

Leading multiple generations

The workforce in many organisations is becoming increasingly diverse – when Baby Boomers meet Gen Z, there's a 40-year age gap. This means that a particularly wide range of lifestyles, work habits and career goals are now rubbing shoulders. How are business leadership and team collaboration changing as a result? What are the advantages of age diversity in the workplace and what practical considerations should you bear in mind for things to run smoothly?

EXPERT ARTICLE

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- GABRIELA KELLER,
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“It is important to recognise and appreciate the strengths and contributions of every individual.”

There are currently four generations in the market for gainful employment and Gen Alpha, the fifth, is due to hit the workplace in a few years. People are working longer today than in the past either because they are healthier and find pleasure as well as fulfilment in their work or because they are financially dependent on it.

Organisations are, thus, seeing mature Baby Boomers colliding with Gen Z-ers in their early twenties and each of these generations brings its own expectations and attitudes to the workplace. Their widely varying motivations and behaviours may clash during day-to-day routines and successful cooperation presents challenges for every firm. Scientific studies show that intergenerational collaboration can cause friction that may reduce how effectively a group works. Mixed-age cooperation can also be a source of opportunity, however. Generational diversity means a wide range of experiences, styles and perspectives are inherent in a firm, and such difference can be a source of strength and innovation, provided it is addressed and handled correctly.

Generations at a glance

The Baby Boomers are the most experienced generation in today's labour market. They value work, are keen to serve in management roles and are approaching pension age. Generation X typically values participation and collegiality over work per se and is an increasingly important cohort in managerial positions. Following on, there is Generation Y, which is typically highly involved in social issues and concerned with finding meaning. The most recent group to join the modern labour market is Generation Z. This cohort values individualism and realism; they think globally and tend not to distinguish between the real and virtual worlds. Soon to follow is Generation Alpha, the first generation to grow up

entirely in the 21st century. Given the circumstances in which Gen Alpha will come to maturity – in the face of digitalisation, political instability and demographic change – they are likely to be open, helpful and empathetic, much like Gen Z.

Rising skills shortage

The bulging age bracket of Baby Boomers will be bidding farewell to working life over the next few years. Part-time employment is becoming increasingly popular even as there are noticeably fewer people among successive generations to join the ranks of the employed. Digitalisation is also transforming the world of work: jobs involving repetitive activities are being automated, while creativity, communication, quality management and digital skills are becoming increasingly valuable. These factors will have profound consequences for the shortfall in trained staff in the next few years and it will become increasingly difficult to source and retain qualified employees.

The situation is being compounded by the fact that the landscape within which companies operate is in constant flux and tried-and-trusted business models may suddenly falter. Managers must quickly learn how to adapt to new and complex situations and create the conditions needed for their staff to thrive.

Diversity as opportunity

Generational diversity should be viewed as an opportunity. The disruptive change to the way business is being conducted, which is being propelled by digitalisation, requires new ways of thinking and problem-solving. Differences in qualifications, life experience and age profiles, represent a real opportunity to add value as companies and organisations across society search for sustainable solutions. Interpersonal skills and the

ability to adapt flexibly to change are more relevant than ever, today, as many modern techniques and technologies used for work and creativity (everything from “design thinking” to Scrum) depend on an open exchange of ideas and an affinity for communication.

Research has shown that age diversity in the workplace can improve company performance and a range of studies have also demonstrated that productivity in companies with mixed-age teams is higher amongst older and younger staff alike. There is a positive correlation between age diversity in work teams and performance when groups are involved in complex decision-making tasks.

It is important to recognise and appreciate the strengths and contributions of every individual, as diverse ages and experiences will elicit a wide range of input – the younger ones will learn from their elders and vice versa. Those coming straight out of education or training will bring cutting-edge knowledge and fresh ideas to the table, and will generally be nimble, agile and unbiased; seasoned staff, on the other hand, will enrich the group with their holistic approach, thinking issues through, recognising patterns and drawing on deep reserves of experience. By the same token, research shows that, when it comes to enthusiasm, there are no major differences between younger and older staff, and that disparities in performance are greater within particular age cohorts than between them.

Respect knows no age differences

Mixed-age teams are more productive if an atmosphere of intergenerational respect prevails. To create this, managers must be aware of the varying interests and motivators of their staff – for example in preparing for discussions with team members. They need to consciously ask themselves: a member of which generation is sitting opposite

me? What are this employee’s specific interests, strengths and needs?

Here, teams should be coached to deal positively with the diverse profiles of their colleagues. In a few hours, activities such as a team-building workshop can significantly enhance mutual trust and understanding while also helping people to appreciate the different contributions of each team member. The aim here should be to dismantle prejudice, to identify the experiential knowledge and networks of older employees, and to create space for the ideas of younger staff within the team.

Such trust can only be built in a transparent working environment with cooperative managers who impart a sense of security. People should feel able to articulate their different ways of seeing things and it must be possible to discuss decisions openly. Such transparency builds respect and mutual regard, which in turn encourages natural assertiveness – a key success factor for any manager leading mixed-age teams.

A culture of actively giving and receiving feedback, direct communication channels, flexible working time and flat organisational structures, with few hierarchical levels, all support the range of different needs within teams. These days, younger job applicants consciously seek out employers that cultivate these kinds of attractive working conditions.

Rethinking the seniority principle

It takes people of all ages and seniority levels to negotiate today’s business challenges. As staff mature the way they work will change and this may mean that it makes sense for them to move from day-to-day, transactional tasks into managerial, strategic or mentoring roles where their experience and knowledge can be more effectively deployed.

Generations at a glance

	BABY BOOMERS	GENERATION X	GENERATION Y	GENERATION Z
	AKA: the post-war or Woodstock generation	AKA: baby busters, digital immigrants	AKA: millennials, MTV generation or digital natives	AKA: digital natives, iGen
MANTRA	Live to work	Work to live	Live first, then work	Live while you work and work while you live
COHORT	1946-1964	1965-1979	1980-1995	1996-2010
VALUES & ATTRIBUTES	<ul style="list-style-type: none"> > Health > Idealism > Creativity > Team-orientated > Career-focused > Competition > Hard work 	<ul style="list-style-type: none"> > Independence > Individualism > Search for meaning > Pragmatism > Self-sufficiency > Time before money > Global outlook 	<ul style="list-style-type: none"> > Application and ambition > Teamwork > Optimism > Living in the here and now > Digital natives > Used to thinking globally 	<ul style="list-style-type: none"> > Individualism > Realism > Digital natives > No distinction between real and virtual > Used to thinking globally
BEHAVIOUR & GOALS IN WORKING LIFE	<ul style="list-style-type: none"> > Work takes priority > Structured approach to work > Regular updates within team > Maintaining relationships and networks > Aspire to management roles > Success = personal remuneration 	<ul style="list-style-type: none"> > Experiential approach to work > Highly skilled technological & methodological working practices > Sharing of power and responsibility > Tend to aspire towards specialist rather than management careers 	<ul style="list-style-type: none"> > Having fun at work > Self-sufficiency and independence > Tend to aspire towards specialist careers and project-based work > Working life and private life intertwined 	<ul style="list-style-type: none"> > Separation of work and private life > Strict demarcation and clear structures in organisation of work > Aspire towards management roles
MOTIVATION	<ul style="list-style-type: none"> > Personal growth > Value experiences highly > Value being needed 	<ul style="list-style-type: none"> > Independence and individualism > Opportunities for self-development > Work/life balance 	<ul style="list-style-type: none"> > Self-realisation > Being part of a network > Collegiality > Search for meaning > Work/life integration 	<ul style="list-style-type: none"> > Self-realisation in private and social spheres > Free development > Security and stability

5

_TABLE BASED ON AN EY STUDY ON ATTRIBUTES, EXPECTATIONS AND MOTIVATIONS ACROSS THE GENERATIONS.

"It takes people of all ages and seniority levels to negotiate today's business challenges."

The contributions of the different generations to a company's value chain are now of equal worth and younger staff no longer routinely play second fiddle to their elders. The value system, still extremely common in many places, whereby age is equated with seniority and higher salaries, is losing traction. This calls for new approaches to remuneration, such as reducing the wage range between the various age brackets and function levels, or distributing contribution rates to pension funds uniformly across all cohorts. Today, there are still significant disparities, which erode solidarity between contributors and unnecessarily increase non-wage labour costs for older staff. It is an important managerial challenge to break the mould from time to time so that attractive employment conditions can be created for every generation.

When Switzerland launched Pillar 2 mandatory occupational pension contributions in 1985, contributions were staggered so that those over 45 at the time could build up as much retirement capital as possible. The main argument

for keeping these rates at that level is that younger workers generally draw lower salaries than older staff and also often have under-age children, so their contributions should not be too high. However, such a disparity can lead to intergenerational tension as a 58-year-old contributes more than twice as much of his or her salary as compared with a 28-year-old.

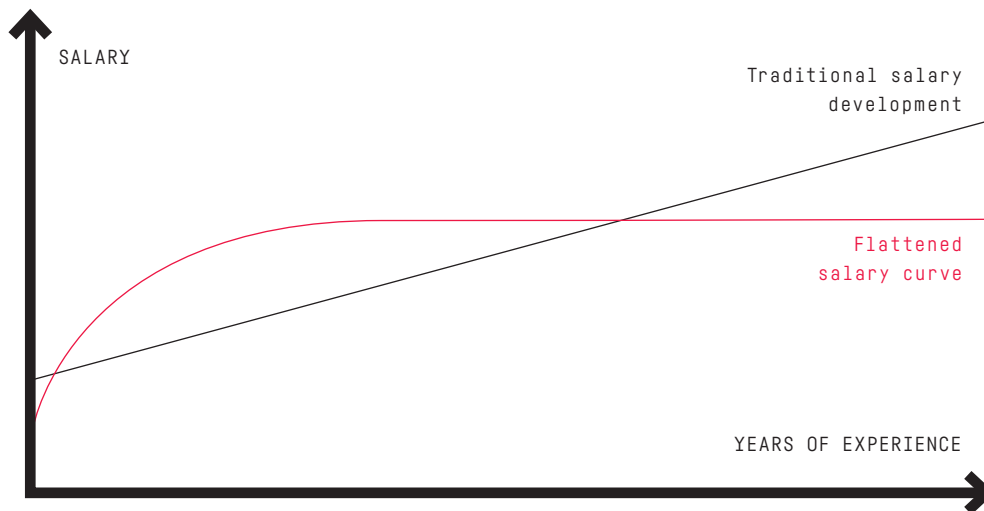
Ergon's salary and pension fund regulations include several elements that support a diverse age mix:

- > Flattening of wage curves after 15 years
- > Uniformly distributed contribution rates to pension funds across all age cohorts
- > A generally low wage range between the highest and lowest pay packets
- > No performance assessments that influence salary levels
- > Transparency in the salary and bonus system, and for salary payments

Comparison of occupational pension contributions

AGE	CONTRIBUTION RATE AT INTRODUCTION OF PILLAR 2 IN 1985	CONTRIBUTION RATE IN A FLATTER DISTRIBUTION MODEL
25-34	7%	12%
35-44	10%	12,5%
45-54	15%	13,5%
55-65	18%	15%

Salary development models



Ergon up close: cultivating diverse talent

It's all in the mix. How many? Who are they? And how are they all kept up to speed? Below are some facts and figures to shine a light on our generational mix, our knowledge-sharing methods and our young-talent initiatives.

Generation mix

8
314

_EMPLOYEES

27

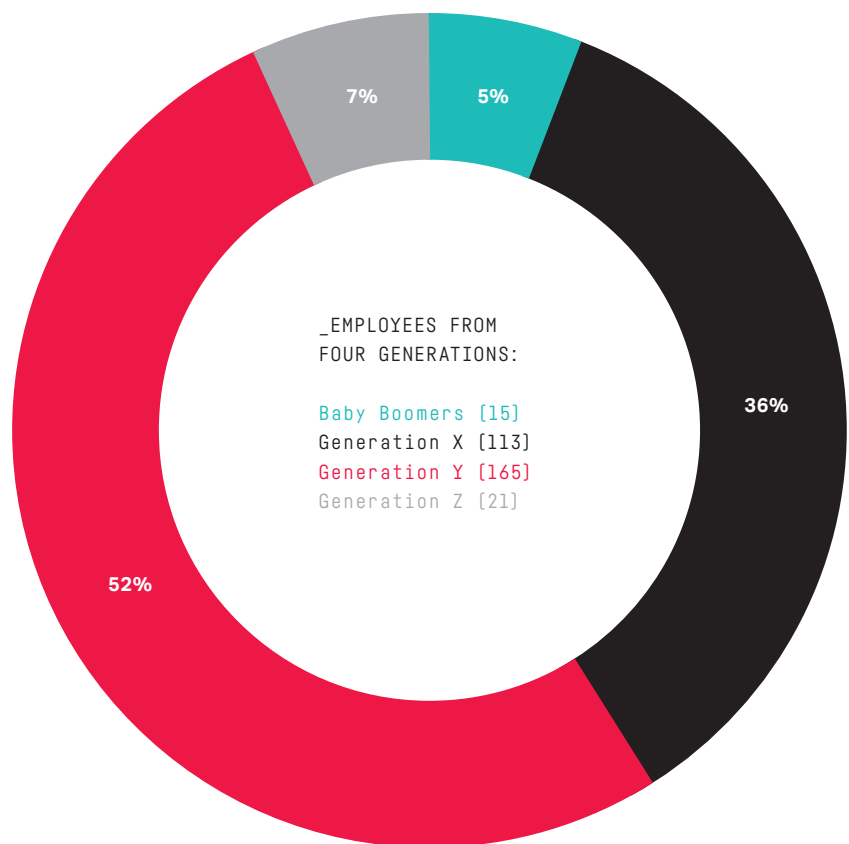
_TEAMS

10

_OF 27 TEAMS
train apprentices

_OFFICE DOGS

Age diversity for dogs, too:
four office dogs ranging in age from
2-12 dog years (or 28-85 human years*).



*taking breed and
weight into account

Talent hub

400

_KIDS LEARN TO CODE AT SCRATCH COURSES, every year

_PROJECTS THAT ADD VALUE

In 2019 Ergon's apprentices managed to digitalise Ergon's annual general meeting. Thanks to their hard work, the modernised invitation, attendance check and electronic voting systems were successfully implemented.

20

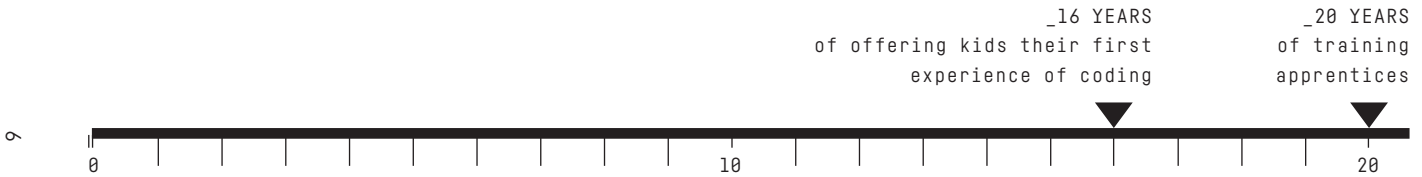
_TRAINEES/WORKING STUDENTS, annually

_SOFTWARE TESTING SUCCEEDS THANKS TO DIVERSITY

Multiple perspectives make the difference: whether on the higher-education track at high school, an apprentice at a firm or a physics student at university, our diverse testers help ensure our modern software meets the highest standards.

_ACADEMIC THEORY MEETS REAL-WORLD APPLICATION

Software development trainees put academic theories to the test and inject cutting-edge knowledge into their work.



_16 YEARS of offering kids their first experience of coding

_20 YEARS of training apprentices

Maintaining a knowledge advantage

_EVERY 15 DAYS

On average, every 15 days, Ergon holds presentations or debates to encourage employees to compare notes and share their experience.

85

_PER CENT UNIVERSITY GRADUATES

_COMMUNITIES OF PRACTICE

Last year, communities of practice from a range of fields such as security, "modern web" and requirements engineering met a total of 84 times to share specialist knowledge across team boundaries.

52

_PER CENT GRADUATES OF FEDERAL INSTITUTES OF TECHNOLOGY

_COMMUNITY HOSTING

Ergon hosts numerous communities on various topics such as cloud computing, testing and "software craftsmanship".

26 786

_TRAINING HOURS in 2019

Pension fund contributions at Ergon were adjusted a few years ago to do away with the original 1985 model and distribute contribution rates more evenly across all age cohorts. With any such decision, it is crucial that managers ensure staff buy-in and carefully weigh up the pros and cons.

Promoting young talent – a joint effort

The skills shortage places an obligation on every company to do its bit to promote new talent. Measures might include apprenticeships, traineeships for students and school-leavers, and getting involved in initiatives to highlight the attractions of various career paths – IT, for example. A commitment to cultivating the next generation of talent is a contribution to the sector as a whole and must be understood as a collective effort. A firm's own apprentices will wish to gain experience at other companies after their initial course of study but each firm will itself derive benefit from apprentices who have learned the ropes at other companies. Events such as the canton of Zurich's IT Days (Informatiktage) help to increase the numbers of apprentices and students interested in IT, and companies that support such programmes will increase their visibility while boosting their image as employers, with a positive knock-on effect when it comes to filling vacant positions. Such events are valuable opportunities for firms to showcase themselves as attractive employers. The younger generations, in particular, pay close attention to the values companies espouse and whether they engage in social issues. Now, more than ever, in addition to pursuing specific performance goals, a firm's managers need to actively support the communities in which they operate.

Seeing age diversity as an opportunity

Accommodating the differing needs of every generation in the workplace will reveal potential areas of development for companies. If these are properly handled, they will result in attractive working conditions, an inclusive culture and modern management structures, while also raising awareness of the importance of community engagement.

While younger people may be a step ahead when it comes to technological skills and the latest trends, older people are ahead when it comes to attributes such as strategic thinking, industry expertise, leadership qualities, emotional intelligence and soft skills, which all take decades to develop. Companies with homogeneous workforces risk missing out on alternative perspectives and experiences. The key to success lies in leveraging the strengths of a wide range of people and assembling a team with a wealth of skills, knowledge and experience at its disposal. Accommodating a cross-section of generations will be crucial to the digital transformation that is currently underway and offers an opportunity to equip firms for sustainable success. It's all in the mix. />

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