Evolution of our Workforce

Employee Benefits Connect
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The evolution of our workforce and the implications for employee benefits

- How the generational mix is changing
- How globalisation is changing the cultural mix of business
- The questions that ‘reward teams’ should be considering to stay fit for the future

Key life Events - the generations

1945 -1960 Baby Boomers

- Swinging sixties
- Post war boom and Cold war
- Apollo moon landings
- Youth culture/rise of the "teenager"
- Woodstock
- Want job security

1961-1982 Generation X

- Fall of Berlin wall
- End of Cold war, Reagan, Gorbachev, Thatcherism
- First PC's, early mobile phones
- Rising level of divorce
- Live aid
- Want work-life balance

1983 -1995 Generation Y Millennials

- 9/11
- Invasion of Iraq
- Playstation, reality TV, Google Earth
- Reality TV
- Glastonbury
- Want freedom, flexibility and choice

Born after 1995 Generation Z

- Economic downturn and Financial crash
- Global warming, energy crisis
- Arab Spring
- Mobile devices
- Cloud, Wikileaks
- Produce own media/entrepreneurial and creative
- IT dependent/Social Media/Need to be entertained
- Want security and stability whilst embracing diversity and uniqueness

Leading the generations

1945 -1960 Baby Boomers

- Value job security
- Career defined by employers
- Main product -TV
- Face to face communication but phone or email too.
- Increasing on-line usage

1961-1982 Generation X

- Value work-life balance
- Loyal to profession but not necessarily employer
- Main product - PC
- Communication - Email, texting and face to face
- Have adopted on line communication

1983 -1995 Generation Y Millennials

- Value freedom and flexibility
- Work "with" organisations not "for" them
- Main product - Tablet/Smart phone
- Communication - social media, mobile, texting and face to face
- Communication - Email, texting and face to face

Born after 1995 Generation Z

- Value security and stability
- Will move between employers regularly and may seek more than 1 job at same time
- Main product - What's the latest? 3 D printing etc
- Communication – hand-held devices, Facetime, social media, crowdsourcing

Gen Y and Z
What's going on?

How many people to screw in a lightbulb?

Babyboomers

The light bulb committee has brainstormed and decided it will take 2. One to screw in and one to supervise and point out errors.

Gen X

Just one – the one who didn't turn up on the day of the brainstorm.

Gen Y

All of them !! And they worked as a team! And it was the best light bulb screwing any generation ever did. And there was a group hug and a trophy at the end.

Gen Z

None – they will develop a new source of lighting anyway.

Generational Implications for reward teams?

- What's the generational mix in my business?
- What reward mix (products and approach – adult v paternalistic) will appeal?
- How do we communicate?
- How to we market and engage people about reward?

Why do business internationally?

"Economic leadership among nations is clearly a mantle that passes from place to place over time.

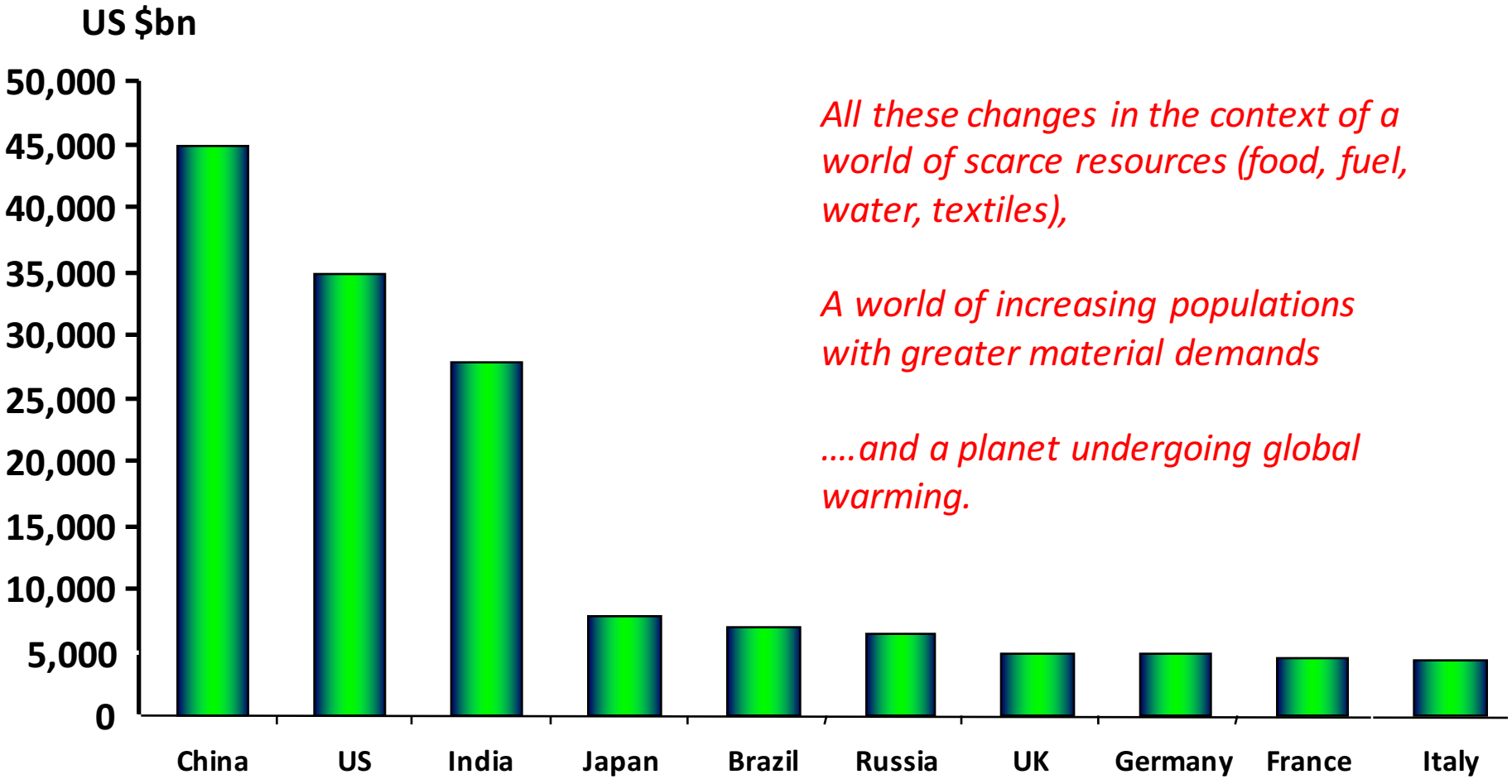
The last thousand years have seen global primacy pass from China to the Italian city-states, to Portugal and Spain, to the Low Countries, to Britain and then

to the United States.

Which will be next in the run?"

David Marsh, Economist

The Largest Economies in 2050



All these changes in the context of a world of scarce resources (food, fuel, water, textiles),

A world of increasing populations with greater material demands

….and a planet undergoing global warming.

Role of a Manager/Leader

What managers do is the same the world over,
How they do it is embedded in their tradition and culture.

Peter Drucker

Activity

Look at the photos and call out each country

Abco

“We don’t see things as they are.
We see things as we are.”

Anais Nin

The cultural norm
Outliers
Outliers
Beware the perils of stereotyping

A cultural poem on Europe

- *In heaven, the cooks are French, the police are British, the lovers are Italian and everything is organized by the Germans.*

- *In hell, the cooks are British, the police are French, the lovers are German and everything is organized by the Italians.*

How cultures do business differently

Hierarchy

Groups

Relationships

Communication

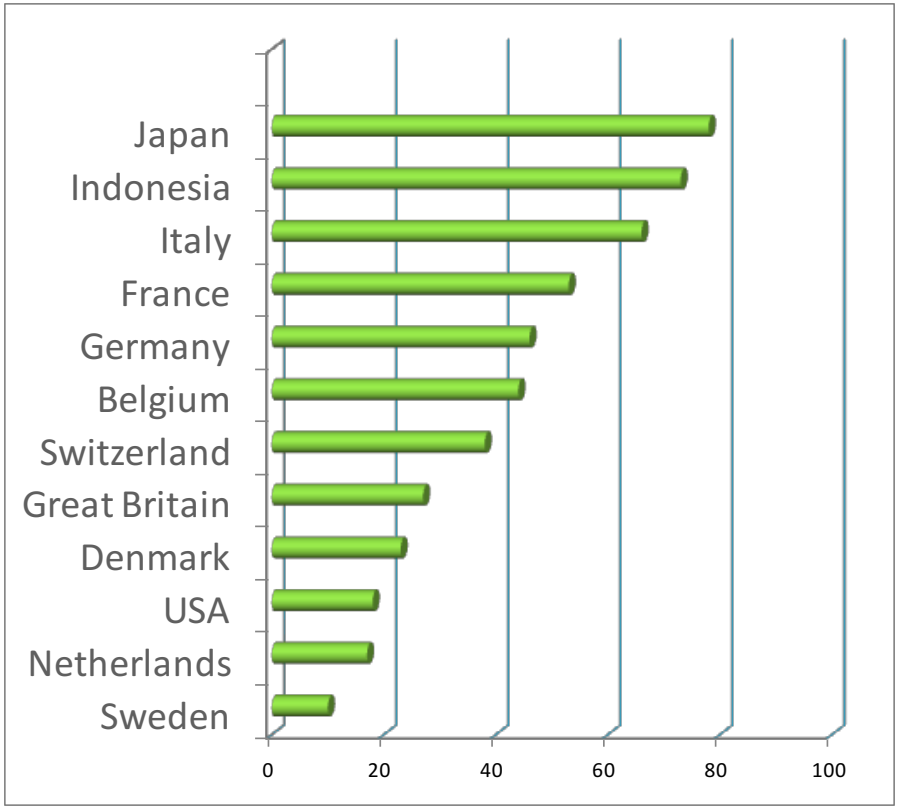
Time

Control

1. Hierarchy – The Role of a Manager

"It is important for a manager to have at hand precise answers to most of the questions that his subordinates may raise about their work"

% Percentage in agreement



China, India, Midd east high/Mexico, Spain similar to Germany

Source : André Laurent/INSEAD

1: Hierarchy

Egalitarian ⟷ Hierarchical

- Role of manager
- Who makes decisions
- Who is entitled to opinion
- Level of empowerment
- Formality

2: Group

Individual ⟷ Collective

- Source of Identity (yourself or the collective)
- Value of individual performance v teamwork
- Comfort with personal praise

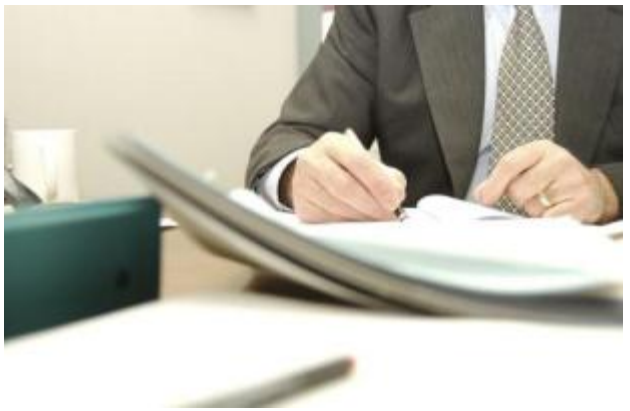
Individual – US, Germany
Collective – China, India, ME, Italy, Mexico

3: Relationships

Transactional ⟷ Interpersonal

- Are people more important than schedules
- Is trust earned or assumed
- Is harmony important
- Is saving face and giving face important

Transactional – US,
Interpersonal - China, ME, India, Italy, Mexico, Spain



4: Communication

Direct ⟷ Indirect

- Level of directness or subtlety
- Conflict/Harmony
- Is brevity or eloquence valued

Direct – Germany, US
Indirect – India, China, ME, Italy, Mexico, France

Leading international meetings

Silence, Turn-taking and Interruptions

Anglo-Saxon:

- A __ __ __ __ __
- B __ __ __ __ __

Latin:

- A ___ ___ ___ ___ ___
- B ___ ___ ___ ___ ___

Asian:

- A ___ __ ___
- B ___ ___ ___

What the English Really Mean

What they say	What they mean	What is understood
I hear what you say	I disagree and do not wish to discuss it any further	He accepts my point of view
With the greatest respect	I think you are wrong (or a fool)	He is listening to me
Not bad	Good or very good	Poor or mediocre
I was a bit disappointed that / It is a pity you	I am most upset and cross	It doesn‘t really matter
Perhaps you would like to think about / I would suggest / It would be nice if	This is an order. Do it or be prepared to justify yourself	Think about the idea but do what you like
Do you have a second	Now	It’s not really urgent
Interesting	Not interesting	They are interested
Oh by the way	Main point	This is not important

5: Time

Fluid ⟷ Controlled

- Punctuality
- Desire to make and meet deadlines
- Short vs long-term orientation

- On the subject of time, think about time zones, public/religious holidays/working week
- Sacrifice for "the team" occasionally (late/early call)

Fluid – UAE, India, Mexico, Spain

Controlled - US, Germany, UK

6: Control

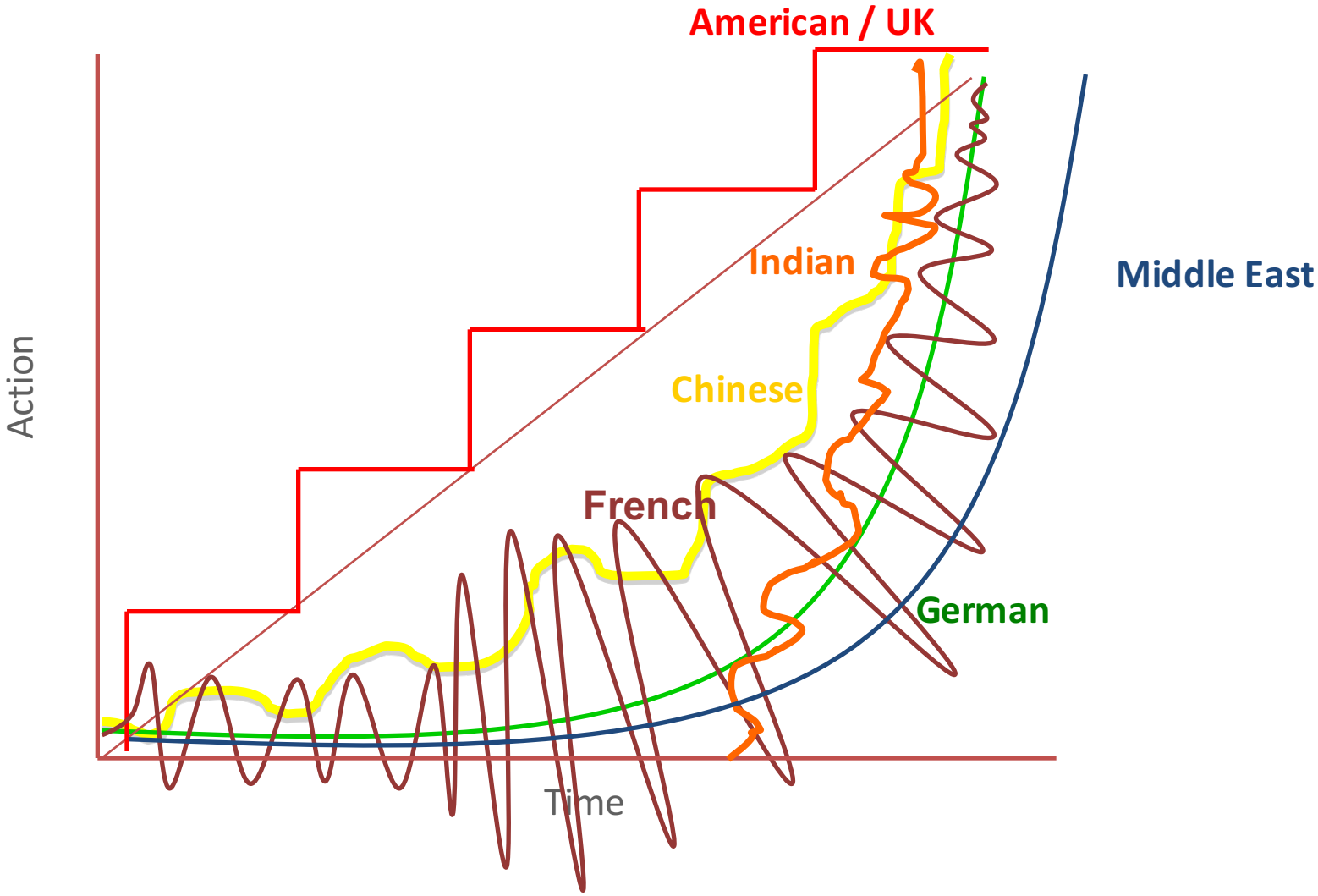
External ⟷ Internal

- Who controls your destiny
- Openness to change
- Effort
- Desire for structure and rules

Internal – US, UK, Germany

External – ME, Mexico, India

How different cultures get things done



Source : Fernando Lanzer de Souza

How cultures do business differently

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Your awareness of the differences and your willingness to adapt can really help you deliver the change you are looking for

Key future trends for HR/Reward to consider

- 5 generations in the workplace (Older workers with Gen Z).
- Global migration of talent (in and out of our countries). Cultural sensitivity and curiosity are key.
- Portfolio careers (more than 1 job), more entrepreneurial start ups.
- Flexible working, working from home.
- Skills deficits across multiple industries STEM related (Science tech, engineering, maths).
- Computing/digital skills required and what jobs will they replace.

8 Questions for Reward teams to stay fit for the future :-

1. What rewards might we need to develop?
2. Will flexible benefits need to provided on a more adult rather than paternalistic approach (will our people need to pay for some valued benefits and have greater choice)?
3. Will some rewards need to be more spontaneous and in the moment?
4. How will we innovate and who will we involve (Gen Z?) Will our rewards need to be "Greener"?
5. How can we target our rewards more strategically to attract and retain for skills shortages?
6. How will we engage, communicate and market in the digital revolution. What is the role of digital in all of this?
7. How will we manage cost constraints with increased demands for benefit flexibility?
8. How can we stay agile to deliver reward strategy that meets an ever changing world ?

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Thank you

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