American Association of Motor Vehicle Administrators presents

Staffing & Retaining Different Generations

By Bob Nelson, PhD

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Bob Nelson, PhD

• President, Nelson Motivation Inc.
• Executive Strategist, HR Issues
• New York Times / Wall St. Journal Best-selling Author
“Men and women want to do a good job, a creative job, and if they are provided the proper environment, they will do so.”

Bill Hewlett
Co-Founder
Hewlett Packard
Working Harder, But Less Valued

- 85% feel overworked and underappreciated
- 90% of companies have had recent cutbacks
- 40% of the “undownsize” are less motivated
- 74% report being less productive
- 67% of companies report employee engagement is down, currently at an all-time low
- 56% somewhat/completely dissatisfied with their job
- 54% plan to find new jobs as the economy improves (25% of top performers; 76% of younger workers)

Challenging Times = Less Loyalty

As a result of the current economy, are you less loyal to your employer? If yes, why?

- 58% Poor management
- 52% Low company morale
- 49% Decrease in company pay
- 41% Poor communication
- 29% Decreased training/development
- 28% Decrease in benefit coverage

Kelly Global Workforce Index
“The war for talent is over: Talent won.”

Carl Camden
President and CEO
Kelly Services
Four Generations in Today’s Workforce

<table>
<thead>
<tr>
<th>Generation</th>
<th>Age</th>
<th>% Workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditionalists</td>
<td>(69+)</td>
<td>2</td>
</tr>
<tr>
<td>Baby Boomers</td>
<td>(50 - 68)</td>
<td>34</td>
</tr>
<tr>
<td>Generation X</td>
<td>(30 - 49)</td>
<td>28</td>
</tr>
<tr>
<td>Millennials</td>
<td>(21 - 29)</td>
<td>36</td>
</tr>
</tbody>
</table>

70 MM Boomers retiring
50 MM Gen Xers can’t replace them
44 MM Millennials are here; 46 MM more are coming

Traditionalist Characteristics  
(b1925-1945)

Outlook: practical
Work ethic: dedicated
View of authority: respectful
Leadership by: hierarchy
Relationships: personal sacrifice
Perspective: civic

VETERANS
What do Veterans Want in a Job?

- **Mission:** Strong Sense of Mission Alignment with Personal Values
- **Momentum:** Credit for Experience Careful Crafting of Job Descriptions
- **Mentorship:** Genuine Leadership Access to Leadership Development
- **Money:** Fair Pay for Contributions Understanding of Market Value
Why Isn’t Money Enough?

Need More Than Money

“Economic incentives are becoming rights rather than rewards. Merit raises are always introduced as rewards for exceptional performance. In no time at all they become a right…”

— Dr. Peter Drucker
Management Guru
“Less than 3% of base salary separates average from outstanding performance.”

— Compensation & Benefits Review

Baby Boomer Characteristics (b1946-1964)

Outlook: optimistic
Work ethic: driven
View of authority: love/hate
Leadership by: consensus
Relationships: personal gratification
Perspective: team
60% of Baby Boomers indicate they are behind in saving for retirement

93% indicate they want to remain in the workforce because of financial reasons

86% of Baby Boomers report benefits to be the most impactful aspect of their job quality.

53% see voluntary, non-medical and retirement benefits as more important than their employers do—and are willing to pay for them.
73% of employees across all generations are interested in receiving help from their employer regarding retirement & financial planning advice.

“We need to get rid of the idea that retirement is freedom from all work, and change it to the notion of retirement as freedom to do different kinds of work.”

— Ryan Johnson
Director of Public Affairs
WorldatWork
Modified Retirement Plans

- 48% offer flexible work schedules
- 47% offer/considering phased retirement
- 43% offer alternative job design
- 42% offer consulting assignments to older employees

Generation X Characteristics
(b1964-1980)

Outlook: skeptical
Work ethic: balanced
View of authority: unimpressed
Leadership by: competence
Relationships: reluctant to commit
Perspective: self
**Expanded Benefits Options**

- Paid time off/extra vacation
- Child Care and adoption services
- Sabaticals/educational assistance
- Short and long-term disability insurance
- Group term insurance
- Co-pay, co-insurance, deductible limits
- Annual/lifetime maximum health insurance amounts

**Insurance Benefits Desired by Younger Employees**

<table>
<thead>
<tr>
<th></th>
<th>Desired by Gen X &amp; Y</th>
<th>Currently Offered by Biz</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home/Auto</td>
<td>44%</td>
<td>2%</td>
</tr>
<tr>
<td>Life Insurance</td>
<td>41%</td>
<td>20%</td>
</tr>
<tr>
<td>Disability</td>
<td>40%</td>
<td>8%</td>
</tr>
<tr>
<td>Dental</td>
<td>38%</td>
<td>11%</td>
</tr>
<tr>
<td>Critical Illness</td>
<td>38%</td>
<td>10%</td>
</tr>
<tr>
<td>Vision</td>
<td>38%</td>
<td>9%</td>
</tr>
<tr>
<td>Pet insurance</td>
<td>35%</td>
<td>5%</td>
</tr>
</tbody>
</table>
Millennial Characteristics (b1980-2000)

- Outlook: hopeful
- Work ethic: ambitious
- View of authority: relaxed, polite
- Leadership by: achievement
- Relationships: loyal
- Perspective: civic

**Millennials** will soon dominate workforce in numbers and attitude

<table>
<thead>
<tr>
<th>Year</th>
<th>Millennials (%)</th>
<th>Traditionalists, Boomers, Gen Xers (%)</th>
</tr>
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<tbody>
<tr>
<td>2020</td>
<td>46</td>
<td>54</td>
</tr>
<tr>
<td>2025</td>
<td>75</td>
<td>25</td>
</tr>
</tbody>
</table>
“76% of younger workers plan to find a new job as the economy improves.”

—Harvard Business Journal

It costs employers $15-25K to replace every Millennial who leaves the organization

Current Millennial Tenure = 1.8 years

Money Isn’t a Top Motivator

“88% of younger workers say money isn’t their top motivator.”
Promotions are More Limited

“In a survey of 700 organizations, 43% reported they would have fewer opportunities to promote people in the years ahead.”

— The Washington Post

We need to help shift Millennial career focus from a Ladder to a Lattice.
MINNENNAALS AND TECHNOLOGY

- iAnything
- Texting, IM
- Facebook

75% have a profile on Facebook 44% read blogs 76% use instant messaging
45% of Millennials preferred social media access & telecommuting over salary in selecting a job.

81% of Millennials want to be able to choose the social media device or be allowed to bring in a personal device.
What Millennials Want in a Job

- 55% Career Advancement Opportunities
- 52% Salary
- 42% Interesting & Challenging Work
- 30% Benefits
- 27% Training/Mentorship

Millennial Job Priorities

- Exciting, Meaningful Work
- Training & Development
- Personal Mentoring
- Social Interactions
- Experiential Rewards
- Recognition/Feedback
Case Study

Zappo’s Mission:
“To Live and Deliver WOW”

Questions?
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