



Younger managers rise in the ranks: survey quantifies management shift and reveals challenges, preferred workplace perks, and perceived generational strengths and weaknesses

In late June 2013, EY conducted an online generations survey of 1,215 cross-company professionals outside of the EY organization and across the US, including at least 200 managers and 200 non-managers in three select generations (Generation Y/millennials: ages 18-32, Generation X: ages 33-48 and baby boomers: ages 49-67). Respondents were evenly split among the three defined generational age groups (Gen Y: 33%, Gen X: 33% and boomers: 34%) and fairly evenly divided among males (48%) and females (52%). A majority of respondents (98%) worked full-time, had at least some level of higher education (95%) and reported household income in excess of US\$75K a year (57%).

EY's survey was fielded by ORC International and the survey instrument was designed by FleishmanHillard Research in collaboration with EY.

Quantifying the generational management shift and the rising perceptions of Gen X

- The survey reveals that management is evolving quickly. In the past five years (2008 through 2013), both during and coming out of the recession, there has been a significant shift in Gen Y and Gen X moving into management roles: 87% of Gen Y managers surveyed moved into a management role during this period vs. 38% of Gen X and 19% of boomer managers. By comparison, the generational mix of those who moved into management the prior five years, from 2003 to 2008, was 12% Gen Y, 30% Gen X and 23% boomers.

Moving into Management	Gen Y	Gen X	Boomers
Less than a year to less than five years ago (2008-2013)	87%	38%	19%
Five to less than 10 years ago (2003-2008)	12%	30%	23%
10+ years ago (earlier than 2003)	1%	31%	59%

- When it comes to positive perceptions of both the management skills as well as the characteristics of each generation, Gen X leads the pack. Members and managers of this generation were perceived favorably on nearly every characteristic in the survey.
- A majority (at least 56%) of respondents felt that members of Gen X displayed each of the survey's positive characteristics. In fact, the only negative Gen X attribute identified by more than half (51%) of respondents was "entitled and concerned primarily about individual promotion," which was also a characteristic of members of Gen Y (68%) and, to a lesser extent, boomers (32%). (See Chart 1, Page 2.)
- In addition, Gen X was viewed as the generation best equipped to manage in current economic conditions as well as in 2020. In today's economic climate, respondents selected Gen X (80%) followed closely by boomers (76%) and Gen Y (27%). In 2020, or seven years from now, Gen X still persists and outpaces boomers and Gen Y at 65% vs. 27% for boomers and 51% for Gen Y as the generation perceived as best equipped to manage.
- Support for Gen X and boomers to manage in the future dropped, but the expectations that Gen Y will manage effectively in the future nearly double (from 27% now to 51% in 2020). As expected, boomers were least likely to be identified as best equipped to manage in 2020 economic conditions, as respondents probably expect more boomers to move into retirement by 2020.
- In light of these shifts in management and viewpoints, the research also provides context for managing the generational mix, explores perks that matter most to retain and engage employees of different age groups, and analyzes perceived strengths and weaknesses of members and managers of each generation.

Managing generations is a challenge: What companies are doing to manage the mix

- Three quarters (75%) of survey respondents who identified as managers agree that managing multi-generational teams is a challenge.
- One in five (20%) managers report managing a mostly even mix of employees from all three generations.
- Different work expectations (77%) and a lack of comfort with younger employees managing older employees (72%) were the leading challenges identified across all generations.
- However, more than two-thirds (69%) of respondents said their organization has made at least some effort toward alleviating the challenges in managing a generational mix. Company efforts include work style accommodations (37%), team-building exercises (36%), generational differences training (32%), cross-generational networking (26%) and tailored communications (25%).

Keeping valued employees: What companies can do to retain and engage the generational mix

- Cash is still king among all the generations and ranked first by nearly half of all respondents (49%), while benefits such as healthcare and retirement ranked first by 22%.
- Baby Boomers were significantly more likely to identify benefits as the most important perk compared to younger generations (29% vs. 19% for Gen X and 17% for Gen Y).
- Flexibility is the most important workplace perk among the non-cash/benefits perks, with 18% ranking it first. Gen X said they would be more likely to walk away from their current job in the absence of day-to-day flexibility (38% vs. 33% of Gen Y and 25% of boomers). Gen X respondents also rated flexibility as the most important perk (21%) over top-notch benefits (19%).
- While women (20%) across all generations valued flexibility slightly more than men (16%), surprisingly men were more likely to say they would “walk away” from a job if day-to-day flexibility was not offered (34% men vs. 30% women). Gen X men (40%) were most likely to leave if flexibility was not offered, followed by Gen X women (37%), Gen Y men (36%) and Gen Y women (30%).
- Most respondents still work with a set schedule. However, respondents anticipate a shift in the coming years to more flexible hours, as 62% of all respondents currently work during standard office hours and only 50% expect to do so in five to 10 years. This is particularly true with Gen Y, as 64% currently work standard office hours and only 47% expect the same in five to 10 years.
- Examining another perk, Gen Y respondents were significantly more likely to rank promotions first (13%) over Gen X (5%) and boomers (4%) who may already have achieved these career milestones.
- Across all generations, women (8%) and men (7%) nearly equally valued promotions, with Gen Y women (16%) valuing them the most, followed by Gen Y men (10%).

Analyzing perceptions: Positive and negative characteristics of members of each generation

Chart 1, A & B (left to right): Perceived characteristics of members of each generation

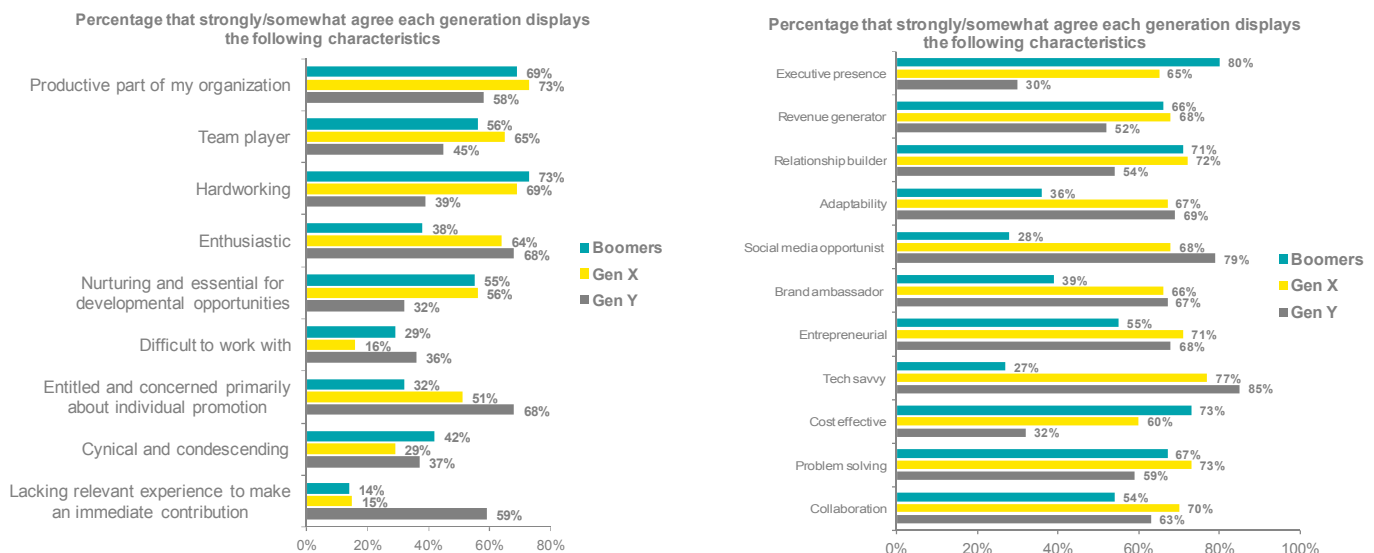
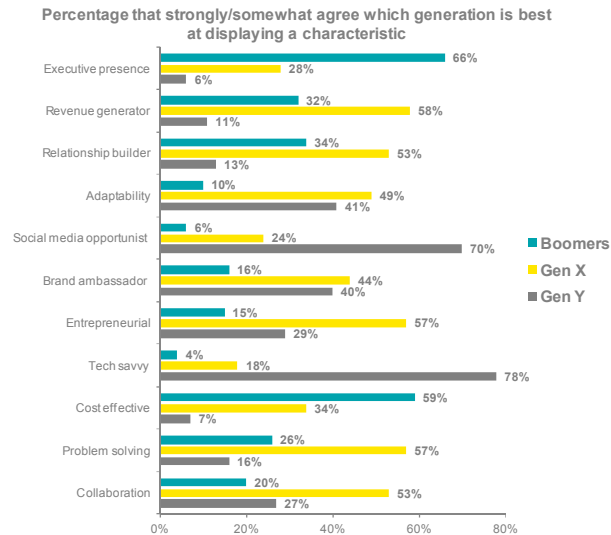


Chart 2: Members of each generation that “best” display the following characteristics



Gen X

- Compared with other generations, members of Gen X achieved the top scores in being considered a “productive part of my organization” (73%), a “team player” (65%) and “nurturing and essential for development opportunities” (56%).
- In addition, when asked which generation is the “best” at displaying select positive characteristics, respondents cited members of Gen X most frequently in seven out of 11 attributes. Examples include being a “revenue generator” (58%) and “relationship builder” (53%), as well as possessing traits of “adaptability” (49%), “problem-solving” (57%) and “collaboration” (53%). However, members of Gen X lag behind boomers in being perceived as “best” at displaying executive presence (28% vs. 66%) and being cost effective (34% vs. 59%).
- They were least likely to be considered “difficult to work with” (16%) or “cynical and condescending” (29%).

Gen Y

- Members of Gen Y were viewed as the “best” at being “tech savvy” (78%) and being social media opportunists, or leveraging social media beyond marketing (70%) - the two largest endorsements any generation received. Gen Y also scored higher than boomers for being the “best” at “collaboration” (27% vs. 20%), “adaptability” (41% vs. 10%) and being “entrepreneurial” (29% vs. 15%).
- Support for Gen Y to manage in 2020 nearly doubles, according to survey respondents, but this generation needs to improve several characteristics to get there. Members of Gen Y scored high marks for being “enthusiastic” (68% agree) but had lower scores than other generations for being perceived as a “team player” (45%), “hardworking” (39%) and “a productive part of my organization” (58%).
- They also scored highest in three out of four negative traits in the survey, such as being perceived as “difficult to work with” (36%), “entitled” (68%) and “lacking relevant experience” (59%). Yet it’s interesting to note that members of every generation view their own generation as entitled to a degree, including 60% Gen Y, 49% Gen X and 27% boomers.

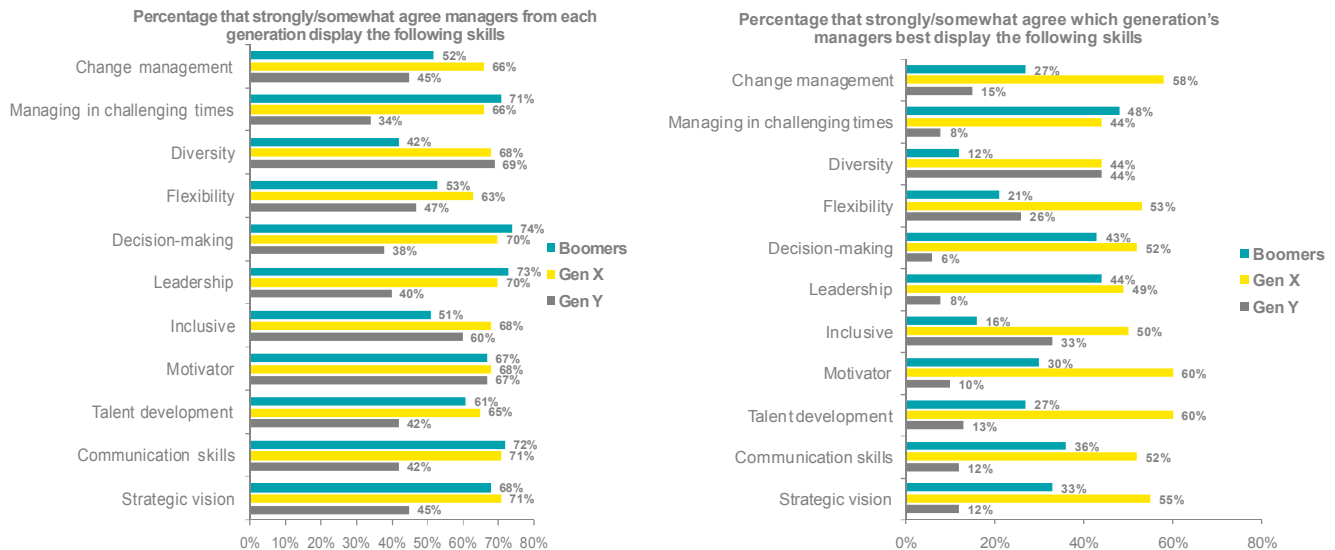
Boomers

- Boomers scored high in being a productive part of organizations (69%), “hardworking” (73%, the highest), a “team player” (56%), and nurturing and essential for others’ development (55%).
- While members of the boomer generation were strong performers in most areas, they were **not** viewed as the “best” generation in areas such as being adaptable (10%); collaborative (20%); social media opportunists (6%); and “brand ambassadors,” or leveraging various channels (e.g., social media platforms, speaking engagements) to build an emotional connection and engagement with a brand (16%).
- Boomers are considered the least “tech savvy” (27%) of the three generations, and this attribute had the widest disparity among generations (a 58% gap between boomers and Gen Y).

Growing managerial skills: Perceived strengths and weaknesses of managers of each generation

Chart 3, A (left): Perceived skills of managers of each generation

Chart 3, B (right): Managers of each generation that "best" display the following skills



Gen X

- When asked which generation is best equipped to manage teams effectively overall, seven in 10 respondents said Gen X (70%) compared to boomers (25%) and Gen Y (5%).
- Regarding managerial skills, respondents overwhelmingly favored Gen X (considered the "best" on nine of the 11 attributes).

Gen Y

- Gen Y (69%) just surpassed Gen X (68%) in displaying "diversity" skills, or the ability to build culturally competent teams and to not discriminate based on race, gender, sexual orientation, age, physical abilities, etc., including taking measures to avoid unconscious bias.
- Although Gen Y earned the fewest mentions as the "best" at displaying eight out of 11 management skills, this generation outpaced boomers (33% vs. 16%) in their ability to be the best "inclusive" leaders, or involving a diverse set of people in providing opportunities, developing strategies and making decisions.

Boomers

- Boomers edged out Gen X as the "best" generation to "manage in challenging times" (48% vs. 44%). Boomers' second highest rating was for displaying "leadership," trailing Gen X only slightly for their proficiency in displaying these skills (44% vs. 49% Gen X).
- Boomers received the **lowest** scores of all three generations in being "best" at "diversity" (12%), "flexibility" (21%) and "inclusive" leadership (16%) skills.

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