

Shifting demographics and managing multi-generational workforces

Roundtable Discussion | 20 June 2024

“Generational balance will be to the 21st century, what gender balance was to the 20th century” Avivah Whittenberg-Cox, CEO of 20-first

Demographic change is already profoundly altering the world of work. The workforce of the future will:

- ▶ be more ethnically diverse;
- ▶ have more women in senior and managerial roles; and
- ▶ include more people working well into their eighth decade.

This summary brings together the key themes explored in this roundtable discussion which considered shifting demographics and how employers are navigating multi-generational workforces. It also spotlights reports and links to other useful resources to find out more.

Overview

As the population ages, healthier older age for many is leading to an ageing workforce. While older people have worked longer over the past 20 years, the share of young workers has fallen quickly due to a decline in fertility and the birth rate. As society moves towards a 100-year life, working life's traditional stages are becoming blurred.

The impact of millennials and Gen Z in the world of work have been significant. When Gen Alpha (currently age 15) join the workforce by 2030 it will be increasingly common to find five generations working together in a single place of work. Gen Alpha are set to disrupt culture, the economy, and workplaces.

Alongside these demographic shifts, over the last few years people have been re-evaluating what “work” means. Employee expectations are growing – rising most significantly among employees under the age of 40, suggesting younger employees are driving the most significant change.

It is common to generalise about generations, but in many cases workers value many of the same things about work – sometimes in a different priority order and for different reasons. Many employment practices highly valued by different generations are beneficial for all employees at different life stages.

Ageing populations alongside shifting generational compositions and workforce priorities are driving change in the world of work. Addressing this presents a huge opportunity for organisations and can bring competitive advantage by solving skills gaps, improving retention and boosting productivity. However, employers are also facing emerging tensions.

Unlike other forms of diversity, age is a characteristic that everyone shares. However, statistics show that within a workplace, people are much more likely to be friends with people of a different gender, sexuality or race than a different age or generation. Cultural standards for what “age” means to people can enable ageism to persist and create barriers to meaningful connection. The combined effect of divisions in society becoming more polarised and employees increasingly willing to bring their views and opinions into the workplace, means that there is potential for more intolerance to the views of others.



Resources overview

Deloitte 2024 Report

Gen Z and millennial survey

- ▶ 86% of Gen Zs and 89% of millennials say having a sense of purpose is important to their overall job satisfaction and wellbeing.
- ▶ These generations are increasingly willing to reject employers who don't align with their values.
- ▶ Purpose is subjective, but for some it comes down to working for an organisation who has a purpose beyond profit and is having a positive impact on society.
- ▶ 75% of Gen Z and millennials say that an organisation's community engagement and societal impact is an important factor when considering a potential employer.
- ▶ Environmental sustainability remains a top concern for Gen Z and millennials.
- ▶ Work-life balance remains paramount for both Gen Zs and millennials.
- ▶ Stress-levels remain high, with 40% of Gen Z and 35% of millennials saying they feel stressed all or most of the time.

Stanford 2024 Report

8 ways Gen Z will change the workforce

- ▶ Growing up in uncertainty has given Gen Z a unique set of characteristics, including being flexible and resilient.
- ▶ Gen Z has a strong sense of self-agency - this cohort is comfortable questioning the way things are done.
- ▶ Gen Z will hold their employers accountable on the causes and issues that matter to them.
- ▶ Gen Z value collaborating as part of a team.
- ▶ Gen Z is less hierarchical than previous generations and prefer models of collaborative leadership.
- ▶ Gen Z place significance on the human experience and value a work-life balance and maintaining mental and physical health.
- ▶ Gen Z are entrepreneurial – they think differently about loyalty and are happy to switch employers.
- ▶ Gen Z values authenticity and trust.

Edelman Trust Barometer Special Report 2023

Trust at work

- ▶ Whether the CEO speaks publicly about controversial issues they care about is a deal breaker for 61% of employees when considering a job.
- ▶ Gen Z and millennials bring the outside world to work, with over 65% frequently engaging in conversations with coworkers about important societal issues.

- ▶ 61% of employees say that coworkers in their twenties have influenced their willingness to pressure their employer to change things they do not approve of.
- ▶ Nearly 8 in 10 Gen Z and millennials expect to shape the future through work.
- ▶ 50% of employees believe that exerting strong pressure can get their employer to change almost anything about itself.
- ▶ 1 in 2 Gen Z are willing to go public to push for change at work.

Bain & Co 2024 report

Better with Age: The rising importance of older workers

- ▶ 150 million jobs will shift to older workers by the end of the decade.
- ▶ In the UK (and Canada, Germany, Japan, US, France, Italy), older workers will exceed a quarter of the workforce by 2031 – nearly 10% higher than in 2011.
- ▶ Japan is an extreme case – by 2031 Japanese workers 55 and older will approach 40% of the workforce.
- ▶ 41% of American workers expect to work beyond age 65 (up from 12% 30 years ago).
- ▶ Even so, businesses are not prioritising action to attract/retain older workers and support multi-generational workforces.
- ▶ Three particular challenges identified:
 - not all jobs are equal when it comes to age diversity – knowledge vs manual labour.
 - not all career changes can be made quickly or easily – accountant vs scientist.
 - not all older workers are the same – there is no one single profile.
- ▶ Most people fall into one of six worker archetypes that reflect differing motivations at work (Operator, Giver, Artisan, Explorer, Striver, Pioneer). Far more older age groups are Artisans and Givers – valuing interesting work and autonomy, and motivated by mastering their craft, service and having a positive impact.
- ▶ Organisations need the right toolkit and mindset to get ahead of talent gaps and create high-quality jobs that turn older workers' skills into sources of competitive advantage.
- ▶ Those employers that invest in recruiting, reskilling and respecting the strengths of older workers will not just solve a part of their talent gap problem, but will create a workforce that is more productive, more balanced, more diverse and more loyal than the one they have today.

Navigating multi-generational workforces

Challenges

- ▶ Ageing workforce not seen as a board issue.
- ▶ Unintended consequences of age discrimination legislation leading to manager/HR concerns about having conversations with older workers about future plans and aspirations.
- ▶ Ageism persisting in workplace culture and society more broadly.
- ▶ Employers slow to adapt to changes in demographics and how employees view relationship with work.
- ▶ Deploying chronological age and cohorts as predictors of talent in the workplace is unhelpful.
- ▶ Lack of understanding of workforce generational make-up and business risks of loss of knowledge, skills shortages etc.
- ▶ Navigating emerging tensions between generations at work, including in relation to: work, learning and management/leadership styles; work hours and workload expectations; remote work preferences; communication preferences etc.
- ▶ Increasing employee activism and views on the social impact of the business.
- ▶ Policy approach of raising the retirement age or state pension age assumes that the person has the requisite health and skills, motivation and employment opportunities to enable them to work for longer. Increasing reliance on employer solutions to support health and wellbeing.

Opportunities and actions

- ▶ Train HR, line managers and leadership on age inclusion and multi-generational workforces.
- ▶ Ensure unbiased recruiting processes.
- ▶ Train on unconscious bias.
- ▶ Address ageism in the workplace.
- ▶ Consider use of language and imagery in adverts and terminology around career planning (e.g. succession planning terminology).
- ▶ Improve training and development offering to older workers (including digital and data skills).
- ▶ Reframe established concepts (e.g. “older workers” vs “experienced generation”).
- ▶ Offer upskilling and reskilling opportunities across the workforce.
- ▶ Ensure availability of flexible working opportunities across the workforce.
- ▶ Build a culture of age inclusion and mutual respect.
- ▶ Introduce intentional skills sharing opportunities between younger/older workers (e.g. inter-generational job share).
- ▶ Consider reverse mentoring as a tool to grow generational intelligence.
- ▶ Consider developing returnership opportunities / alumni groups.
- ▶ Consider shifting expectations and challenge assumptions (of both managers and individuals).
- ▶ Offer support for career transitions and grow skills that increase job longevity.
- ▶ Consider career check-ins, “midlife MOT” and career aspiration conversations across generations.
- ▶ Offer health/wellbeing support and financial advice for employees, immediate family and beyond across the workforce.
- ▶ Measure engagement of different age groups across the workforce to better understand challenges and emerging themes.
- ▶ Actively collect and monitor data on needs of older workforce.
- ▶ Map skills across the workforce and identify skills gaps and opportunities for internal job switching/lateral moves.
- ▶ View interventions/practices aimed at attracting and retaining the best people as important across different points of an individual’s life stages at work.
- ▶ Consider approaches from e.g. Germany, Scandinavia etc which are good examples of more inclusive workforces and how countries which are facing the early challenges of ageing populations and workforces are responding (e.g. Japan).

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- ▶ [In Conversation with... Avivah Wittenberg-Cox](#) on generational intelligence
- ▶ [In Conversation with... Shruti Singh, Senior Economist at the OECD Directorate for Employment, Labour and Social Affairs \(podcast\)](#) on multi-generational workforces
- ▶ [In Conversation with... David Liddle \(podcast\)](#) on managing conflict in the workplace
- ▶ [In Conversation with... Dr Eliza Filby \(podcast\)](#) on generations at work

World Economic Forum

- ▶ [Living longer, better: Understanding longevity literacy 2024 Report](#)

Fast Company

- ▶ [The future of work depends on understanding Gen Alpha now](#)

Forbes

- ▶ [The Gen Z Effect: How they are shaping the future of work](#)

Nestr

- ▶ [Gen Z and Gen Alpha: What motivates them in the workforce?](#)

Benefex

- ▶ [Great Expectations: understanding employee needs and drivers in the new world of work](#)

Next-Up **Next-Up**

- ▶ [The power of 50+: Realising the full potential of your workforce](#)
[Now is the greatest time to be 50+](#)

CIPD

- ▶ [Ageing gracefully – the opportunities of an older workforce 2019 report](#)
- ▶ [Managing an ageing workforce \(podcast\)](#)

OECD

- ▶ [The Midcareer Opportunity: Meeting the challenges of an ageing workforce 2023 Report](#)

Ius Laboris

- ▶ [The Ageing Workforce 2023 Report](#)

Pew Research Center

- ▶ [Older Workers Are Growing in Number and Earning Higher Wages 2023 Report](#)

Phoenix Group

- ▶ [Flexible After Fifty 2024 Report](#)

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