

ACTING ON YOUR INDUSTRY

## Generation X: Why the Smallest Workforce Generation May Be the Most Powerful

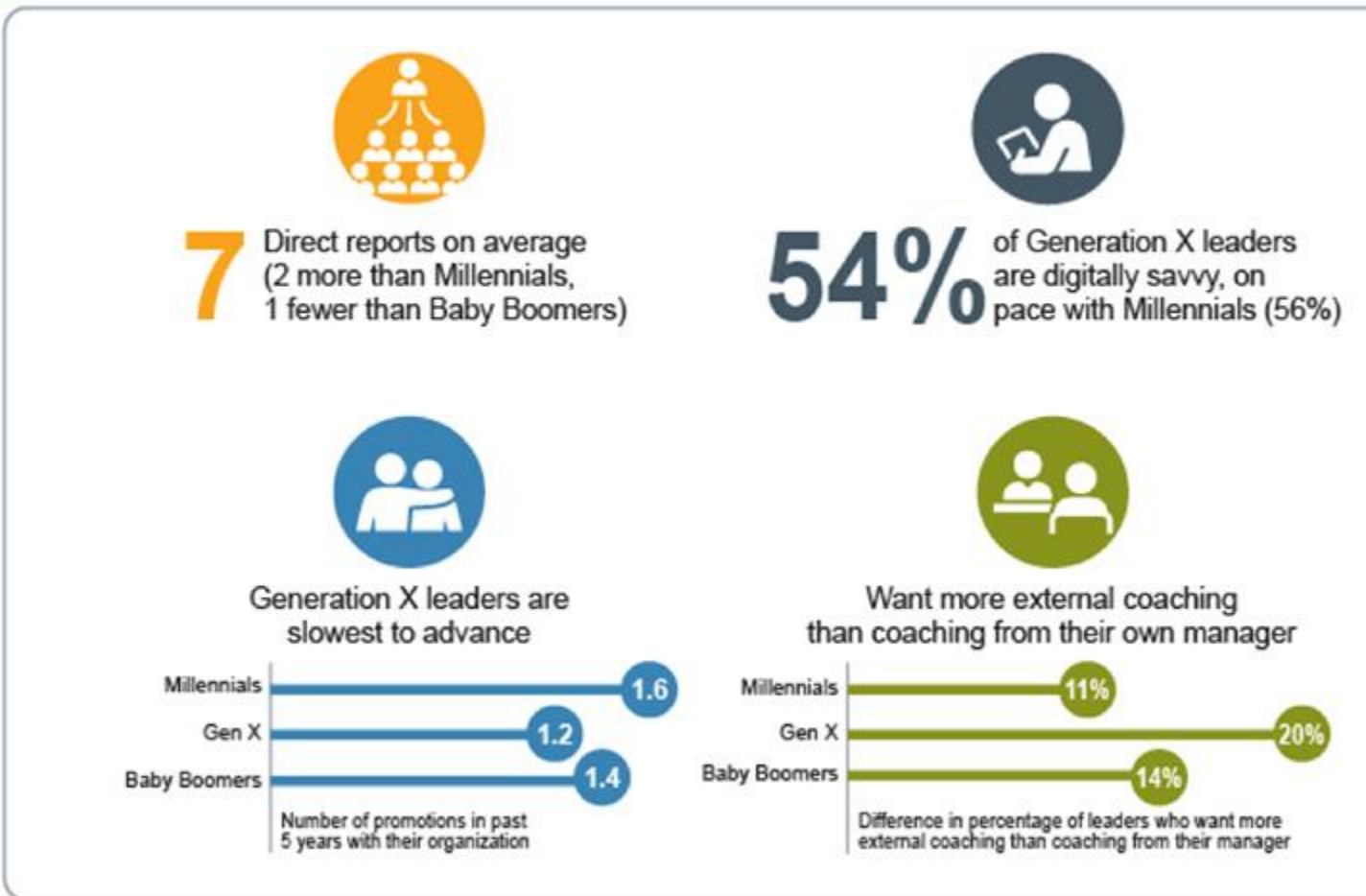


Companies are quickly learning that understanding and adapting to generational differences across the workforce can pay off, potentially resulting in strong employee performance and competitive advantage. However, one of the most consequential generations, Generation X or Gen X, has flown under the radar; one benefits provider has called this generation "...the power source that keeps a business together." Strategies for attracting and retaining Gen Xers often differ from those applied to the generations before and after. Making sure that the sometimes under-recognized Gen X talent pool gets continuing attention is important, as this investment could result in a significant return.

**Who is Gen X and Why are They Important?**

Gen Xers were born between 1965 and 1981. The Pew Research Center referred to Gen X – those sandwiched between Baby Boomers and Millennials – as “America’s neglected ‘middle child.’” Why is that? CNBC suspects that’s because it’s a generation that hasn’t received the attention of researchers and the business media – most of their focus has been on “retiring baby boomers or the ascending millennials.” And while their numbers are smaller than their bookend generations, Gen Xers are firmly established as leaders. The [Global Leadership Forecast 2018](#) by DDI, the Conference Board and EY showed that Gen X now accounts for 51 percent of leadership roles globally. In the U.S., their numbers are even more noteworthy: 68% of CEOs – in both *Fortune 500* and *Inc. 500* companies – are Gen Xers.

➤ Four Key Findings on How Generation X Leaders Stand Out



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## Understanding the Forces that Shaped a Generation of Leaders and Entrepreneurs

Some of the qualities that define Gen X as leaders come from a broad swath of influences – family, the U.S. economy and events that shook the nation and the world. This was the first generation growing up in two-income families, sometimes with no parent home at the end of the school day. What could be considered an early challenge has paid off for some in adulthood. They learned to be self-sufficient and resourceful.

Studies by Bruce Tulgan, author of *Managing Generation X*, and others state: "... the Generation X manager is typically mature beyond their years, very adaptable and flexible, and team oriented," key characteristics of corporate leaders in both established businesses and start-ups. A study by [Sage Group](#) reports Gen Xers "dominate the playing field" with respect to founding [start-ups](#) in the United States and Canada, with Gen Xers launching the majority (55%) of all new businesses.

Growing up in the tough economic times of the '70s that extended into the early '80s, along with oil and energy crises, made them value security: they are traditionally not job-hoppers. Government scandals, space shuttle disasters and nuclear plants melting down sowed seeds of what may have begun as cynicism but has translated into pragmatism, says Gen X observer and writer Heidi Marcin. Today, they are independent thinkers and, she adds, "They define success in realistic terms."

As Pew researchers conclude: "For Xers, there's one silver lining...they're savvy, skeptical and self-reliant; they're not into preening or pampering, and they just might not give much of a hoot what others think of them. Or whether others think of them at all."

### **A Different Work Ethic and Location**

Gen Xers are even having an impact on corporate real estate. Property consultant [Steve Stratton](#) says, "My Gen X colleagues have opened my eyes to an entirely new work ethic: the idea that one can advance their career while pushing for genuine work-life balance," he says. "They not only approach work differently, but also look at where they want to work differently... Xers are more motivated by locations that will allow them to work in more productive ways."

Stratton points out that, "In Chicago, for example, we're seeing the generational shift play out very clearly in [corporate headquarter relocations](#). Decades ago, most of the area's *Fortune 500* CEOs moved company operations out to the suburbs. But since 2008 alone, the downtown area has attracted 32 headquarter relocations. Those organizations' CEOs had an average age of 52."

### **Six Tips for Recruiting and Retaining Gen X**

Because their numbers are small, competition for recruiting Gen Xers and leveraging their leadership assets is considerable. Companies in virtually every industry and service sector could boost their chances when they:

1. **Provide digital tools:** More than half say they are "digitally savvy."
2. **Give access to external training:** 67% prefer external training sources to the 47% who say it should come from internal sources. Look to professional and industry associations for training and education resources.
3. **Reward loyalty and performance with promotions:** Even though Gen Xers received fewer promotions than their Boomer and Millennial counterparts, they are less likely to expect to change companies.
4. **Encourage them to challenge the status quo:** Ray Williams, HR consultant, says "...Gen X managers thrive in organizations that give them independence ... (with) minimal rules and bureaucracy."
5. **Offer benefits options:** Many are in their 50s, so both child care and elder care for parents may be high on their benefits wish lists. Financial planning will help what has been described as "the first generation to be worse off in terms of being prepared for retirement than their parents."

6. **Pay attention to work-life balance.** Sally Kane, business writer, points out that Gen X saw "... workaholic parents lose hard-earned positions...Generation X works to live rather than lives to work."

### **The Takeaway**

While the business media, along with many companies, have given much of their attention and visibility to the needs of Baby Boomers and Millennials and to their influence on the workplace, Generation X has been underreported and undervalued. But the impact of this small talent pool – both on the companies they lead, and those they start – is worth paying attention to and learning from. They have the power to build businesses and lead to success. Their work styles and preferences are not only reshaping companies and industries, but the cities and regions they choose for lifestyle and work environment. And with the youngest Gen Xers not yet 40, the trends they drive are likely to shape the business landscape for decades.