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**What distinguishes the Millennial generation from  
Generation X at work?**

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## **What distinguishes the Millennial generation from Generation X at work?**

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Whatever the state of the economy, all organizations want to retain their best and brightest professionals so they can execute their strategies and keep their leadership pipelines well filled. In an era when the employment relationship has become much more transactional and the labor market much more dynamic, most organizations understand that talent management is in many ways retention management for high-performing managers and professionals. Organizations face imminent succession issues, consequently, knowing how to retain key talent increasingly is a critical competitive advantage.

Leaders today are justifiably concerned with retaining both early and mid-career stage workers, though for slightly different reasons. The names and ages used to define these two generations differ somewhat globally, but are similar enough that here we use the U.S. definitions:

- The mid-career stage generation (Gen X) is currently 34-49 years of age, and are either in or moving into prime management and leadership positions. Retaining the best Gen Xers is critical to maintaining the pipeline for upper management and senior leadership positions.
- Most early-career stage workers (Millennials) are not currently at a place professionally where they can step into top leadership roles (they currently are 33 years old or younger). Yet organizations realize that Millennials dominate lower management and critical independent contributor roles. They are critical to maintain operational excellence today, and fill leadership positions in the future.

At the same time, there is always a concern over spending too much time, energy, and money on developing Millennials and Gen Xers who might use that development as a stepping

stone to opportunities elsewhere. So what drives organizational commitment, helps Gen Xers and Millennials thrive, and improves retention? And what do organizations need to know about what is different for Millennials and Gen Xers, so they can most effectively address the needs of each generation?

To answer these questions, our research team partnered with the global network of PwC firms to conduct a large scale study of generational differences at work, surveying over 13,000 Millennial and Gen X client service staff within the Network. “The Millennial generation is challenging organizations to rethink how work gets done,” said Dennis Finn, PwC’s Global Human Capital Leader. PwC sponsored the study because they wanted to clarify the impact of Millennials on the workplace. As Finn explained, “Many Millennials appear to have different expectations of the workplace. This study gives us better insights so we can deliver on our strategy of engaging them.”

What makes this study unique, and uniquely qualified to shed definitive light on the issue of generational differences at work, is both the size and scope of the sample, and analysis. When the vast majority of studies do generational comparisons, they mix together people from different organizations who face different job and career options, which makes comparisons difficult because people are responding to very different employment value propositions. What’s worse, they also usually combine together people at very different career stages, and comparing early career stage frontline workers with later-career stage managers and senior leaders is worse than comparing apples to oranges; it’s more like comparing apples to orangutans.

To make the scientific comparisons clean, we surveyed people from the different firms within the same PwC Network who work side-by-side in the same two job levels. The survey population was drawn from the Network’s workforce around the globe: in all there were surveys returned from over 17,000 Millennials and 10,000 Gen Xers; narrowing the focus down to people working in the same two jobs left a still very large 9,000 Millennials and 4,000 Gen Xers. With these data in hand, we were able to do extensive statistical analyses of models of retention, commitment, thriving, and job satisfaction to determine definitely what is different versus the same for these two generations at work. Across the globe we found that there were some differences in how the generations view their relationships with work and their employer; yet by and large Millennials and Gen Xers in our sample were overwhelming more similar than different across geographies.

## **What drives commitment, helps people thrive, and improves retention, for both generations**

When we analyzed what drives commitment, thriving, and retention for Millennials and Gen Xers, we found that they are mostly aligned with regard to the following four aspects of work:

- **Balance and Workload:** Everyone wants increased flexibility, and the choice to have a life outside of work. Almost everyone is willing to work hard, but taking it too far can lead to overload and burnout.
- **Interesting Work and the Opportunity to Develop:** Everyone wants their time spent at work to be stimulating and not mundane, and part of that is understanding why they do the work they do, how it links to the bigger picture, and how they can be involved in key decisions related to their responsibilities. They also want the opportunity work on different things and develop their skills. Building professional skills and advancing have always been valued by the professional workforce, and are more important than ever in today's world where lifetime employment is believed to be the exception rather than the rule.
- **The people they work with:** Who people work with daily form the basis for people's experiences on the job. Supervisors, mentors, teammates, and even friends at work form a community that can entice people to stay and contribute by providing support, working together to get the job done, and ensuring that appreciation is expressed for a job well done.
- **Compensation:** Everyone wants to be fairly compensated for the work they are asked to do for the organization.

When one or more of these elements are absent at work, commitment to the organization and thriving are lower, and intention to leave is higher – for both generations.

All three of these elements of employee attitudes – commitment, thriving, intention to leave – are strongly related to each other. When someone is committed to their organization they are more likely to feel as if they are thriving, and they are less likely to want to leave. The same holds for the converse: for example, when you find someone who isn't thriving, they are less likely to be committed to their organization, and more likely to be looking to leave. So while we talk about thriving, commitment, and intention to leave independently, keep in mind that

measurements like these are kind of like teenagers in a social group: they all flock together and no one ever really sticks out from the crowd as being radically different.

Both generations also respond very similarly when asked how important different aspects of the work are to them. For example, 90% of both Millennials and Gen Xers said compensation was either very or extremely important to them. A slight majority of both generations say it is important that their employer shares their values. We see lots of similarities in what the two generations say they want from work, and how they respond to the aspects of the job and the community that surrounds them at work.

***How important are each of these to you as part of your work?***

	Millennials	Gen Xers
My total compensation	91%	90%
Working for a highly regarded organization	72%	75%
My employer shares my values	54%	57%
Developing close ties with co-workers	53%	41%
Autonomy in getting my work done	53%	62%

*% very important or extremely important*

**What Is Different**

While both generations respond similarly to many aspects of the work, the question then is, “Are there real generational differences that matter?” The answer is that, while the forces that drive commitment, thriving, and retention are the same for both Millennials and Gen Xers at the same career stage, there are some differences between Millennials and Gen Xers in the relative weight of what matters to them which organizations should know. We find that on balance Millennials respond more strongly to the social aspects of work including relationships with co-workers and supervisors, while Gen X employees respond more strongly to more tangible aspects of work such as developmental opportunities and compensation.

For example, if your organization is concerned about employees’ commitment to the organization, for Millennials you want to focus on increasing supervisor support – appreciating extra effort, doing favors if asked, and genuinely caring about employee well-being. Millennials’ commitment to the organization is greater than Gen Xers’ when supervisor support is higher. Millennials crave support from their supervisors and the people they work for. If they do not receive this support, they are quicker to become dissatisfied with the work,

withdraw their commitment, and look elsewhere for a position, compared to Gen Xers. This is not because Millennials tend to be in earlier career stages: it is about how they approach work, and the level of support they want. While supervisor support is important for both Millennials and Gen Xers, providing it for Millennials has a bigger positive impact on commitment to the organization than it does for Gen Xers.

While supervisor support is also important to Gen Xers, if you want to increase their commitment to the organization you are likely to get more leverage out of giving them more control over their work. Gen Xers who have more control over their work express substantially greater commitment to the organization than do Millennials. While everyone wants control over their work, Gen Xers prioritize this more highly than do Millennials. Is this a result of having more independence as children than Millennials did? Or perhaps a result of being more experienced with how work gets done in organizations? It is impossible to know. What we do know is that giving some control over their work to Gen Xers has a larger impact on their satisfaction with and commitment to work than it does for Millennials. If Gen Xers do not have control, they are more likely to leave.

If your organization's concern is retention, for Millennials you want to focus on work-life balance. While work-life balance is one of the variables most strongly related to turnover for everyone, our research indicates that Millennials report higher work life conflict even when working side by side in the same jobs. Moreover, they are more likely to jump ship more quickly if they feel that the level of work/life balance does not meet their needs. Overly heavy workloads decrease job satisfaction, thriving and commitment for everyone, and even more so for Millennials compared to Gen Xers.

While work-life balance is also important to Gen Xers, if you want to retain them you need to focus on their level of satisfaction with their pay. While being satisfied with their pay is important for both Millennials and Gen Xers, it is a higher priority for Gen Xers than it is for Millennials. When Gen Xers believe that they have many job alternatives, the less satisfied they are with their pay, the more likely they are to leave. From a life stage perspective this could be the case because Gen Xers are in the prime earning period at work, and it is likely that they are realizing the importance of pay at this point in their life. Millennials, by contrast, have longer-term earning potential and might not need to think about pay quite as urgently as Gen Xers do because they have more remaining years to earn. Millennials may eventually respond as strongly

to pay as Gen X, but for now they do not. If Gen Xers are not satisfied with their pay, they are more likely to disengage at work – have lower job satisfaction, thriving and commitment – and are more likely to leave than Millennials are.

Finally, if you are mostly concerned with developing a workplace where people thrive, for the Millennials you need to start by increasing how appreciated they feel at work. Ensuring your employees feel appreciated is not just a matter of saying “good job” every now and then, it also involves listening to them and acting on their concerns. Genuine two-way communication is needed from senior leadership down through the ranks to first-line managers, so that, at each level, people know that their concerns about work and goals for their careers are being listened to and acted upon. While everyone wants to feel appreciated for their contributions, it has a greater effect on whether Millennials feel as if they are thriving than it does on Gen X.

On the other hand, for Gen Xers you should focus on how much developmental support they receive. While developmental opportunities are important to everyone, Gen Xers are more likely to be unhappy and to leave an organization than are Millennials if the available developmental opportunities are inadequate. At this point in their careers, Gen Xers respond even more strongly to getting the developmental opportunities they need to move to the next level or the next position. If Gen Xers do not get the developmental opportunities they believe they need, they are more likely to leave and be demotivated at work.

***Elements of work that matter more to the generations***

Millennials	Gen X
Social needs: <ul style="list-style-type: none"> <li>• Supervisor support</li> <li>• Appreciation</li> <li>• Team cohesion</li> <li>• Work-life balance</li> </ul>	Transactional needs: <ul style="list-style-type: none"> <li>• Control over work</li> <li>• Development support</li> <li>• Pay satisfaction</li> </ul>

**Conclusion**

The most important thing for the leaders of organizations to realize is that the same set of factors affects both Millennials and Gen Xers decisions to stay with (or leave) an organization, including:

- Balance and workload, including flexibility and the option of choosing to have a life outside of work.

- Interesting work and the opportunity to develop, including understanding how the work links to the bigger picture, and how they can be involved in key decisions related to their responsibilities.
- The people they work with, including the supervisors, mentors, teammates, and friends who form their community at work.
- Compensation, including fair pay for the workload.

At the same time, organizations benefit when leaders both maximize what everyone wants, while also attending to the needs different generations have. Leaders need to focus on making sure Millennials' interpersonal needs at work are met, including receiving sufficient support from their supervisors, having a manageable work-life balance, and knowing they are truly appreciated for their contributions to your organization. For Gen Xers, it is important to focus on making sure their career needs are met, including providing some control over their work, ensuring they feel they are paid fairly, and providing ample opportunities for them to develop their professional skills to advance in their careers. This does not mean that companies have to completely individualize what they offer to employees by generation. In fact, they shouldn't because the primary drivers of commitment, thriving, and retention are the same for both generations: balance and workload, interesting work and opportunity to develop, the people they work with, and compensation. But organizations do have to be skilled at providing different messaging and opportunities so that Millennials and Gen Xers can find the combination of job and career characteristics that work for them personally.