WHITEPAPER

ENGAGING A MULTI-GENERATIONAL WORKFORCE

FROM BABY BOOMERS TO MILLENNIALS INVESTIGATING DIFFERENCES IN VALUES AND PERSONALITY BETWEEN THE DIFFERENT GENERATIONS IN THE AUSTRALIA WORKFORCE

EXECUTIVE SUMMARY

- This study examined the results of personality and values-based assessments to explore differences between groups of working Australians categorised by their year of birth, commonly referred to as Baby Boomers, Generation X, Generation Y and Generation Z. There is consensus in the literature that these generations are defined by unique social and economic factors during the period in which people were born and raised.

- From a values perspective, the youngest people currently in the Australian workforce (Generation Y and Z) appeared to have distinct values compared to older generations (Generation X and Baby Boomers). This answers a big question commonly asked: What do Millennials want? According to this research, the younger generations, to which Millennials belong, value work where they can:
  - be acknowledged for their achievements,
  - find enjoyment and fun,
  - have opportunities to give back to others,
  - work in collaborative environments, and
  - hold a sense of stability.

- In contrast, older generations (Generations X and Baby Boomers) present with preferences towards a professional approach to their work, seeming less concerned about the need for team work and networking, and more concerned with upholding traditional values and being good organisational citizens.

- These younger generations that are in the early parts of their career through to mid-management positions come across as more sociable, agreeable, obliging to superiors, willing to ask questions, more creative in their thinking and more focused on planning and organising details.

- These research findings suggest a distinction between older generations, presumably current senior leaders and those nearing retirement, and younger generations, presumably those beginning their careers through to those in mid-management positions. There may be a shift in the way organisations lead as a new generation of leaders hold distinct values and behavioural traits emerge. Moreover, organisations may need to adapt to meet the demands of a generation entering the workforce, seeming more and more driven by status values, the need for team work and security.

BACKGROUND

It has become a growing interest to understand differences between employees of different generations, particularly as a new generation is taking up leadership roles. In Australia, people known as "Baby Boomers", "Generation X", "Generation Y" and "Generation Z" have, by definition, been born and raised in a different era. Individuals born in the same generation are presumed to have experienced similar life events which influence and define a generation (Zemke, Raines, & Filipczak, 2000). Although we expect diversity within generations, there is a question of whether unique patterns of behaviours, values, and beliefs also define these generations.

According to the Australian Bureau of Statistics (2014), the following social and economic factors divide and define these generations currently in the workplace:
- Baby Boomers (born 1946-1964): born in the period post-war with the economic boom; experienced increases in marriage and fertility; increase in immigration; higher rates of females completing tertiary education; born to parents who would have experienced the Great Depression.
- Generation X (born 1965-1977): experienced greater access to educational schemes becoming more highly educated than generations previously; experienced increased rates of parental separation and divorce.
- Generation Y (born 1978-1992): have worked in environments with digital communication 24/7; this generation is often coined "Millennials", having grown up in the new millennium, and were born to Baby Boomers.
- Generation Z (born 1993-present): the first generation to grow up without knowing the age before the internet, mobile phones, email and instant messaging; they have grown up with the rise of social media; a strong proportion are still furthering their education beyond secondary schooling.

Undoubtedly, these factors could influence how these generations differ in their worldviews, social norms, how they go about their work, their expectations, and what shapes opinions, values and beliefs (McCrindle, 2008). There is anecdotal evidence of differences in values and behavioural tendencies, but little research to support meaningful or practical differences between generations.

Studies have revealed differences between Generation Y and Baby Boomers, where Generation Y appears more driven by acknowledgement for the accomplishments, and Baby Boomers demonstrate a preference for old-fashioned values, strong work ethic and are uncomfortable with conflict (McCrindle & Wolfinger, 2010; Peter Berry Consultancy, 2011). Generation Y also appears to indicate a strong need for social Interactions and an orientation towards having fun, seeming to be more impulsive and self-expressive than Baby Boomers (Meyer, 2009, cited in Peter Berry Consultancy, 2011). Generation Y, also known as Millennials, seek work where they create an influence, be accountable and engaged in a sense of purpose (Deloitte, 2017).

In a work setting, the diversity amongst people's values and behavioural tendencies have large implications for strategies that target individual development, leadership effectiveness, team cohesion and organisational agility (Tolbize, 2008). As distinct generations are entering the workforce, moving into leadership roles, or leaving the workforce, the question is, are there meaningful differences in these generations in how they behave or make decisions? These differences are of importance as they have significant implications for future human resources practices of recruitment, selection, development, and retention to meet demands in organisation engagement and effectiveness.

THIS RESEARCH

The present study explores differences in values and personality traits that may exist between Australian Baby Boomers, Generation X, Generation Y and Generation Z workers. Previous research has not yet explored Generation Z, a generation that is now beginning to enter the workforce. This study continues to identify whether meaningful values or personality-based differences exist between different generational groups from an Australian sample of working adults.

Participants

This study drew on an Australian sample that had completed a series of values and personality assessments for the purposes of selection, development or research. There was a total of 31,556 people in the sample. A breakdown of sample sizes for each generation is summarised in **Table 1.**

Table 1. Summary of Sample Sizes for Each Generation.

Generation	Year of Birth	*n*
Baby Boomers	1946-1964	5,493
Generation X	1965-1977	12,544
Generation Y	1978-1992	12,705
Generation Z	1993-present	814

Measures and Statistical Procedure

Participants completed the following measures as part of an assessment of values and personality:
- the Motives, Values, Preferences Inventory (MVPI; Hogan & Hogan, 2010), which provides insight into individuals' core values that motivate and drive their behaviour;
- the Hogan Personality Inventory (HPI; Hogan & Hogan, 2007), which measures day-to-day personality characteristics and provides information about individuals' typical behavioural tendencies and how they are likely to be perceived in the work environment; and
- the Hogan Development Survey (HDS; Hogan & Hogan, 2009), which measures personality when under stress and pressure, and describes individuals' strengths which, when overplayed, can potentially derail performance at work.

Participants completed assessments between 2011 and 2016. However, not all participants completed all three assessments, reflecting different sample sizes for each inventory. ANOVAs were conducted to assess for differences between the different groups on all scales of the Hogan assessments. Bonferroni post-hoc comparisons were performed to examine effect sizes between different generational groups. Only those findings that were statistically significant and resulted in small to large effect sizes are reported in this page

RESEARCH FINDINGS (CONTD.)

Motives, Values, Preferences Inventory

The MVPI describes an individual's preferred motivational drivers and values across the following 10 scales:

	High scorers tend to value:
Recognition	Public acknowledgement and 'pats on the back'
Power	Being in charge and being perceived as influential
Hedonism	Fun, light-hearted and open-minded work environments
Altruistic	Actively helping others and providing excellent customer service
Affiliation	Networking, building relationships, belonging to a work group
Tradition	Conservative organisational cultures and personal workplace values match
Security	Secure, predictable, and risk-free work environments
Commerce	Making and saving money and involvement in organisational finances
Aesthetics	Focusing on quality and product 'look and feel', valuing creativity and artistic expression
Science	Analytic problem solving and working with technology

Generational differences in values appeared apparent in some scales of the MVPI, as reflected in **Figure 1.** It is interesting to note differences that descended or ascended in line with the age of the generational group for some scales. For example, Recognition, Power and Hedonism, appear to be highest amongst the younger generations, and become less important for older generations. Whereas for Tradition and Aesthetics, this is more important for older generations than younger generations. No discernible differences were observed in values of Commerce and Science.
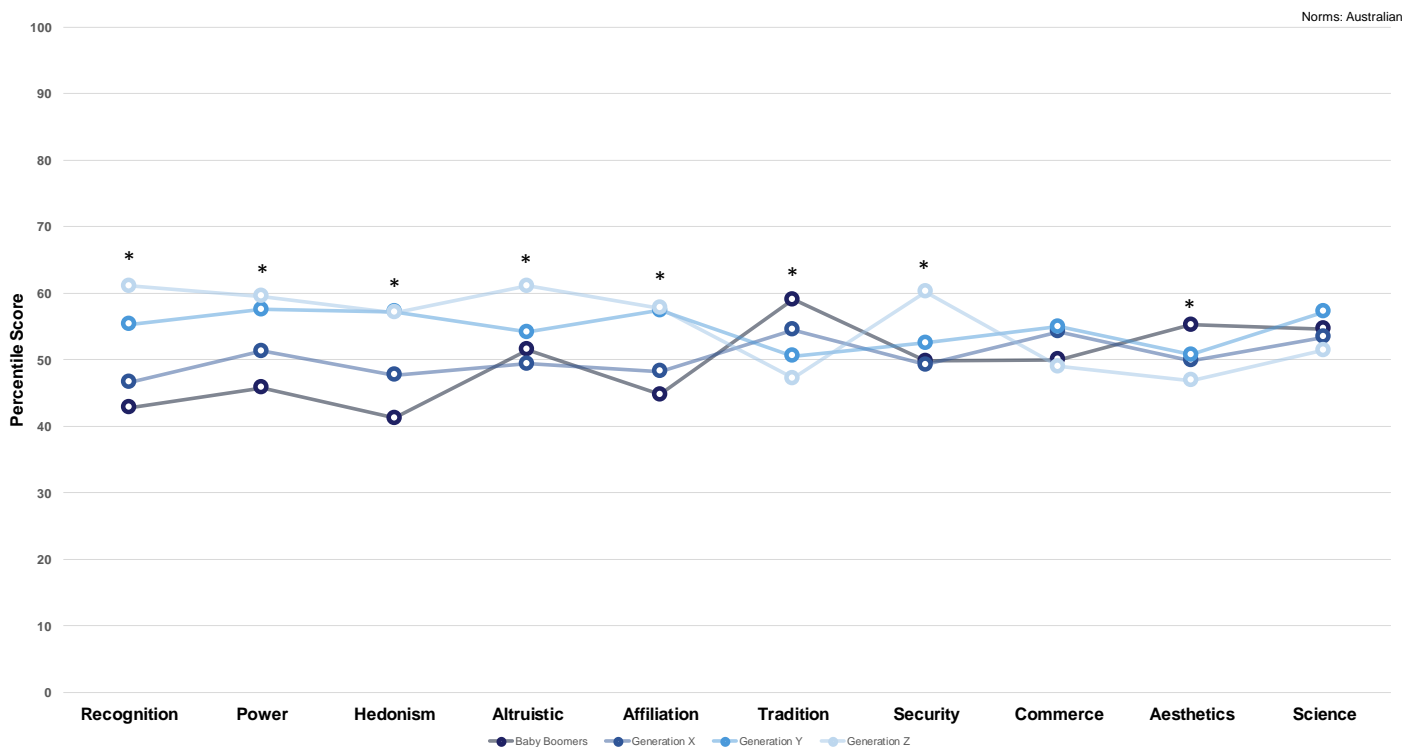

Figure 1. *MVPI Percentile Scores of Australian Baby Boomers (n=3,553), Generation X (n=8,182), Generation Y (n=8,332) and Generation Z (n=363).*

*significant difference between groups

RESEARCH FINDINGS (CONTD.)

Hogan Personality Inventory

The HPI describes an individual's preferred behavioural style across the following seven scales:

	Low scorers tend to be:	High scorers tend to be:
Adjustment	Responsive, easy to coach; susceptible to stress	Stress tolerant, resilient; feedback resistant
Ambition	Team-player; stays within comfort zone	Assertive, self-initiating; overly competitive
Sociability	Good listener; socially reactive rather than proactive	Outgoing; can be perceived as attention-seeking
Interpersonal Sensitivity	Direct and objective; can be overly critical, harsh	Warm, agreeable and friendly; averse to conflict
Prudence	Adapts to ambiguity well, impulsive	Detail oriented, follows rules, executes plans; inflexible
Inquisitive	Grounded in practicality; but 'short sighted'	Open, curious, seen as strategic; lacks pragmatism
Learning Approach	Hands-on learner; endures training	Traditional 'book-learner'; can be perceived as know-it-all

Some differences were observed on the Hogan Personality Inventory (HPI) scales between Australian Generations (see **Figure 2**), indicating some differences in behavioural tendencies.
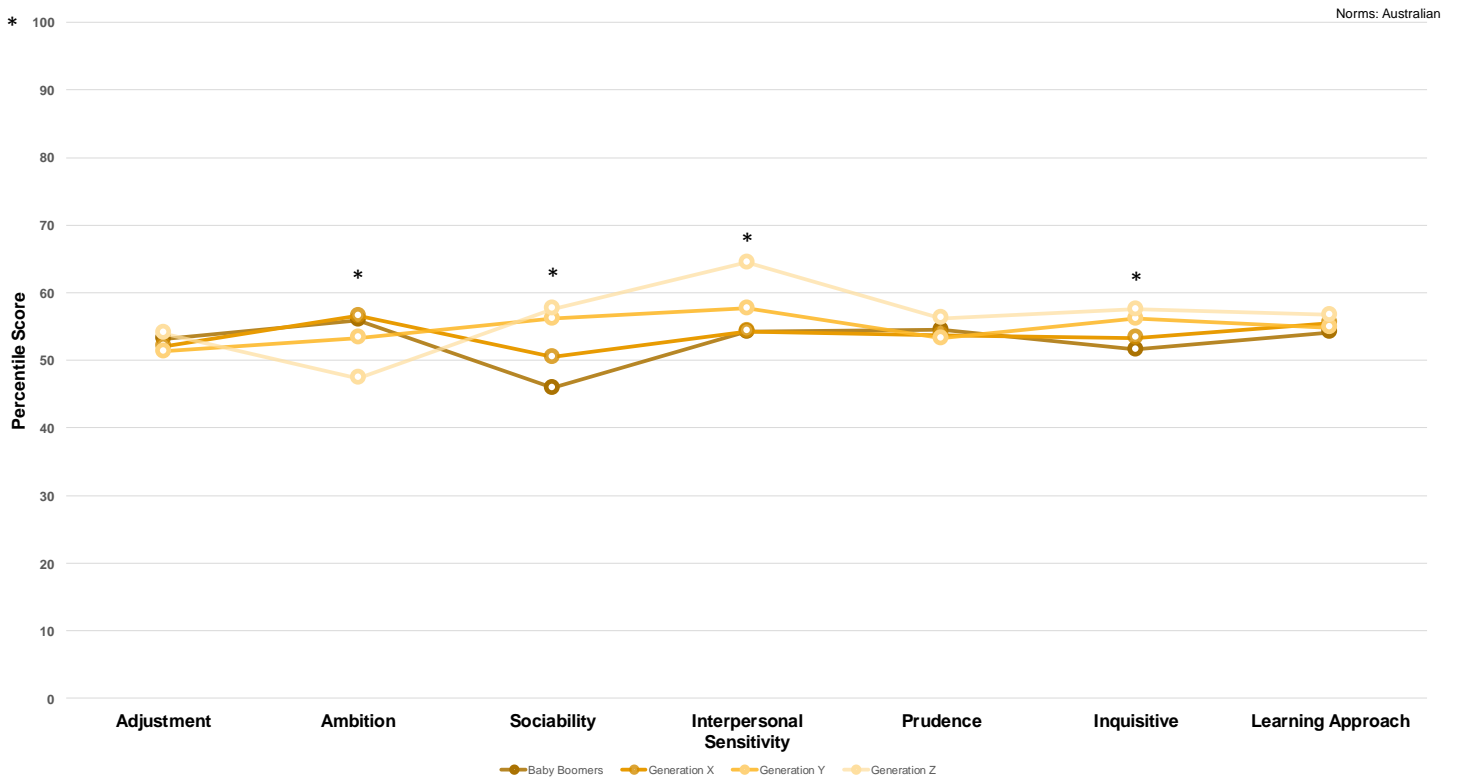

Figure 2. *HPI Percentile Scores of Australian Baby Boomers (n=5,493), Generation X (n=12,544), Generation Y (n=12,705) and Generation Z (n=814).*

Ambition: On average, older generations scored higher than younger generations on Ambition, related to tendencies to appear self-confident, demonstrate initiative and prefer to take up leadership roles. Generation Z scored lower than all other generations on this scale. This suggests that older generations are more likely to appear eager to take charge compared to younger generations.

Sociability: Generation Y and Z scored similarly on Sociability, where both generations also scored higher than Generation X and Baby Boomers. Younger generations are more likely to appear outgoing, talkative and interested in varied social activities compared to older generations.

Interpersonal Sensitivity: Generation Z scored higher than all other generations, indicating that Generation Z is likely to present as agreeable, socially sensitive and perceptive in their social interactions.

Inquisitive: Generation Y and Z scored similarly on Inquisitive, where both generations also scored higher than Generation X and Baby Boomers. This result indicates that younger generations are more likely to demonstrate curious, imaginative and visionary tendencies, seeming easily bored and interested in intellectual matters.

No statistically significant differences were found in the scales of Adjustment, Prudence and Learning Approach.

Hogan Development Survey

The HDS describes an individual's preferred behavioural style under pressure across the following 11 scales:

	Everyday Strengths	Stress-Induced Derailers
Excitable	Intense and energetic	Moody and prone to over-reacting
Sceptical	Perceptive and shrewd	Cynical and mistrustful
Cautious	Careful and thorough	Extremely reluctant to take risks
Reserved	Independent and businesslike	Stoic and disconnected
Leisurely	Cooperative and agreeable	Covertly resistant and insincere
Bold	Confident and assertive	Stubborn, arrogant and smug
Mischievous	Charming and jocular	Irreverent and untrustworthy
Colourful	Outgoing and animated	Showboating and overwhelming
Imaginative	Innovative and creative	Off-the-wall and unrealistic
Diligent	Detail oriented and hardworking	Perfectionistic and demanding
Dutiful	Supportive and loyal	Ingratiating and deferential

Generational differences in the HDS were also apparent in some scales of the HDS, as seen in **Figure 3.** A trend seen in almost all scales is that Generation Z appears to consistently score highest whilst the Baby Boomers present lowest across all HDS scales. This result suggests that on average, Baby Boomers present with the lowest risk in exhibiting derailing tendencies that can affect performance or relationships. Younger generations, particularly Generation Z, may be at greater risk of displaying behavioural characteristics that can be overplayed and result in reputational damage. However, these differences were not observed in the Reserved, Leisurely, Mischievous and Colourful scales.

Figure 3. *HDS Percentile Scores of Australian Baby Boomers (n=3,856), Generation X (n=8,830), Generation Y (n = 7,960) and Generation Z (n = 312).*

*significant difference between groups

Excitable: Generation Z scored higher than all other generations on Excitable, suggesting that they are more prone to appear intense, energetic and passionate, but also reactive and moody.

Sceptical: Generation Z scored higher than all other generations on Sceptical, indicating tendencies to appear more cynical, seem overly sensitive to criticism and more likely to question others' motives and intentions. These tendencies are likely to present at a moderate risk. Whilst Generation Z may be bright and perceptive, overplaying these behavioural tendencies may damage relationships or negatively impact on business outcomes.

Cautious: Generation Z scored higher than all other generations on Cautious. This result suggests that compared to older generations, Generation Z is more likely to appear motivated not to fail, slow to make decisions and reluctant to take chances.

Bold: Generation Y and Z scored higher than Generation X and Baby Boomers on the Bold scale. The younger generations have a propensity to display overly confident, self-entitled, self-promoting and demanding behaviours.
Imaginative: Generation Z scored higher than all other generations on the Imaginative scale, indicating that they are more likely to appear creative, eccentric, yet impractical and unconventional in their ideas.

Diligent: Generation Y and Z scored higher than Generation X and Baby Boomers on the Diligent scale. This suggests that the younger generation are more concerned with details, planning and organising, and when leading people will need to learn how to delegate.

Dutiful: Generation Z scored much higher that all other generations of the Dutiful scale. This result indicates that the youngest generation in the workforce is likely to present as obedient, compliant, consultative, yet eager to please, indecisive and unsure of their ideas. This presents as a moderate risk to damaging the reputation of Generation Z, as well as their working relationships and performance. Appearing too conforming and excessively eager to please superiors may build a reputation where one cannot deliver or act independently, seeming to always seek approval before acting.

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IMPLICATIONS

The present study suggests that amongst those currently in the Australian workplace, there are some differences in values and personality traits unique to generations. This could result in different strategies to approaching work issues, preferred working style, and the way people of differing generations determine or measure success. The differences observed between generations are most likely to appear in their values – these determine workplace drivers, opinions, preferred associates and desired organisational cultures. Generation Y and Z appear to present with similar values, seeking out opportunities and finding greater satisfaction in roles where they can be acknowledged for their achievements, focus on success, preferring environments of fun and enjoyment, and being part of a team environment. Generation Z was also more concerned than all other generations about giving back to the community and seeking a sense of security. In contrast, Generation X and Baby Boomers are not so concerned with status needs associated with praise, influence and enjoyment. In comparison to Generation Y and Z, Generation X and Baby Boomers hold stronger values towards upholding traditional ways of working, respecting a sense of hierarchy and being good organisational citizens.

Day to day behavioural tendencies revealed some small differences between generations. Generation Z appears to be most agreeable in their communication style and may come across as conforming, focused on being good team players and seeming obliging, especially to their superiors. They may also appear more willing to question things, take an interest in innovating or thinking creatively, approaching their tasks in a much more hardworking and detail-oriented manner compared to all other generations. These traits are also fairly similar to Generation Y.

In a workplace setting, these differences in values and behavioural tendencies are likely to arise in team interactions, decision-making styles, and preferred ways of working. Those in the most senior positions and those nearing retirement (presumably, Generation X and Baby Boomers) are more likely to prefer to assume leadership roles and hold high expectations for others to follow through with set organisational values. These leaders may not be so concerned about collaboration and will be comfortable with taking a professional approach to their work. In contrast, those currently in management positions, emerging into mid-management roles or starting their careers are more likely to value status, seeking high profile work or opportunities where their achievements can be visible. They may be more concerned with having fun in the workplace, taking the time to celebrate successes.

A common question regarding generational differences is: what do millennials want? It seems like Generation Y, those raised in the new millennium, are emerging with a greater focus on status, achievement, work-life balance and variety, compared to their predecessors, who appeared to be a lot more focused on upholding traditional values. Compared to Generation X and Baby Boomers who precede them, Generation Y is likely to lead in a way that encourages recognition of accomplishments, flexibility, enjoyment, stability and a focus on giving back or supporting others.

An interesting observation was the similarity between Baby Boomers and Generation X, and between Generation Y and Z. Although these generations are defined in the literature by their unique social and economic factors, the results of this study suggest that distinct behavioural or values-based traits may not be restricted to single generations but may span over multiple generations. Perhaps future research can continue to not only explore generational differences, but also, generational similarities.

An alternate explanation of the differences observed between these differences may be related to *age related* differences. That is, there are differences between these groups due to their current age, and that as they move into different life stages, their personality and values would also change. This alternate explanation would imply that regardless of the time in which you were born and the social and economic context of your upbringing, these unique traits arise with aging, life experiences, shifts in priorities and stage of career. Therefore, this explanation would argue that current Baby Boomers would have results similar to Generation Y, if they completed these personality assessments between the ages of 26-40. Likewise, those under 25 currently working would score similarly to Baby Boomers if they were to repeat these personality assessments after the age of 54. Longitudinal studies would help to clarify whether the generational differences uncovered in this study can be simply explained by age-related changes in personality and values.

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