

Compensation & Benefits

Published December 2008

Motivation Across Generations

Ivonne Chirino-Klevans

Motivated employees mean less turnover and absenteeism, as well as increased morale. In order to design jobs, perks and compensation systems that have a positive impact on an organization, it is important to understand what motivates employees.

Motivation — or its absence — has an effect on every aspect of an organization. The U.S. Bureau of Labor Statistics calculated approximately 2.8 million workdays each year are lost to absenteeism. A 2004 study by CCH Inc. found organizations whose employees report low morale and motivation set aside 4.9 percent of their budgets on average to cover costs related to absenteeism, compared to 4 percent in organizations with higher levels of motivation and morale.

Motivated employees are more likely to achieve organizational goals and report increased job satisfaction and less likely to leave their jobs. How do talent managers develop and keep a motivated and engaged workforce? It starts with attracting the right talent — people who have an internal drive to achieve. Then, talent managers must identify and satisfy employee needs.

Hiring costs are a big piece of human resource expenditures, more so when factoring in the effects of turnover. That is why human resource professionals and those who interview candidates benefit from learning how to identify skills and abilities that indicate self-motivation.

Identify Self-Motivation

In a wide range of organizations, as well as in sports, there has been a strong interest in finding personality traits and behaviors that are associated with top performers. Self-motivation is the result of how an individual perceives his or her self-competence in certain situations: the degree of interest, enjoyment and effort required, and the amount of importance, pressure and autonomy while performing an activity.

Behavioral interviews, in which past behaviors are discussed as a way to predict future behaviors, have proven effective in assessing self-motivation. There are three key questions that can help identify self-motivation during the interview:

1. Describe a situation at your previous job in which you had to do something you were not enthusiastic about. How did you handle it?

This question helps identify what kind of strategies an individual uses when facing situations in which there is no external motivator. In general, people who can motivate themselves will find a rewarding alternative within a non-rewarding scenario, regardless of what the environment or situation is offering.

2. Describe a job-related situation in which there was some ambiguity in instructions or guidance. How did you approach it?

Look for how the individual gathers — or does not gather — additional information. Does he or she take the initiative to seek clarification? Does he or she take an active or passive role?

3. If you have had a performance evaluation, what did you do with that feedback?

People who are self-motivated look for performance feedback, identify realistic goals for improvement and seek out resources to reach those goals. These individuals will not wait for things to be right, but will look for ways to make things right.

It would be ideal if all organizations were able to attract employees who do not need external motivations and simply work for the joy of it. But in reality, organizations are built with different talents, different needs and different perceptions of what constitutes a motivating place to work. This diverse workforce also is shifting as new generations enter the workplace. The next challenge is how to keep that diverse and changing workforce motivated.

Motivate a Changing Workforce

According to common estimates, the first wave of baby boomers will start retiring in 2011. During this same period, about 49 million college graduates will begin entering the labor force. Analysis of the generational makeup of the current workforce reveals that, besides baby boomers, it is composed of employees from Generation X — born 1965-1981 — and Generation Y — born 1982-1996. These trends leave managers with the challenge of leading a diverse workforce, one with widely different needs and wants. An effective manager will find ways to retain and motivate different generations.

Baby Boomers

There are many stereotypes about the characteristics of older workers. Fortunately, human resource experts are using evidence-based research to formally identify characteristics of different generations in the workforce, providing some insight into how to motivate and retain different generations in our organizations. Experts recommend that talent managers:

- **Provide opportunities for training and development.**

When older workers are asked what their top priority at work is, they report trying new things is at the top of their lists.

- **Include opportunities for promotions.**

Performance evaluations of baby boomers and other generations show no significant differences in productivity between these groups. Some research indicates that productivity increases with age. This data supports the recommendation that opportunities for promotion should be made available to older workers.

- **Design mentoring opportunities.**

One natural consequence of the maturing baby-boomer generation is that many will leave the workforce, taking with them a wealth of knowledge. A manager who knows how to leverage this will be able to identify mentoring opportunities in which an older, more experienced employee can be matched with a newer, younger employee. Such mentoring relationships will help keep baby boomers motivated and keep the professional knowledge in the organization.

Generation X

While it is important to provide growth opportunities for an aging workforce, it is of equal importance to cultivate a positive organizational environment that attracts other generations. Here are some of the characteristics of Generation X and what motivates them:

- **The need to meet basic necessities for living.**

Workers born in this generation are at a building stage of their lives. Studies have found younger workers report a greater need for safety nets such as health insurance. This factor becomes an important variable when designing compensation systems targeted to Generation X.

- **They seek recognition.**

When this generation is asked the main reasons for working, one of the most frequent responses is, "I work because of the recognition it brings me." This generation is building skills and trying to identify niches where its members can grow and be recognized. Successful organizations address this need with employee recognition programs, organizational goals and other opportunities for individuals to shine. Awards are important, too, such as vacation days, special parking spaces, meal vouchers, dry cleaning vouchers, access to on-site massage and gifts.

- **They value goal setting.**

Younger workers report being more goal-oriented than older workers. Generation X will feel motivated when specific expectations regarding their future performance are identified, as opposed to receiving feedback on their past performance. This way they can work toward a goal and identify the resources they need to be successful.

- **They prefer family-friendly work environments.**

One of the main reasons Generation X leaves the workforce is a lack of work-life balance. Approximately 30 percent of this group's talent in the workplace is lost because of family issues, and lost productivity when an individual is unable to perform well at work due to sickness or family issues. Companies successfully retain this talent by creating job conditions compatible with family life, including on-site child care, on-site schools, tuition reimbursement programs, help planning children's birthday parties, cross-cultural competency development for spouses on foreign assignments and telecommuting.

Generation Y

A new generation of employees is entering the workforce in the same numbers as baby boomers: the Millennials, or Generation Y. They have been identified as open-minded, sociable, optimistic, confident, willing to be part of a group and well-connected. They were born in a society in which computers are a staple of their lives and where most of their social networks reside. Here are some examples of what can help motivate them:

- **Find role models they can trust and follow.**

This generation has experienced well-defined schedules since childhood. They grew up with strong parental involvement in structured environments that included sports practices and after-school programs. They value role models who they can trust.

- **Provide challenging opportunities.**


Although this generation is used to schedules and new challenges, it is also driven to seek new challenges. A job that does not represent a challenge will soon become dull and uninteresting to this generation of workers. Routine is unattractive to them; variety is the key.

- **Realize the importance of social networks.**

Technology has opened doors to create social networks, some of which are active 24x7. This tells us that this generation prefers to work with people who are their friends. Organizations who want to attract this talent should provide a work environment that makes these social interactions possible. Think of virtual watercoolers, online cafes and company picnics.

- **Provide flexible job environments.**

Although this generation is used to routines and schedules, the Internet offers a diverse array of choices in many aspects of their lives. For example, they may compare prices, vendors and job opportunities. They value work environments that allow them to express themselves, offer their points of view, learn from others and share ideas both virtually and face-to-face.

Generations will change and new work ethics will develop, but the bottom line in understanding motivation means knowing the people who work for you and what is important to them. If talent managers can align organizational resources with generational preferences, they can stay abreast of the ever-changing motivators of a dynamic workforce. 

Dr. Ivonne Chirino-Klevans is program director of international programs at Walden University.
