

# Leadership in a time of diversity

New approaches needed in managing talent, writes **Sandra Burmeister**

**A** ONE-size-fits-all approach to leadership is no longer an appropriate way to manage talent — if ever it was. Today's employers face a workplace that spans three, if not four, generations, creating a complex mix of approaches to work, and generating cultural clashes that demand skilled leadership and a non-traditional approach, with the accent on flexibility.

Nowhere have the dynamics of generational diversity been more evident than in the recent Barack Obama/John McCain election contest in the US, with Obama winning the hearts and minds of young voters at least in part through his use of "new" internet-based social networking media.

The new workforce — Generation X and Generation Y (people between the ages of 18 and 40) — is demonstrating new values and traits. Discussions with our global partner, Amrop Hever, indicate shifts in the labour force hold true not only in western societies but also in developing countries such as China, India and SA. (See chart, Shifts in the Labour Force....)

Today's corporate leaders — the Boomers — are now in their early 40s to early 60s. Critical influences in their youth were relative wealth and freedom, the beginning of individualism and the rise of multinational corporations. Their core values are idealism and optimism. They are committed to personal growth and gratification but also have a team orientation based on similarity of belief, and they have a strong work ethic.

The next generation of leaders — Generation X — are now in their late 20s to early 40s. They were influenced in their youth by globalisation, the information revolution and social, political and economic turmoil. They value individualism and self-reliance. They have an appetite for change, want freedom of choice and are thrill-seekers who seek instant gratification. They are pragmatic and not scared of failure.

They have a global awareness and are techno-literate. At work they take risks and value independence over corporate collectivism.

Generation Y or the "millennial generation" include those in their

20s now entering the workforce. Many come from homes with two working parents. Independent-minded, they have high self-esteem and a need for achievement, are socially conscious and want to make a difference in the world. These are global citizens, influenced by the internet and cellphones, and dependent on instant access to information.

They are street smart, wedded to technology, with media and entertainment overload and, above all, they are networkers.

Gen Y's are ambitious, but they do not have the same commitment to work as their parents and they have limited loyalty to any one particular employer.

While Boomers work long hours and see work as an extension of their life, Gen Y's want to do a good job for their employers, but work is not all they want to do.

The challenge facing the leaders of today is to recognise that workforce diversity is not just about different cultures and gender, but as much about the differences between themselves and the next generations. They need to identify the drivers motivating these divergent groups so that they can put in place flexible acquisition, retention and reward strategies that match their varied aspirations. (See table, Employees' desire for flexibility.)

Research by the Sloane Foundation shows that 60% of Boomers in the US would like more responsibility in the workplace, as against 39% of Gen Xers and only 23% of Gen Ys. Conversely, 23% of male Boomers would like more flexible working arrangements, compared with 69% of male Gen Xers and 75% of male Gen Ys.

In the case of women, there is less divergence: 65% of Boomers would like more flexibility compared with 83% of Gen Xers and 85% of Gen Ys.

Even more startling, 92% of Gen Ys (men and women) would leave their jobs for greater flexibility, compared with 59% of Gen Xers and a mere 2% of Boomers.

**R**EMUNERATION and reward schemes are most often designed by Boomers with the focus on long-term incentives and share schemes. But instant gratification is the order of the day for Gen Xers and Gen Ys. Gen Xers are most likely to be motivated by short-term cash, travel and personal indulgence incentives (such as spa treatments or trendy restaurants) whereas, for Gen Ys, time is more important than money. They want more flexibility in their workday and a better work/life balance.

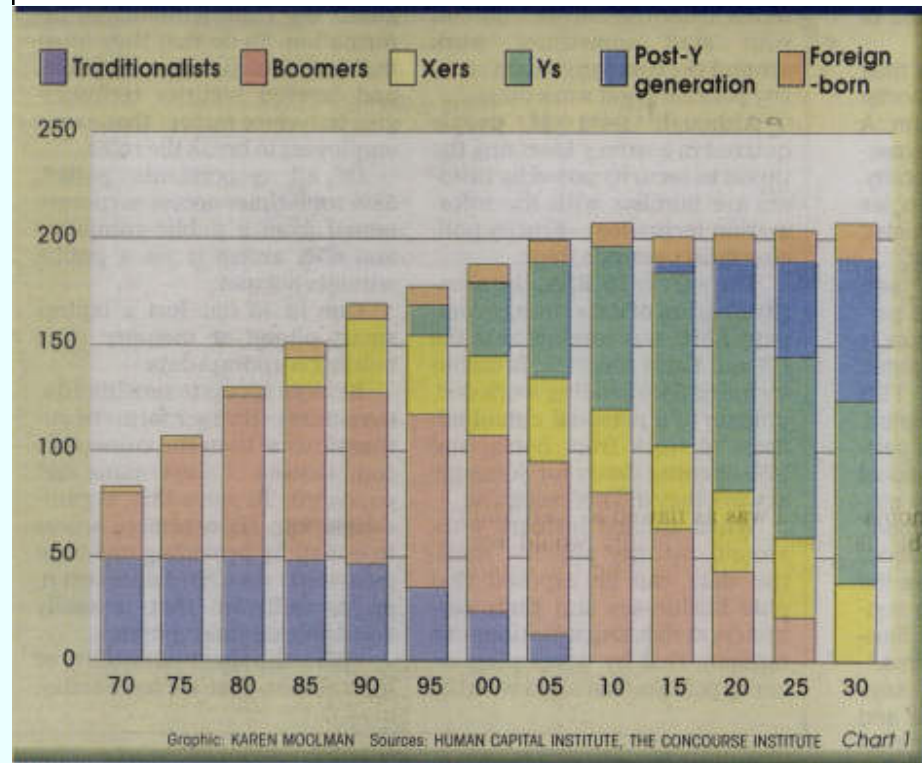
The new workplace needs a high-octane mix of talent to

## EMPLOYEES' DESIRE FOR FLEXIBILITY (SLOAN FOUNDATION)

General statistics	Boomers	Generation X	Generation Y
Percentage of the population	41%	20%	14%
Average number of hours spent at work per week	24,6%	39,1%	35,4%
Percentage reporting their job 'severely' or 'very severely' interferes with their family life	14%	29%	36%
Percentage of 'leavers' (people considering leaving their jobs) who cite work/life imbalances as a key reason	12%	45%	48%
Percentage who would like additional responsibility	60%	39%	23%
Percentage of men who would like more flexible working arrangements	23%	69%	75%
Percentage of woman who would like more flexible working arrangements	65%	83%	85%
Percentage of men who predict they will work on a part-time basis in five years	1%	12%	19%
Percentage of women who predict they will work on a part-time basis in five years	15%	19%	36%
Percentage reporting that they would leave their jobs for greater control over their work schedule	1%	66%	85%
Percentage reporting they would leave their jobs for greater flexibility	2%	59%	92%
Percentage reporting they would leave their jobs for the ability to work fewer hours	1%	48%	64%
Percentage reporting they would leave their jobs for the ability to telecommute	0%	50%	75%
Percentage reporting they would leave their current employers in the next year	43%	52%	70%

Graphic: KAREN MOOLMAN Sources: HUMAN CAPITAL INSTITUTE, THE CONCOURSE INSTITUTE Chart 2

## SHIFTS IN THE LABOUR FORCE COMPOSITION



Graphic: KAREN MOOLMAN Sources: HUMAN CAPITAL INSTITUTE, THE CONCOURSE INSTITUTE Chart 1

deliver the innovations needed to keep the business competitive. The potential for high-performance is something that both Gen Xers and Gen Ys possess in abundance, but they are also high-maintenance employees.

To get everyone working together, leaders — from the CEO to middle management — have to understand the strengths and weaknesses of each generation.

When it comes to managing Gen Ys, Boomers and Gen Xers both need to acknowledge their biases and ensure that these do not get in the way of managing an incoming generation that requires strong, focused leadership from them both.

Every day we are meeting young people who are accustomed to more choice than their predecessors. This can create a lot of generational tension, particularly around work ethics and the use of technology.

Gen Ys prefer to communicate via blogs, sms and instant messaging rather than on the phone or face to face, methods preferred by Boomers and Gen Xers.

Today, young people expect to

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change jobs many times in their careers, or even change careers more than once and, in certain sectors, they know there are more jobs than people to do them. They want to have a life outside work and also want work time to be rewarding, meaningful and fulfilling.

Often, they believe they can run the show better than their employers can.

Long gone are the days of a 30-year career in the organisation. Shorter tenure, alternative employment models and atypical employment practices have become the norm.

The global shortage in highly skilled professions has led to massive skills mobility. And of course, as a result of technological change, skills become obsolete faster.

Across the globe, employees are investigating cyclical work. They are no longer thinking of a traditional continuous career followed by retirement.

Instead they see work as being intermittent rather than continuous. Moreover, more than two-thirds of part-time employees work because they want to, rather than because they have to.

Generational differences are not new. What is new is the extent of the gap between generations. As a result, leaders need to adapt constantly to new workplace attitudes and views on the role of work and to use them to the benefit of the organisation. Smart companies today offer a range of flexible benefits and reward schemes to match this diverse workforce.

Smart leaders are structuring mobility into their succession plans and using project-based roles as a means both to build skills and hold the attention of highly talented individuals.

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