

IBM® Smarter Workforce Institute

# Generational Differences at Work Are Much Ado About Very Little

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Most people would be hard-pressed to remember a time when “generation” was not part of their everyday lexicon. The ritual of generation naming crept unquestioned into America’s consciousness around a century ago when Ernest Hemingway popularized the so-called Lost generation of youths who came of age during World War I. Since then, portentous announcements about each new generation have become a perennial phenomenon in the news media. After Lost came the Greatest generation, who endured the Great Depression and fought in World War II. Then came the Silent generation, the Baby Boomers, Generation X, the Millennials, and the rite continues today. “Make Way for Generation Z” shouts one recent New York Times headline.<sup>i</sup>

But must we make way, or is it all much ado about nothing? Despite the near constant media attention on differences, academic researchers dispute that generation gaps matter or even exist in the workplace.<sup>ii,iii</sup> These suspicions are not new. Russell Baker, Pulitzer Prize-winning writer, coined the term “generation fatigue” in 1994 to declare his disenchantment with the newspaper speculation surrounding Generation X.<sup>iv</sup> The research evidence to date suggests he was onto something.

### What is a generation?

By generation, we mean a group of people who came of age around the same time, and who supposedly share characteristics resulting from the experience of the historical events and technological advancements of a certain time period at the same impressionable developmental stage.

In this paper, we will summarize major research studies that reveal generational differences specifically at work are small. Then, we will discuss possible explanations for the persistent conjecture and discussion about generations at work. Finally, we will conclude with some suggested alternatives to generation that researchers and practitioners can focus on instead.

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## Much Ado About Very Little

### *Differences in work attitudes? Practically zero*

Peer-reviewed scientific research suggests generational differences at work are much ado about very little—little effect sizes, to be exact. A meta-analysis of 20 studies found small to moderate differences and inconsistent patterns across generations' work attitudes.<sup>v</sup> For example, job satisfaction differences between Baby Boomers and Gen Xers are essentially zero (the average difference is .01 on a scale from 0.00 to 1.00) and the difference between Gen Xers and Millennials is very small (the average difference is .14).

Also, some researchers debate whether observed differences are truly generational ones, or simply due to life stage. It could be that all people feel a certain way when they are in their 20s or when they have young families or are early in their career but then have different priorities as their lives change. The differences could even be temporary, just a sign of the times. To zero in on generation, the IBM Smarter Workforce Institute analyzed data from over 115,000 employees collected over 18 years. Similar to the meta-analysis, they found generational differences in work attitudes were small, just 0 to 2 percent of work attitude differences were attributable to generation.<sup>vi</sup>

### *Ambitions and desires at work? Timelessly similar*

A recent study conducted by the IBM Institute for Business Value found Millennials are not that different from their older colleagues.<sup>vii</sup> For example, about the same percent of Millennials (25 percent) want to make a positive impact on their organization as Gen Xers (21 percent) and Baby Boomers (23 percent).

The Hay Group studied over five million employees worldwide and found Millennials are less positive at work, but even the biggest difference between generations is a paltry five percentage points.<sup>viii</sup>

Gallup has found little or no differences across generations in what attracts job seekers to a prospective workplace.<sup>ix</sup> Specifically, 62 percent of Millennial job seekers said interesting work is important in their search, compared to 52 percent of Generation X job seekers, and 60 percent of Baby Boomers.

### *Personality differences? Not so much*

Research on personality differences across generations has yielded similar results. For example, one highly-cited study found young people are more narcissistic than they used to be.<sup>x</sup> However, the effect is small: the narcissism score increased from 15.06 in 1982 to 17.29 in 2006 on a scale from 0 to 40. Also, this particular type of personality study compares college students (the young generation) at different points in time, which means we cannot definitively say these differences are due to generation; they could be due to time period. For example, it is possible that all people—regardless of generation—have become slightly more narcissistic.

Overall, the evidence is underwhelming—when there are differences between generations at work, they tend to be small.

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*Just 0 to 2 percent of work attitude differences were attributable to generation.*

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## Why Does the Discourse on Generational Differences Persist?

Given underwhelming evidence, why does our fascination with generations persist, and seem to be increasing? (Web search interest in the term “Millennials” went up 80 percent from 2013 to 2014.<sup>xi</sup>) It could be that the more rigorous academic research has not yet reached the mainstream media. Or it could be that there are indeed some real differences between generations, but just not at work. For example, Millennials are more racially diverse,<sup>xii</sup> fewer of them are married,<sup>xiii</sup> and they are less religious.<sup>xiv</sup> As the research shows however, these differences do not necessarily translate into differences at work.

The notion of generations may also persist simply because some people identify with them. A Pew Research study found 79 percent of Baby Boomers consider themselves to be a part of their generation. Interestingly, generation seems to be less important to the identity of younger folks: 58 percent of Gen Xers and only 40 percent of Millennials identify with their generations.<sup>xv</sup> Nonetheless, generation seems to play a role in understanding ourselves. And generational characterizations need not be accurate for people to identify with them. This is an example of the Barnum effect, or the tendency for people to think vague personality descriptions accurately capture who they are. The Barnum effect helps explain why people faithfully follow their horoscopes<sup>xvi</sup> or feel the Myers-Briggs Type Indicator explains all of their interactions with others.<sup>xvii</sup>

Interest in generational differences may even persist for a darker reason. At their most innocuous, stereotypes are a mental shortcut people use to understand others quickly and on a large scale. At their most destructive, stereotypes mischaracterize people, which leads to poor decisions about them and avoids treating them as individuals. Could generational generalizations amount to socially sanctioned stereotyping, or even discrimination?

Our current economic environment is fertile ground for age-based mudslinging. Some media reports have pitted generations against each other, with Gen Xers waiting impatiently for Boomers to retire, and Millennials eyeing the spots the promoted Gen Xers’ would leave vacant.<sup>xviii</sup> While in truth, different generations are probably not that antagonistic, organizational leaders are nervous—one study of 2,500 executives found a quarter of them consider intergenerational conflict to be a top risk to the future of their business.<sup>xix</sup> We hope the evidence presented here will eliminate or at least ease these fears.

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## Shifting the Focus to What Matters Most

The volume and persistence of generational rhetoric in the popular press shows little sign of diminishing. And perhaps some scientifically validated and meaningful generational differences at work will emerge in time. **We are not at all arguing for a moratorium on generational research.** Rather, we are proposing that organizational decision-makers use the existing clear evidence to drive more appropriate actions. There are other workplace variables that deserve the kind of passion and attention generation currently engenders. We offer three specific suggestions.

### 1. Try other groupings

There are more meaningful ways to group people at work. One study currently underway at IBM's Smarter Workforce Institute found other grouping variables predict better than generation across a wide variety of work attitudes. For example, one stereotype about Millennials is they are less committed to their organizations. Not only is this negative characterization inaccurate, Millennials are slightly more committed to their organizations than Gen Xers, and are not statistically different from Baby Boomers (Figure 1).

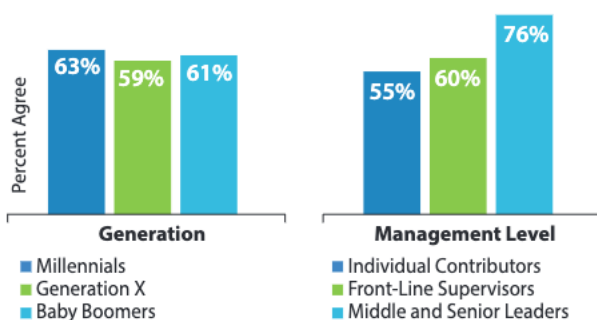


Figure 1: Organizational Commitment by Generation and Management Level  
 Source: WorkTrends 2013/2014 U.S. only (n = 8,925). Margin of error +/- 2 percentage points. Item text is "I rarely think about looking for a new job with another organization."

More to the point, the relationship between management level and commitment is about six times stronger than between generation and commitment. Therefore, to better understand organizational commitment, grouping employees by management level makes more sense than grouping them by generation.

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### 2. Personalize the work experience

Researchers and practitioners would be better served if they focused on individuals rather than groups. In a recent book called *From Millennials With Love*, a variety of stories were collected from young workers. Rather than finding similarity the author observed a great deal of variety within this generation in what motivates them and how they prefer to work.<sup>xx</sup>

Also, in the 18-year study we mentioned above, we found that the differences between individuals were much more substantial than the differences between generations. As seen in Figure 2, the contribution of individual characteristics accounts for 98 to 99 percent of the differences across employees, whereas generation accounts for a mere 0 to 2 percent. The individual differences could be due to variables like an employee's personality traits, characteristics of the job like autonomy on how or where they work, or the relationship between the employee and manager.

Further, the continued advancement of workforce analytics, like mining social data for hidden insights, will make it possible to personalize some aspects of the work environment to each individual employee’s preferences, creating a more positive work experience and increased productivity.

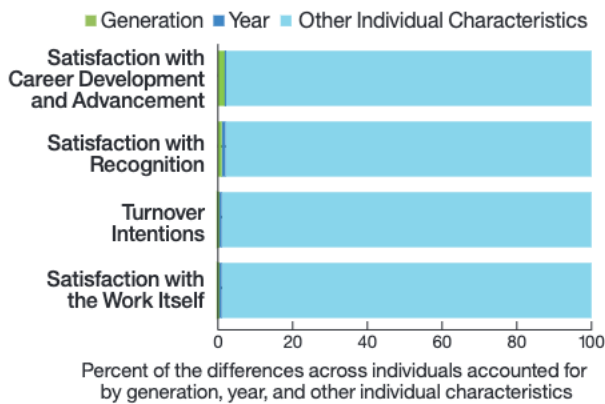


Figure 2: Percent of Differences across Individuals Due to Generation and Individual Characteristics

### 3. Pay attention to what is actionable

Practitioners should concentrate on actionable variables. Generation is not something organizations can change or easily take action on. This limits its applied utility, and therefore practitioners should be in favor of more actionable variables. For example, IBM’s Smarter Workforce routinely identifies drivers of employee engagement on which leaders at all levels can take action to improve engagement in their organizations.<sup>1</sup> We examined three very common top engagement drivers: Future Vision, Growth & Development, and Recognition.<sup>xxi</sup> Notably, the relationships between these drivers and employee

engagement do not vary much at all by generational age groups— and in fact, the correlations are all statistically identical to each other (Figure 3). This means organizations can engage Millennials the same way they engage Gen Xers and Boomers.

Driver	Item	Age in Years		
		18-34	35-54	>55
Future Vision	I believe this company has an outstanding future.	0.66	0.68	0.68
Growth & Development	I feel there is a promising future for me at this company.	0.73	0.74	0.75
Recognition	This company values my contribution.	0.65	0.67	0.65

Figure 3: Employee Engagement Drivers by Age Group  
 WorldNorms database 2012-2014; Organizations = 392; Total Employees = 14,967,695.  
 Note: Values are the average correlation between an item and the employee engagement index.

*Organizations can engage Millennials the same way they engage Gen Xers and Boomers.*

## Conclusion

Each new generation entering the workforce undeniably brings with them new skills, novel tools, and fresh ideas that can challenge the status quo and improve upon the way things have been done in the past. Generational research has produced a compelling dialogue about how young workers can be organizational change agents, or how to reduce potential inter-generational tension at work.

However, after more than a century of generational discourse, we have gained very little insight from these discussions that is of practical significance to organizational decision making. Yet, despite consistently small effect sizes in the research literature, interest in generational differences at work persists. We believe it is time to rely on better variables to make informed decisions about talent.

We propose that organizational leaders consider the following questions the next time you are faced with inflammatory headlines about generational differences at work:

- **Do the authors have any data, or are they just perpetuating stereotypes?** Assertions that have not been empirically validated may be based on anecdotes or personal biases.
- **Did they compare across multiple groups, or are they describing just one generational group?** Studies that describe just one group may give the illusion of differences, when the different generations may be quite similar (e.g., Millennials may want more flexible work arrangements, but so do Gen Xers and Baby Boomers).
- **How big are the differences really, and do they matter in a practical sense?** A difference of a few percentage points does not necessitate the tailoring of organizational interventions to certain generations.

- **Are the differences truly generational, or is it just life stage?** We have different needs at different stages in our careers. We typically want to learn when in early career, we want progression mid-career, and, when we have partners, young children and/or elder care responsibilities, we may want greater work/life balance.

The evidence to date shows generational differences at work are much ado about very little. Generational distinctions may even amount to stereotyping, too broad to be accurate or useful, and potentially discriminatory. It is also very difficult to disentangle the effects of generation from age in studies done at one point in time, and given the research evidence it may not be worth the effort. We encourage those responsible for talent in organizations to focus on the research evidence, and not to be misled by media headlines. Find the most meaningful groupings, ensure you also focus on employees as individuals, take actions accordingly, and you will surely drive improvements in employees' workplace experiences leading to better bottom-line business results.

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## IBM Smarter Workforce Institute

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