Is The Execution Of Your 2017 Strategy At Risk?

CLG recently conducted a survey among 54 different companies in 7 different industries to discover organizational challenges and the impact of multiple generations in the workplace. Responders represented Manufacturing, Financial Services, Oil and Gas, Food and Beverage, Pharmaceuticals, Mining, and Aero/Transport industries.

What we discovered may not be a surprise, but the risk associated with the impact of not actively addressing the gaps that exist in a multigenerational workforce can be huge. The importance of preparing leaders to effectively lead in this rapidly changing environment will make or break the execution of your strategic plan—and increase the cost of doing business.
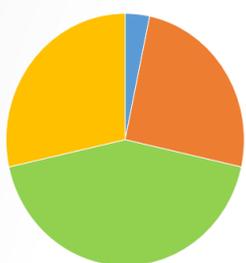
Financial Services, Dir. Organization & Talent Assessment
"This is such a timely topic, and we need to take a deeper dive on this."

GENERATIONS IN THE WORKFORCE

Generations in the Workforce
- Traditionalist (1 - 5%)
- Boomers (15 - 38%)
- Gen X (25 - 65%)
- Millennial (10 - 43%)

The workforce is getting more and more diverse. This year, it is possible that companies will have five generations of employees and five generations of customers. As a result, companies report that they've noticed changes in employee retention, hiring, and retirement. The numbers are significant. In fact, among survey responders, 73% noticed changes in retirement, while 82% have seen changes in hiring.

Pie chart:
- 34% Talent Management
- 22% Leadership Development
- 13% Culture
- 6% Performance Management
- 6% Budgeting
- 19% Other

Food and Beverage Industry, Senior Vice President of Insights & Analytics
"Most of our challenges are different expectations of the employee/employer relationship in terms of managing their career, flexibility in work hours, expectations on advancement. As the generations change out, there is much more of a reliance on the 'company to guide me' philosophy or 'I'll trust the company' and now it's much more 'hey, if the company's not doing what I expect them to do, I'm going to either push on it and see if I can fix it or I will quickly move on to the next place.'"

Business leaders have identified three distinct challenges as a result of changing demographics in the workplace. They are talent management, leadership development, and corporate culture. Traditional challenges such as performance management and budgeting have taken a back seat to these more pressing issues.

Our study dug deeper into specific challenges that businesses face regarding Culture, Training, and Recruitment. Although some responders reported challenges that were unique to their industry, all identified similar reasons why the top three challenges are impacting their business models and organizational charts.

Culture Issues
- Increasing Diversity
- Working Parents
- Creating a Learning Culture
- Expectations of Millennials Related to Immediate Rewards

Recruiting
- Specialized Talent
- Right Person for the Right Job
- Succession Planning

Training
- Succession Planning
- Creating a Learning Culture
- Being Ready for the Future
- Providing Employees with the Right Level of Information

Industry Issues
- Online Competition
- Emerging Markets
- Older Average Age within the Industry
- Managing Data

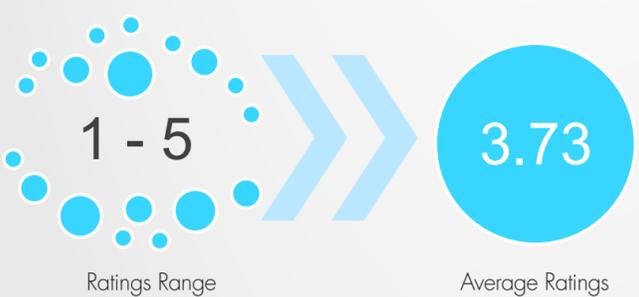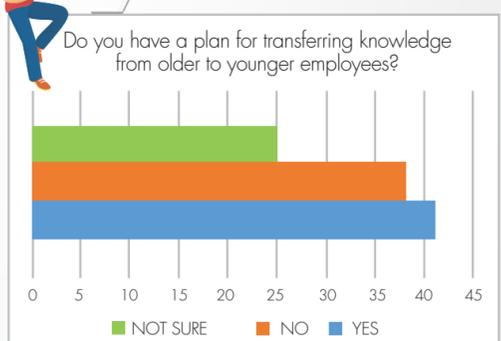**1 - 5** Ratings Range → **4.25** Average Ratings

Companies across all industry sectors agreed that it was extremely important to understand gaps in their leadership pipeline. Responders were asked to rank this issue on a scale of 1 – 5. More than half of the responders ranked this as a "5" as being Very Important. All contacts in the Finance and Gas sectors rated this as a "5."

Mining Company, Director of Business Processes
"In our organization, we recently went through a wave of what I will call early retirements. A lot of the folks that left were in management-level positions, so there is somewhat of a gap in terms of institutional knowledge that maybe left the organization that the rest of us are scrambling to relearn. The reason I bring that up in combination of the two is some of that institutional knowledge is understanding how they were able to work across various generations throughout the course of their careers even though I think the gap from Generation X to Millennials to subsequent generations, those gaps I think might be bigger than let's say from the Baby Boomers to the Generation X group."

When we asked organizations if they have a plan for transferring knowledge from older to younger employees, 41% responded "Yes," 38% responded "No," and 25% were not sure. Companies mentioned both formal and informal knowledge transfer programs. Mentoring was cited as an example of how some companies plan to transfer knowledge.

Do you have a plan for transferring knowledge from older to younger employees?

0 5 10 15 20 25 30 35 40 45

- NOT SURE
- NO
- YES

1 - 5 Ratings Range → **3.73** Average Ratings

With the projected continuation of Baby Boomer retirements over the next several years, organizations interviewed indicated the need to accelerate the readiness of lesser experienced leaders (Gen X, Millennials) to fill leadership pipeline gaps. Almost 70% of responders rated this a 4 or higher (with 5 being most urgent).

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