Adapting to Generational Differences in the Workplace

Better health, longer life expectancy, economic concerns and financial incentives are all contributing factors to individuals working well into the later years of age. For the first time in history there are now four generations in the work place. The different perspectives, values and experiences of each generation are valuable, but if hospital leaders aren’t careful the generational differences have the potential to challenge smooth working relations and ultimately detract from the hospital’s ability to achieve its goals.

Managing day-to-day workforce relations is the responsibility of the hospital CEO and the human resources executive, but that doesn’t let the board off the hook when it comes to the hospital’s investment in its people. The board is ultimately responsible for the oversight of the hospital, and must ensure that the hospital recognizes and adapts well to changing workforce demographics, planning strategically to meet its talent needs today and tomorrow.

Understanding the Generations

Today’s workforce now spans four generations, representing the World War II generation - referred to as Traditionalists, Baby Boomers, Generation X and Millennials, also referred to as Generation Y. Though identified by birth years, the generations have been defined by the events and culture of their time. Each generation experienced different events, including wars, assassinations, cultural revolutions, natural and manmade disasters, and economic environments that have influenced them in significant ways. Technology too has had its influence, evolving over the course of the generations from radio to television to personal computers and smartphones, which have led to the internet and social media. These defining factors have influenced the perspectives, preferences and expectations of each generation, all of which they bring with them into the workplace (see sidebar “Four Different Perspectives in the Workplace” for more detail).

While many think that Baby Boomers dominate the workforce, nationally in 2010 they represented one-third (33 percent) of the hospital workforce, a decline from 36 percent in 2008. In contrast, Generation X represented over half (51 percent) of the hospital sector workforce from 2008 to 2010. Millennials represented only ten percent of the health care workforce in 2008, but their presence grew to 14 percent in 2010.

By 2020, Millennials are projected to comprise about 50 percent of the overall workforce in the U.S., while actively employed Traditionalists are expected to represent less than 5 percent of the workforce.

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With an aging workforce, looming physician and nurse shortages and a significant percentage of hospital budgets dedicated to labor, ensuring a strong workforce is critical to hospitals’ long-term viability and success. As labor demographics shift, trustees must pay attention to the forces and trends that can affect hospital success:

- Baby Boomers are reaching retirement age, taking with them their knowledge, leadership skills, commitment to teambuilding and a hard-driving work ethic. Yet many are looking for opportunities to continue contributing the value of their experience through mentorships or phased retirement programs that allow them to work fewer hours, work seasonally, or to be on call when the hospital have census peaks.¹

- Many organizations are looking to Generation X to assume leadership. Gen X is results-driven, self-reliant and focused on streamlined efficiency, which are strong attributes for today’s hospital leaders. Successful organizations are investing in executive development and coaching programs to prepare talented members of this generation for new leadership opportunities.¹

- Many Millennials are just entering the job market. They are goal-oriented, technology-dependent, have high expectations and expect instant gratification, which may lead this generation to drive up hospital turnover rates. In 2010, hospitals’ turnover rates for Millennials were 13 percent, about twice the rates of Baby Boomers (6.5 percent) and Generation X (7.5 percent).² To fill a pipeline of talent for the future, hospitals must analyze turnover data to find and fix patterns of costly employee separation, and tap into the emotional connections and sense of mission that will not only attract, but retain Millennial employees.³

It’s a well-known trend that young physicians have increasingly sought employment with hospitals or large medical groups rather than setting up small or solo practices. The trend is driven by high medical school debt, reluctance to assume the administrative burdens of operating a practice, liability concerns, meaningful use compliance and more. Regardless, employment offers many Gen X and Millennial physicians the predictability and work/life balance they prefer. Health care integration, accountable care organizations (ACOs) and an increased focus on collaboration across the continuum of care are all well-aligned to Gen-X and Millennials’ preferences for inclusive relationships and teamwork.

As health care transforms, and hospitals and health systems purchase established practices, increasing numbers of long-established physicians are also joining the employed. How well they transition from the autonomy of running a practice is yet to be determined, but many may be expected to find leadership opportunities within the organization or on the board.
Younger physicians are also expected to more readily adopt new technology in their delivery of care.

More Alike Than Different
Adapting to generational differences may not be as difficult as some believe. According to an employee study, all generations strongly disagree with the assumption that it is more difficult for them to work in intergenerational teams than in teams of individuals of their own age.4 Though it’s important to recognize and respond to the different perspectives and expectations of the four generations, those differences are often variations of important, shared attributes that should not be overlooked.

Respect and loyalty are good examples of this. All employees, regardless of age, want to be respected, but different generations may perceive respect differently. Having surveyed over 3,000 corporate leaders, one researcher found that older individuals define respect in terms of having their opinions carry weight, while younger employees want attention to be paid to what they have to say.5 While older generations may have been loyal to a company, Gen X-ers will be loyal to a project, boss or team; and Millennials define loyalty not in terms of months or years, but rather how hard they worked while there – which happens when they feel a connection to the organization’s mission.6,3

None of the generations are fond of change and they all share core values, especially the value of family. Furthermore, everyone, regardless of generation, wants leaders they can trust.5 Raising awareness through training programs, breaking down age-related stereotypes and fostering an organizational culture of mutual respect, effective communication and a united focus on the hospital’s mission should be at the forefront of hospital efforts to overcome concerns about age diversity.

Preparing Your Hospital
Despite delayed retirements, older workers will eventually leave the workplace, yet 40 percent of organizations are not doing anything to plan for that eventuality.5 Boards should pay special attention to changing workforce dynamics and the implications for their hospital’s future, evaluating if the hospital’s people strategies adequately address today’s intergenerational culture and whether they can meet tomorrow’s workforce needs.

The AHA’s Committee on Performance Improvement is calling attention to the advantages of strong intergenerational teams in transforming health care organizations to a value-based system of care. In their report “Managing an Intergenerational Workforce: Strategies for Health Care Transformation,” the Committee has identified three recommended management strategies, which they note should be synergistic, influencing and supporting each other. They have also created a list of recommended actions for implementing each of the strategies. Of the actions, the Committee has emphasized the following three as essential starting blocks:7

- Conducting an intergenerational evaluation to determine the organization’s workforce profile and develop a comprehensive plan;

## Strategies and Actions for Managing an Intergenerational Workforce

### Build a Strong Generational Foundation
- Conduct an intergenerational evaluation to determine the organization’s workforce profile
- Acquire intergenerational talent
- Targeted recruitment efforts
- Organizational website and social media presence of company brand
- Job descriptions connecting tasks/role to organization’s mission and values
- Job mobility
- Interactive employee handbook
- Segment retention strategies
- Tailored support services
- Flexible work options
- Educational and career development programs
- Supplemental income opportunities

### Establish Effective Generational Management Practices
- Customize management and communication styles
- Flexible work hours
- Orientation and development programs
- Leverage employee’s strengths
- Tailor recognition and rewards
- Encourage collaboration in the workplace
- Intergenerational training opportunities
- Social media platform for employee engagement
- Inclusive planning and decision-making opportunities
- Succession planning strategy

### Develop Generational Competence
- Develop generational understanding
- Participate in formal mentoring programs
- Improve communication skills and generational sensitivity

Source: AHA Committee on Improvement, 2014.
• Implementing targeted recruitment, segmented retention and succession planning strategies, and

• Developing tailored communication strategies that cultivate generational understanding and sensitivity.

Questions for Hospital Trustees to Consider

• Has the hospital conducted a study of the generational make-up of the hospital’s workforce, including a comparison of the information to the community’s make-up, benchmarking the information to similar hospitals and evaluating the implications of the study results?

• Has the board reviewed the hospital’s workforce projections for the next three, five, or ten years? What is the plan for meeting workforce needs?

• Are the hospital’s turnover rates evaluated by generation to identify patterns, and actions to address those patterns?

• Are there effective retention programs in place? Do these plans include phased retirement programs for older employees (reduced hours, flexible schedules, alumni on-call programs for census peaks) along with well-developed plans to attract and retain younger workers?

• Has the hospital considered future leadership needs and developed career paths, leadership development programs and succession plans to ensure the hospital has a pool of talented individuals ready to meet the its needs in the future? Are these plans well-aligned with the needs and expectations of Gens X and Y?

• Does the hospital have a mentor program, matching workers across generations for mutual benefit?

• Does the hospital engage employees in training programs that strengthen understanding of each generation’s perspectives, values and experiences and contribute to stronger communication skills and intergenerational rapport?

• Are the hospital’s benefit plans designed to meet the various life stage needs of the different generations (for example, some may be interested in career development, others in day care, and others in retirement planning or elder care)?

And, most importantly...

• Has the board dedicated the necessary resources for human resources to manage the hospital’s workforce in support of strategic goals and fulfillment of the hospital’s mission?

Sources and Additional Information

1. Murphy, Susan A. PhD. Leading a Multigenerational Workforce. AARP. 2007.


