarding career advancement, employability and work-family balance than

workers from the older generations. However, their expectations with regard to job stability, autonomy and recognition are the same (Saba, 2009). The older generations appear to be slightly more satisfied with their jobs than the younger generations (see, for example, Hunt & Saul, 1975; Kacmar & Ferris, 1989; Ng & Feldman, 2010). Differences between the generations have also been found with regard to their level of commitment to their employer. Lastly, the older generations have been found to be less likely than the younger generations to leave their jobs.

These results are not surprising, nor do they reveal a new phenomenon, for several reasons. Various studies, such as those that have examined workers' career paths, have long focused on the way some aspects of the job are managed by workers from different generations. Numerous studies have shown that employees' needs are different at the start of their career, in mid-career and at the end of their career. These studies have highlighted the importance of focusing on workers' career needs – which vary depending not necessarily on age but on the stage in their career cycle at which they find themselves – and of implementing suitable management practices in response to these needs (Finegold et al., 2002; Saba & Dolan, 2013). Studies on the socialization needs of younger workers show similar results and highlight the importance of integrating any new employee into the workplace.

Studies suggest that a person's chronological age and occupation tend to be correlated with job satisfaction (Ng & Feldman, 2010). Since there is a natural covariance between age and tenure, their relative contribution to the prediction of job satisfaction has been examined. Some researchers have found that tenure is a more stable predictor of job satisfaction than age (Bedeian et al., 1992) while others have found the opposite result (Morrow & McElroy, 1987). These results are certainly contradictory. However, one conclusion can be drawn: age or tenure, regardless of generational membership, can explain the observed differences in job satisfaction. This conclusion was confirmed in Ng and Feldman's meta-analysis (2010).

As for organizational commitment, the differences between young workers and older workers cannot necessarily be attributed to a single generation. A meta-analysis brought out the lack of any clearly identifiable trend showing clear differences that could be attributed to the younger generations (Ng & Feldman, 2010). Although studies in this area have tended to show a positive correlation between age and organizational commitment, the results of meta-analyses are less clear and suggest that age is not a good predictor on account of the low magnitude and significance of this relationship as revealed by the indices. Ng & Feldman's meta-analysis (2010) confirmed the results found previously by Mathieu and Zajac (1990) and Meyer et al. (2002) which showed that the most robust antecedents of organizational commitment were personal characteristics (e.g. self-perceived

competence), job characteristics (e.g. job challenge and occupation), variables related to leadership (e.g. communication and participatory leadership), organizational support, organizational justice and clarity of roles.

Previous research on employees' intention to leave their jobs has clearly shown that, while chronological age tends to be negatively related to the intention to leave, it adds little explanatory value beyond organizational commitment, level of education and organizational tenure (Parasuraman, 1982). In their meta-analysis, Healy et al. (1995) found a correlation between age and voluntary turnover, a finding that was confirmed by Ng & Feldman (2009). However, other variables showed more significant predictive values, in particular job satisfaction and organizational commitment (Arnold & Feldman, 1982).

To sum up, study results rightly suggest that it is necessary to first distinguish between the explanatory capacities of the variables "age" and "generational membership" despite their similarity. Second, as pointed out above, studies have shown that other variables are likely to better explain generational differences related to employees' expectations regarding working conditions, attitudes and behaviours.

What about the work values of younger versus older workers?

A study by Wils et al. (2011) showed that, overall, workers in all generations have fairly similar work values. This conclusion was strengthened by the fact that, unlike other empirical studies on this question, Wils et al.'s study examined the structuring of work values before comparing the different generations, controlled for several confounding factors such as average score or gender, and eliminated biases due, among other things, to social desirability. In fact, no significant difference between the generations was found. The "clash of generations" predicted in the speculative literature is thus unfounded. It is therefore premature to align human resource management with the specific characteristics of each generation. It should also be noted that, while study results have shown that values motivate behaviour, the relationship between values and behaviour is partly moderated by other pressures such as normative pressures (Bardi & Schwartz, 2003).

Is there nothing to be gained from examining generational differences?

Some nuances are in order. It can now be asserted that the assumption that employees will show certain job expectations solely because they belong to a given cohort does not appear to be supported by research. Moreover, assuming that all the members of a given generation will have the same expectations and likely adopt the same behaviours and attitudes completely overlooks the differences between the individuals in this generation. This assumption also ignores the similarities between individuals belonging to different

generations or stemming from the particular characteristics of different workplaces and the organizational cultures prevailing in them (Saba, 2009; Wils et al., 2011).

The focus on individualizing the employment relationship, as has been advocated in the field of human resource management for some years now, has underscored the importance of understanding the differences between individuals. Studies on the psychological contract also point in this direction and have emphasized the importance of the working conditions that employers and employees agree on at the time of hiring, showing that the fact of whether or not these conditions are respected will ultimately affect the attitudes and behaviours of employees. In these studies, differences that can be attributed to age have not proven to be relevant. Examining the reasons why the psychological contract is broken, independently from the sometimes superficial preferences that may pertain to generational belonging, proves to be a more appropriate avenue of analysis (Rousseau, 1995; Rousseau & Tijoriwala, 1998; Saba et al., 2006).

The instability of the labour market affects the entire working population, regardless of age, and increases the vulnerability of some groups of employees. Economic uncertainties and companies' responses to them have made employees skeptical and increased the vulnerability of less educated employees whose skills are less relevant for the labour market.

Segmenting the population of workers into age groups has proven to be a risky practice, and the idea that employees from different age groups should be treated differently is somewhat disturbing. There is no empirical basis for the assumption that employees' work values, expectations regarding working conditions, behaviours or attitudes can be explained solely by the fact of their belonging to a given generation. There is no basis for varying management practices in accordance with this conviction. Practices aimed at meeting employees' expectations must be extended to all workers so as to avoid the risk of unequal treatment and level out the differences that can be attributed to age.

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