

# Attracting and Retaining a Cross-Generational Workforce

ACRS Secondary Research Report  
July 2007



# The Australian Centre for Retail Studies

## About the Australian Centre for Retail Studies (ACRS)

The Australian Centre for Retail Studies provides knowledge leadership to those involved in the retail sector through broad based research and information generation, management education programs and the promotion of retailing as a career.

As a commercial centre within Monash University's Faculty of Business and Economics and Department of Marketing, the ACRS is a bridge between the academic and the commercial retail worlds, enabling clients to access resources and knowledge that may not be otherwise available to them.

The centre engages in the following areas of activity throughout Australia, New Zealand, South East Asia, and Asia:

- Management development programs;
- Presentations, conferences and seminars;
- Retail research, reports and publications;
- Study tours.

Given its unique retail focus, the ACRS imparts knowledge, skill, and understanding to all levels of management from first line recruits to CEOs; offering invaluable expertise over other general management training providers.

## The ACRS Secondary Research Report Series

The ACRS series of secondary research reports addresses relevant topics and issues surrounding the Australian retail industry. Published throughout the year, these reports are intended to provide retailers with information to evaluate and address critical issues. The reports also serve to help gain an insight into key trends and activities taking place within the industry.

## The Attracting and Retaining a Cross-Generational Workforce Report

I am delighted to introduce the "Attracting and Retaining a Cross-Generational Workforce Report" to you.

The report follows on from the recent ACRS research project "Shopfloor to Boardroom", from which the findings show that engaging and motivating a cross-generational workforce is of utmost importance for organisations today.

The current report examines these issues in light of three generations: Baby Boomers, Generation X and Generation Y. Using the expertise of the ACRS, this report provides valuable insight into each generation by considering their respective consumer behaviours and workplace attributes, as well as solutions for organisations in managing a cross-generational workforce.

The team that worked on this report trust that you will find the information thought provoking as well as useful in shaping your future strategies.

If you would like to delve deeper into certain aspects of this work, or to develop an in-company presentation, please do not hesitate to contact us.



Jeff Rogut  
Executive Director  
Australian Centre for Retail Studies (ACRS)

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Australia, along with many other developed countries, is experiencing an ageing population. Coupled with declining fertility and higher life expectancy rates, this has resulted in a demographic trough in the Australian workforce, in which there is soon to be more older than younger workers, culminating in an even more intensive war for talent.

In consideration of the impact on the economy, the ageing workforce is now a major concern and priority for government and organisations alike. Although research acknowledges the pertinence of this issue in Australia, it remains unclear how organisations should manage a cross-generational workplace. To date, many have failed to respond to the impact of generational diversity, largely owing to a lack of awareness and know-how. This has important implications for the retail industry, which is becoming increasingly competitive, as demonstrated through the findings of the recent ACRS research project “Shopfloor to Boardroom”. Retail organisations need to identify and adopt the best approaches in attracting and recruiting staff across all retail functions, optimising the experiences of mature-aged workers and, at the same time, capitalising on the potential of young employees.

The “Attracting and Retaining a Cross-Generational Workforce” research report examines these issues in light of the three generations currently working side-by-side in the Australian labour market: Baby Boomers, Generation X and Generation Y. Popular literature highlights that each generation has distinct characteristics that will affect how the war for talent is waged. This report highlights such generational issues pertinent to the consumer and working population, and identifies solutions for employers in recruiting and managing a cross-generational workforce. Specifically, this report aims to:

- Identify the distinguishing characteristics of Baby Boomers, Generation X and Generation Y as both individuals and consumers;
- Understand the workforce motivations and aspirations of each generation; and
- Provide recommendations for attracting and retaining a cross-generational workforce, with a particular focus on the retail industry.

# Executive Summary

In brief, Baby Boomers currently have a stronghold on the labour market due to their sheer size and the time period in which they matured. Born between the years of 1946 and 1965 and comprising 33.9 percent of the labour market, they have made a lasting impact on the societies in which they lived. Work and personal sacrifice equals financial success for members of this generation. To attract Baby Boomers, companies need to become age-friendly – giving employees opportunities to contribute to society, providing a flexible workplace that balances work and retirement and empowering them.

These values are in sharp contrast to those of Generation X, who greatly value a work-life balance. Born between 1966 and 1980, they make up 44.8 percent of the Australian workforce. Members are often described as sceptical and less loyal to companies, nevertheless committed to their work and personal skill development. For Generation X, completing a piece of work is more important than the process and method involved in doing so. This generation is hungry for success despite their slacker-image illusions. Members of this generation are creative and avid learners; they long for flexibility and opportunities within organisations, and like to see how they fit in within the greater scheme of things.

Lastly, Generation Y is by far the most confident generation as they grew up in a society that placed high attention to individual self-esteem and self-worth. Members were born between 1981 and 2000, represent 19.1 percent of the Australian labour force and are the largest cohort following the baby boom period. Focused on self-improvement options, Generation Y enjoys working in companies that provide constant learning environments; wants to be involved in the company's shared crusade, is lifestyle centred, desires mobility and flexibility, and wants quick rewards. Although companies might need to make considerable changes around the workplace to cater to the needs of this generation, harnessing the skills of Generation Y members can make a significant difference for business.

A major challenge for organisations today therefore involves understanding each generation and their unique contributions to the workplace. In bridging the gap between generations, a shift towards cross-generational diversity is needed which, if embraced strategically, can be to the organisation's advantage. Employers and employees need to appreciate each generation's unique viewpoints as all are true and applicable. Overall, a labour force with Baby Boomers working alongside younger generations like X and Y can be rewarding in that the knowledge of one generation can be leveraged by another.

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