

## **Gen X takes the helm**

They are strong on people skills and talent management but the pain of the financial crisis could leave Generation X managers too timid, writes Carolyn Boyd.

### **By Carolyn Boyd**

Peter Sheahan is celebrating the arrival of Generation X to the senior human resources ranks. As an adviser to big companies, Sheahan is constantly being asked where business will find new economic value. His reply? People. Very talented people.

“It’s about getting people who can think the right way,” Sheahan says. “That’s why I’m excited about Gen X moving into senior HR roles because they’re part of that talent mindset.”

Sheahan believes Gen X will bring with them an across-the-board deep understanding of how human resources can add value to business. “I don’t know whether it’s good news for Gen Y or not but it’s definitely good for HR,” he says.

Generation X managers are likely to look for people who can “bring funky, new, almost non-institutional views of the world” and create spaces to unleash that talent. “I think they’re going to bring a fresh level of thinking into those really senior roles,” Sheahan says.

Many boomers delayed their retirement when their super balances and asset values were battered by the global financial crisis. This “holding pattern” has been a source of frustration for Xs who are itching to move up the ladder, says Philip Taylor, professor of employment policy at Swinburne University of Technology’s Business, Work and Ageing Centre for Research.

“Many baby boomers will have been expecting to retire and may be forced to remain in the labour market. That may cause angst among those behind them, so-called Gen Xs who ... perceive that their careers are being blocked by older people,” Taylor says.

However, as boomers begin to move off or phase out into consultative positions organisations could struggle to find enough Generation X managers. KPMG demographer Bernard Salt says Generation X managers are being handed a poisoned chalice that will shape the way they manage. “The baby boomers had a dream run,” Salt says. “It doesn’t get any better than that 16-year snapshot in history [from 1992–2008]. Here were baby boomers prancing around, patting themselves on each others’ backs. And then they pass over to Generation X at the peak of the boom and just before the downturn.”

Generation X has been through a “birth by fire”. “It’s a test of their resolve,” Salt says. “Straight into the worst financial situation in 18 years and not really having a great deal of CEO-level experience prior to that. If they come through all of this, they could qualify for a job as a tight-rope walker in a circus, managing exactly, keeping a very straight and narrow line, finding a very delicate balance between retrenchment, management, expansion, planning and maintaining staff with a dwindling salary budget. It’s a very deft set of skills that is required.”

One of the challenges for Generation X will be maintaining a stable workforce when things pick up. “For the time being the Ys have settled down, they’re not heading off to London at the drop of a hat because nothing is happening in London,” Salt says. It’s anticipated, though, that at the first sign of green shoots they’ll be on the move.

The economic meltdown will leave its imprint long after it is over. “We’re seeing a far more measured, calibrated life-form evolve,” Salt says. “This might lead to a more judicious, cautious, even timid managerial style in the future, a bit like country businesses being run by accountants. There is a time in the business cycle to be bold and if management is too scarred by this experience it might lead to a timidity over the next couple of years.” That could come at a time of growth, when boldness is needed to win the race.

AT NEWCASTLE City Council, in the NSW Hunter region, a major restructure has just been completed. Many of the managers are now in their 30s and 40s. The council’s human resource services manager, Belinda Clements, says Gen Xs are willing to try new things, in contrast to some of the previous baby boomer managers who found comfort in the status quo.

“The Gen X group is much more ready for change and to ask the question ‘well, does it work still?’” says Clements, who is herself an X. “Information is power so the Xs are about very much wanting to challenge the status quo.” Growing up just as computers were becoming prevalent might be a factor. “There was such a rapid change in the workplace in terms of technology so they were just used to that,” Clements says. “Gen X were also raised by the first generation where both parents were working so they were more self-sufficient because in some respects they were looking after themselves a lot more.”

Many Generation X managers have strong people skills, thanks to training and the university system. “In the past people were promoted on their technical skills,” Clements says.

Interpersonal communication also came through as a key asset for Generation X in research conducted by University of Newcastle doctoral candidate Mario Bonfante. As part of his doctorate of business administration, Bonfante interviewed employees and their managers from a number of government organisations. While some white-collar boomer managers criticised younger managers for being slap-dash and non-methodical, blue collar workers said they were more approachable, more pragmatic and had a tendency towards

positive problem solving rather than an authoritarian attitude. The blue-collar boomers had been apprenticed in highly directive and instructive environments. When they first started working, “there was not much consultation, it wasn’t collaborative,” Bonfante says.

Bonfante is chief executive of an international health and beauty organisation, and managing director of his own human resources and business support consultancy, Epoch Solutions. In his research, blue-collar staff – plumbers, mechanics and the like – viewed their Gen X managers as more people-focused and level-headed. “They recognised without any prompting that it was due to technological savviness and also educational standard,” Bonfante says. The only complaint they had was that some of the Generation X managers weren’t experienced enough with the worker’s particular environment or profession. This is perhaps reflective of the broad background of many newer managers.

Bonfante says baby boomer managers relied on their tacit knowledge and applied that to their environment whereas the Xs applied their learned knowledge, gleaned from their time at university.

One potential downside of Gen Xs, says Bonfante, is that because they have a tendency to want to be creative in their workplaces, they may try to surround themselves with like-minded people who allow them to do so. This could lead to less diversity.

Ahri’s hr student of the year Jacqui Knights, says Gen X will need to be transparent and inclusive. “I think the Gen Xs are very open to that,” says Knights, who is a human resources consultant with the University of NSW. “I think they have that good balance of wanting to get stuff done – they want to go into action mode, but they want to involve people as well. That suits the Gen Ys.”

Knights says Gen X could struggle to achieve the right communication mix. “Communication is the biggest issue [in any organisation],” she says. “There’s either too much of it – the non-relevant information – or not enough of what they really need. I don’t think it is something they [Gen Xs] do that well and if they are more conscious of it and think about it, it will be one of the keys to managing the Gen Ys.”

Belinda Clements is not sure how Generation X managers will interact with Y employees, but she sees a disconnect between Generation Y and baby boomers that often builds into tension, frustration and conflict. “You’ve got Generation Y who can get bored very easily, and they’re the generation who will sit in interviews and be applying for a trainee job but ask how can they get to be a general manager,” Clements says. “Baby boomers will get frustrated that they will continue to challenge or that they will lose focus easily.” Generation Ys, used to using the internet to find answers, will sometimes be stymied if a computer can’t supply what they need. “In some respects the Ys are not as resourceful at finding information if it’s not in a form they’re used to dealing with,” Clements says.

Jessica Booth, who was recently awarded AHRI's Dave Ulrich HR Rising Star of the Year, says many commentators mistakenly think the X and Y generations are similar.

"I wouldn't lump Xs and Ys in together because my parents are Gen X and naturally I don't think we are on the same wavelength," Booth says. "I know a lot of the literature places Gen X and Y in the same category but given the rapid increase in technology I don't think this is possible. There are some taking up technologies at high rates, but in contrast to Gen Y - it's already a part of everything we do," says Booth, a senior human resources adviser at the CSIRO.

She believes baby boomers have a lot more in common with Gen X. "This is just my perspective because I'm Gen Y," she says. "The baby boomers in my workplace tend to get along with the Gen Xs a lot better. It just seems like Gen Y has a really different way to approach work. In terms of how we come to work, how we act at work, how we perform in interviews, all those sort of things, Gen X and baby boomers have this idea of what that is supposed to look like, which doesn't match Gen Y."

Mario Bonfante's research turned up an interesting relationship between blue-collar Ys and their baby boomer managers, one of information sharing and mutual dependence. The Ys felt used by Gen Xs, who wanted them to perform menial tasks. But in baby boomers the Ys found a cohort who often sought help from them with technological issues. On the flipside, the Ys, eager to climb the tree, were keen to pick up skills from the boomers that those just one generation up had not yet gained or didn't have the patience to pass on. For her part, Clements believes she has a role to help the different generations work together. "We are all different and that brings both strengths and weaknesses," she says. "When I'm running leadership programs now I will purposefully put in a trainer who can talk about the different generations. Lights go on for people because they go, 'I get it, I know why they're different.' It's not as though one generation is more important or effective, the fact is they're different."

### **Z ... just around the corner**

THE oldest among them are still at school but already Generation Z is being talked about as a switched-on, creative, savvy generation. Born from 1995 onwards, Generation Z will be the most educated cohort of young people to hit the workforce. KPMG demographer Bernard Salt believes the next group of youngsters, some of whom are just newborn babies, will be far more measured than the Ys and have a strong social conscience. "There's an entire generation indoctrinated about sustainability from the age of five," Salt says. While they'll be incredibly proficient with technology and globally connected, they're likely to be less cavalier than the Ys, who grew up through 16 years of economic highs. "The Zs will go into the workforce over the next decade when we're recovering from the [global financial crisis]," Salt says, adding that the crisis will cast a shadow on the business psyche for many years after it has been resolved.

Once the Ys take on mortgages and kids, and are forced to settle down, it will be the Zs flitting from job to job in their 20s, moving around the world and sampling life and work in bite-sized chunks. Business thought leader Peter Sheahan believes the group will be hugely creative and will be super-sophisticated problem solvers.

“I think they’re going to be phenomenal talent,” Sheahan says. Much of this ability will develop through online activities such as the multiplayer game LittleBigPlanet, which enables users to create the content.

Some experts, though, worry that Generation Z is being raised by helicopter parents, ready to fly in at any moment and solve their child’s problem. This could lead to a group of young people less able to look after themselves or resolve problems.

## **The ABC of XYZ**

### **Baby boomers**

1946-1960

Entered into relationships, jobs and property early. Began their careers in an environment that tended to be instructive rather than inclusive. Value loyalty and hard work. Many grew up in large families and as such are competitive and used to finding their own solutions, relying upon their own knowledge.

### **Gen X**

1961-1981

More inclusive and more consultative than the baby boomers but in some ways much like their predecessors. Most are technologically savvy and as such don’t think Generation Ys’ use of technology is anything special.

### **Gen Y**

1982–1995

Easily bored, prone to job changing for more satisfaction, stimulation or money. Highly educated and ambitious. Very prepared to share their opinions

–

on nearly everything. Technology is a part of what they do.

### **Gen Z from 1995 onwards**

Savvy, technical, highly creative. May be a little too used to having Mum and Dad solve their problems. Strong social conscience.

**Source:** *HR Monthly*, February 2010, pp 24-27