ENGAGEMENT, MOTIVATION, AND PERFORMANCE IN A MULTIGENERATIONAL ORGANIZATION

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ABSTRACT

This analysis seeks to assess the effects of generational cohort membership on employee engagement and motivation. Research findings on motivation, employee engagement, and generational cohort differences provide the basis for the analysis. The purpose of this report is to investigate whether employee engagement measures are equivalent for employees of all generational cohorts.

This paper is comprised of seven main parts. The first section is a review of HRM knowledge. Section two considers Canadian demographics today and over the next twenty years. Section three discusses generational cohort understanding and knowledge. Section four is an analysis of generational cohort influence on employee engagement and motivation. Section five proposes a variety of ways to utilize the findings. Section six is a set of recommendations for a specific company application. The final section introduces a select number of ways to improve employee engagement and motivation.
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# TABLE OF CONTENTS

Approval .................................................................................................................................................. ii
Abstract .................................................................................................................................................... iii
Acknowledgements ............................................................................................................................ iv
Table of Contents .................................................................................................................................... v
List of Figures .......................................................................................................................................... vii
List of Tables .......................................................................................................................................... vii
Disclaimer ............................................................................................................................................... viii

1. Introduction .......................................................................................................................................... 1

2. What We Know About HRM ............................................................................................................. 4
   2.1 Organizational Performance and Employees ................................................................................... 4
   2.2 Motivation and Job Satisfaction ....................................................................................................... 7
   2.3 Employee Motivation Theory ........................................................................................................... 8
   2.4 Employee Engagement ..................................................................................................................... 16
   2.5 Summary: Highly Motivated and Engaged Employees Positively Impact Firm Performance .......... 19

3. Canadian Age Cohort Demographics ............................................................................................... 20
   3.1 Total Canadian Workforce by Age ................................................................................................. 20
   3.2 Canadian Workforce by Generational Cohort .............................................................................. 21
   3.3 Summary: Changing Workforce Age Demographics Will Impact Canadian Firms in the Near Future ......................................................................................................................... 23

4. What We Know About Generational Cohorts .................................................................................. 25
   4.1 An Introduction to Generational Cohort Theory ............................................................................ 25
   4.2 Generational Cohort Definitions ..................................................................................................... 27
      4.2.1 Demographic View .................................................................................................................... 27
      4.2.2 Social Science View .................................................................................................................. 28
   4.3 Workplace Cohorts Identified .......................................................................................................... 30
      4.3.1 World War II / Silent Generation ............................................................................................ 32
      4.3.2 Baby Boomers .......................................................................................................................... 33
      4.3.3 Generation X / The Baby Bust ................................................................................................ 35
      4.3.4 The Baby-Boom Echo / Millennials / Millennium Busters ...................................................... 36
   4.4 Generational Cohort Differences .................................................................................................... 38
   4.5 Age in the Workforce .................................................................................................................... 47
   4.6 Summary: Some Generational Cohort Characteristics May Have Implications for the Workforce ................................................................................................................................. 48
LIST OF FIGURES

Figure 1: Herzberg Job Attitudes .............................................................. 13
Figure 2: Hewitt Engagement Model .................................................. 18
Figure 3: 2004 Canadian Labour Force as a Proportion of the Total By Age .... 21
Figure 4: Canadian Labour Force Projections: Cohort Comparison ............. 22
Figure 5: Canadian Labour Force Projection Trends ................................ 23
Figure 6: Cohort Definitions by Birth Year ............................................. 31
Figure 7: TELUS Total Employee Breakdown by Cohort .......................... 55
Figure 8: TELUS Management vs. Union Employee Breakdown by Cohort .... 56
Figure 9: Job Characteristics Model of Work Motivation .......................... 76

LIST OF TABLES

Table 1: Perceptions of Generational Cohort Characteristics ....................... 40
Table 2: Proven Differences in Generational Cohorts .................................. 43
Table 3: Motivation and Engagement Drivers ........................................... 59
Table 4: Generational Cohort Differences and Drivers of Motivation and Engagement ................................................................. 63
Table 5: Vertical Job Loading Recommendations ....................................... 79
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1. INTRODUCTION

A high performance workforce is an important element in creating a successful business. When competitive advantage through technology, a superior product, and entry barriers is not possible, people are often what differentiate a successful organization from an unsuccessful one. Creating a high performance workforce, however, is not an easy task. Studies on human behaviour within organizations have shown that the creation of a high performance workforce is complicated (Ichniowski, Shaw and Prennushi, 1997; Sonnenfeld, 1985). Many factors affect whether or not an organization can in fact become high performing.

Human resource management (HRM) research finds that people practices correlate positively with firm performance (Huselid, 1995; Pringle and Kroll, 1997; Ichniowski, Shaw and Prennushi, 1997). In addition, research suggests that high levels of employee job satisfaction link to increased employee motivation (Herzberg, 2003). High levels of motivation link to increased organizational performance (Jurkiewicz and Brown, 1998). Highly engaged employees drive higher performance (Hewitt, 2004). This research suggests that employers should focus attention on motivating and engaging their employees in an effort to improve firm performance (Herzberg, 2003; Hewitt, 2004).

Generational cohort differences between employees compound the complexity in creating a high performance workforce. Today’s workforce is comprised of four generations of employees. In the near future, all four will participate in equal proportions within Canadian organizations. Demographers, social science researchers, and writers
suggest differences between generational cohorts in values, beliefs, expectations, and behaviours (Strauss and Howe, 1991; Foot, 1998; Torres-Gil, 1992). They suggest that these differences manifest in all aspects of an individual's life including work. The identification of generational cohort characteristics, however, is highly debated. Perceptions may not reflect reality in all cases, and stereotypes are common. Lifecycle affects also impact motivation (Kovach, 1995; Jurgensen, 1978; Jurkiewicz and Brown, 1998). This can blur the lines between valid generational cohort differences and life stage influences.

The purpose of this report is to investigate whether employee engagement measures are equivalent for employees of all generational cohorts. This report first reviews current understanding of HRM practices and their impact on high performance within a firm. A specific focus will be on job satisfaction, motivation, and employee engagement as key drivers of high performance. Various theories presented suggest ways to determine levels of employee engagement and motivation in organizations.

Next, the paper reviews generational cohort theory and cohort differences. This review identifies and defines the four cohorts that are active in today's workforce as well as those generational cohorts working in Canada over the next twenty years. This section compares perceived differences between generational cohorts with research findings to assess the validity of cohort differences in the workplace. A brief discussion on life stage issues accompanies this section. Life stage issues can often be confused with generational cohort characteristics.

An analysis of employee engagement and generational cohort differences follows to assess the areas of similarities and differences between generational cohorts in
workplace engagement. Recommendations for employee engagement measures across generational cohorts follow to take into account proven generational cohort differences in the workplace that affect engagement.

Finally, this report will apply the results of this study to a large, telecommunications company. The findings will consider company specific characteristics in light of the research. Recommendations follow for how this company can most effectively make generational cohort considerations in their HR and management strategies to build a high performance team.
2. WHAT WE KNOW ABOUT HRM

The following is a review of current HRM knowledge. A basic premise of HRM is that how organizations manage their people affects firm performance. Further, research suggests that people can be the basis of competitive advantage in an organization (Pringle and Kroll, 1997). As a result, it is necessary to understand what influences people to engage in high performing behaviours. This review considers organizational performance and employees as well as employee job satisfaction, motivation and engagement in relation to high performance.

2.1 Organizational Performance and Employees

Employees can make the difference between success and failure in an organization. Simply designing jobs as efficiently as possible will not ensure an organization’s success as once thought (Taylor, 1911). One of the first studies to reveal this began in 1924. The Hawthorne studies revealed the social complexities of organization life. They further showed that these complexities influence firm performance.

Western Electric of Chicago conducted the Hawthorne studies over a period of nine years. There were six studies in total. The studies involved varying work conditions to see the impact on performance. Factors varied included rest break durations, length of workdays and weeks, incentive plans, supervision styles, employee participation levels,
and work groups (Sonnenfeld, 1985). The Hawthorne studies revealed that productivity changes as factors in the environment change.

Sonnenfeld highlights some of the key results from the Hawthorne studies (Sonnenfeld, 1985). Production rose and absenteeism declined when work conditions were progressively relaxed. Production increased by 12% quickly after the introduction of an incentive plan. Morale and productivity rose with a participative style of management and less focus on quotas and discipline. Employee motivation rose when the company solicited employee opinions.

Sonnenfeld conducted a recent review of the Hawthorne study results. Although critics question the validity of these results, Sonnenfeld asserted evidence that supports the Hawthorne studies’ original findings (Sonnenfeld, 1985). His reviews considered published reports, observers’ records, secondary statistical analysis, and recent interviews with study participants. Through this review, Sonnenfeld found strong support for the Hawthorne study results.

Sonnenfeld further proposed that the Hawthorne studies raised questions about how to motivate employees, what effective leadership and supervision is, how to use employee involvement in decision-making, what factors influence job satisfaction, what affects resistance to change, and how group norms factor into workplace performance. The Hawthorne studies laid the groundwork for future studies on employee participation, incentive plans, work design, small work groups, and leadership among other things (Sonnenfeld, 1985).

A further conclusion from the Hawthorne studies is that organizations should consider independent factors in the work environment from a systems perspective. The
studies found that various factors in the work environment were interconnected. These factors included work conditions, incentive systems, supervision, employee participation, group dynamics, coaching, and autonomy among other things. Varying levels of one factor can have a positive or negative effect on other factors. Subsequent studies support these findings.

Work conducted by Ichniowski, Shaw, and Prennushi reveals that "clusters of complementary human resource management practices have large effects on productivity, while changes in individual work practices have little or no effect on productivity" (Ichniowski, Shaw and Prennushi, 1997, p. 291). Their study of 36 steel production lines further showed that incentive pay plans paired with supportive work practices such as flexible job design, employee participation in problem solving, training, job security, and communication substantially increase performance. These findings highlight the complexities of HRM. Organizations should carefully choose HRM practices to ensure the optimal mix to enable superior performance. The effects can potentially be worse than without any practices if HRM practices are not complementary.

Other more recent research on the topic of HRM and firm performance suggests people practices have positive affects on firm performance. Huselid’s research suggests that high performance work practices positively influence firm performance (Huselid, 1995). His findings show increased productivity and decreased turnover due to high performance work practices that positively influence employee skill development and motivation. Pringle and Kroll found that people are more likely (than other forms of competitive advantage) to lead to a sustainable competitive advantage in rapidly changing environments (Pringle and Kroll, 1997). Youndt et al. suggest that this is
because economic changes and globalization weaken other traditional sources of competitive advantage including market, financial capital, and economies of scale (Youndt, Snell, Dean and Lepak, 1996).

As the research detailed above shows, people can affect firm performance. As such, organizations must focus their attention on people practices to gain maximum firm performance. A particular focus on influencing individual employee performance is required.

2.2 Motivation and Job Satisfaction

Motivation refers to “the internal forces that arouse, direct, and maintain a person’s voluntary choice of behaviour” (McShane, 1992). Motivation is often broken into two additional definitions, extrinsic and intrinsic motivation. Extrinsic motivation is motivation to engage in an activity as a means to an end. “Individuals who are extrinsically motivated work on tasks because they believe that participation will result in desirable outcomes, such as rewards, praise, or an avoidance of punishment” (Pintrich and Schunk, 2005). Individuals are extrinsically motivated if they view work solely as a means to a paycheque, benefits, and survival. They will work only as much as is necessary to obtain the extrinsic, desirable outcomes.

Intrinsic motivation is “a process of arousal and satisfaction in which the rewards come from carrying out an activity rather than from a result of the activity” (Beswick, 2002). Another definition is “choosing to do an activity for no compelling reason, beyond the satisfaction derived from the activity itself – it’s what motivates us to do something when we don’t have to do anything” (Raffini, 2005). Organizations today
often discuss intrinsic motivation as highly desirable. Intrinsically motivated employees will perform to high standards for internal reasons as opposed to for what the organization is giving them. This discretionary effort leads to work performed beyond expectations.

Research shows that highly motivated employees are more likely to be high performers than less motivated employees are. Jurkiewicz and Brown cite studies in their article entitled *GenXers vs. Boomers vs. Matures* that identify motivated employees as essential in organizations meeting their productivity and efficiency goals (Jurkiewicz and Brown, 1998). They also cite further work showing that managers who are able to determine what motivates their employees are more likely to have employees who work beyond expectations.

Herzberg’s studies find a connection between job satisfaction and motivation. Herzberg suggests that individuals with high levels of job satisfaction exhibit high levels of motivation (Herzberg, 2003). As highly motivated employees lead to increased productivity, organizations should look to increase employee job satisfaction and motivation as a way to improve organizational performance.

### 2.3 Employee Motivation Theory

There is a large body of research on the topic of employee motivation. Some of the earliest work on the topic comes from Abraham Maslow (Maslow, 1943). Maslow’s research suggests that a hierarchy of needs exists in all human beings. Levels in the hierarchy from lowest level needs to highest-level needs are physiological, safety, belongingness, esteem, and self-actualization. Maslow’s studies suggest that human
beings are motivated to meet each level of needs sequentially. That is to say, those individuals who cannot meet their basic survival (physiological) needs will not be motivated to meet self-actualization needs until all levels in between are sufficiently met (Maslow, 1954).

McShane describes the role of organizations in meeting each level of employee needs (McShane, 1992). Employers provide a comfortable work environment and sufficient pay to meet employee physiological needs. Safety needs are met by work environments that are safe, free of threats (such as layoffs), and offer insurance benefits. Interpersonal work relationships and a social atmosphere feed belongingness needs. Achievement, recognition, and respect fulfil esteem needs. Achieving one’s full potential satisfies the highest-level need of self-actualization.

Maslow’s need hierarchy theory lays the groundwork for subsequent work conducted on the topic of employee motivation. Some researchers challenge his theory, however, as overly simplistic. McShane describes some criticisms (McShane, 1992). First, some individuals do not seek to fulfil higher levels of needs, but stop at some point in the hierarchy. Second, individuals may also seek to fulfil multiple levels of needs at the same time. Third, the five levels do not adequately describe all individual needs. Although these criticisms may be valid, many believe in the general concepts of Maslow’s work. Subsequent research on the topic of motivation consistently references Maslow’s research.

Herzberg followed Maslow in further developing understanding of employee motivation. He conducted studies in the 1950’s and 1960’s on the topic of motivation and job satisfaction. His findings reveal sources of job satisfaction that result in high
motivation as well as sources of job dissatisfaction that have no effect on motivation (Herzberg, 2003). His work suggests that organizations should focus specific attention on sources of job satisfaction to increase motivation, thereby increasing organizational performance. A lesser focus should be on sources that result in job dissatisfaction, as these do not affect motivation.

Herzberg’s original research included interviews with 200 engineers and accountants (Herzberg, Mausner and Snyderman, 1959). The studies asked employees to identify job events that led to both extreme job satisfaction and extreme job dissatisfaction. The responses revealed five main factors that led to extreme job satisfaction. These were achievement, recognition, work content, responsibility, and advancement. They found that work content, responsibility, and advancement were the most important of the five in leading to lasting satisfaction. The studies also found five factors that led to extreme job dissatisfaction. These factors were company policy and administration, supervision, salary, interpersonal relations, and working conditions.

Herzberg’s *Motivation to Work* Study is the basis for his Motivation-Hygiene Theory. Herzberg suggests that employees have two different kinds of needs. The first set of needs concerns survival and basic biological needs. These relate closely to Maslow’s identified lowest level needs. Herzberg refers to those factors that satisfy these needs as Hygiene Factors. They are external to the work itself. Hygiene factors include salary, working conditions, job security, status, supervision, work relationships, and organizational policy and administration. Herzberg’s research suggests that by satisfying hygiene factors, employers will reduce job dissatisfaction but will not affect motivation (Herzberg, 2003). As motivation leads to increased performance, satisfying hygiene
factors will not on its own influence firm performance. This suggests that firm investments in raising levels of compensation and improving working conditions will have limited affects on firm performance.

The second set of needs relates to an individual’s desire for achievement and growth. These needs relate closely to Maslow’s identified highest-level needs (esteem and self-actualization). Factors that satisfy this set of needs are motivator factors. Job content is central to this at work. Motivator factors include achievement, recognition, work activities, growth, responsibility, and advancement. According to Herzberg, employers that satisfy motivator factors will increase job satisfaction and motivation. His study also suggests that motivator factors are effective in achieving high levels of performance (Herzberg, 2003). It follows that firm investments in the motivator factors will lead to improved firm performance.

Critics propose that Herzberg’s studies are too simplistic. Brown identifies criticisms of his work in a summary of later studies replicating Herzberg’s original work on factors affecting job attitudes (Brown, 2002). One criticism is that his study has limited applicability because respondents were limited to accountants and engineers. Another criticism is in Herzberg’s selection of the variables as he chose them himself. Brown reviews results from several subsequent studies conducted to test Herzberg’s original results. In this article, Brown finds that several studies fully support Herzberg’s findings while other studies find slight inconsistencies. Inconsistencies found, mainly surround which factors are motivator factors and which are hygiene factors. Brown’s review identifies one main factor shown in multiple studies not to differentiate between a satisfier and a dissatisfier. This factor is possibility for growth. Some studies supported
Herzberg’s original work characterizing this factor as a satisfier while other studies showed this factor as a dissatisfier.

A recent article by Herzberg combines research from 11 studies in a review of motivator and hygiene factors (Herzberg, 2003). In this review, 1,685 employees identified those job events that led to the greatest job satisfaction and job dissatisfaction. Researchers categorized the responses into hygiene and motivator categories. The results overall support Herzberg’s original findings that motivator factors lead to job satisfaction while hygiene factors lead to job dissatisfaction. Figure 1 shows these results.
Factors affecting job attitudes as reported in 12 investigations

Factors characterizing 1,844 events on the job that led to extreme dissatisfaction

Factors characterizing 1,753 events on the job that led to extreme satisfaction

Total factors contributing to job dissatisfaction

Total factors contributing to job satisfaction


Figure 1 shows a breakdown of employee responses by hygiene and motivator factors. Overall, this summary supports Herzberg’s initial findings as 81% of all motivator factor responses cited were in reference to job events that led to extreme satisfaction. Hygiene factor responses were responsible for 69% of all events leading to extreme job dissatisfaction.
The results also show which factors led to the greatest amount of satisfaction and dissatisfaction. Of all events, those identified as achievement events led to the greatest number of satisfied employees. Recognition was the second greatest motivator factor referenced. The work itself and responsibility followed as the third and fourth most referenced events. Of all events, those identified as company policy and administration events led to the greatest number of dissatisfied employees. Supervision was the second greatest hygiene factor referenced.

In addition to these major results, a few other findings are worth discussing. First, the growth factor was responsible for less than 10% of all events referenced as job satisfying events. Growth accounted for an almost equivalent amount of job dissatisfying events. These results support findings from subsequent Herzberg studies where possibility for growth was neither fully a job satisfier nor job dissatisfier. In addition, several motivator factors were responsible for extreme job dissatisfaction in amounts similar to many of the hygiene factors. These were mainly achievement, recognition, and the work itself. Hygiene factors with similar amounts of responses were relationship with supervisor, work conditions, and salary. One last note on these results is the relatively low number of job satisfying events related to hygiene factors.

Kovach conducts ongoing research in the area of employee motivation. His work over the past 20 years includes motivation assessments of more than 25 organizations (Kovach, 1995). In these assessments, he administers an employee survey to identify the top ranking ‘job reward’ factors of employees. In three recent surveys, Kovach identifies the desire for interesting work as the number one ranked job reward factor.
Kovach further breaks down the results in a variety of comparisons including age preferences. His results suggest that younger workers (under age 30) are also highly concerned with good wages, job security, promotion, and growth. He hypothesizes that this is due to their recent entrance into the job market, a life stage affect. They have not yet fulfilled their basic needs (Maslow's lower level needs). Further results suggest that with age come basic need fulfilment and focus shifts to a desire for interesting work. This supports Herzberg's theories that as organizations sufficiently meet the hygiene needs of employees, focus shifts to motivator factors including the work itself. Kovach also finds that workers over the age of 50 are concerned with 'sympathetic help with personal problems', 'good working conditions', and 'personal loyalty to employees' (Kovach, 1995). Kovach's results lend support to the lifecycle perspective. Further discussion on this topic follows in the 'Age in the Workforce' section of this report.

Kovach's article reveals support of his findings through work conducted by Jurgensen. Jurgensen's research also reveals that as age increases, focus shifts from hygiene factors such as job security to the work itself (Jurgensen, 1978). In addition, Jurgensen's work finds a link between higher educated employees and importance of the work itself. He posits that employees with higher levels of education find the work itself a more important motivator factor than employees with lower levels of education. His research suggests that as education levels rise, the importance of the work itself will rise. This becomes important for organizations today as education levels are rising year over year in Canada (Statistics Canada, 2001).
2.4 Employee Engagement

Employee engagement is a relatively new concept. One definition of employee engagement is the state when employees “bring discretionary effort to work, in the form of extra time, brainpower, and energy” (Towers Perrin, 2003, p.1). Another definition of employee engagement is “the state in which individuals are emotionally and intellectually committed to the organization or group” (Hewitt Associates, 2004, p.2). Employee engagement links closely to intrinsic motivation (see Section 2.2). Individuals with high levels of intrinsic motivation tend to be highly engaged in their work (Frank, Finnegan, and Taylor, 2004).

Hewitt Associates, a human resources outsourcing and consulting firm, find that high levels of employee engagement result in greater organizational performance. In their studies of hundreds of companies worldwide, they reveal that companies with high levels of employee engagement have superior business results compared to companies with lower levels of employee engagement. A recent study by Hewitt Associates of double-digit growth companies\(^1\) shows that engagement levels in these companies are 21% higher than engagement levels in single-digit growth companies\(^2\) (Hewitt Associates, 2004).

Other studies on employee engagement show favourable results for companies with highly engaged employees. One study on employee engagement showed that companies with high employee engagement gained 3.74% operating margin and 2.06% growth.

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1 Double-digit growth companies are publicly traded companies with CAGR five-year average growth in profitability of 10% or greater and meet the double-digit growth target in at least 3 of the past 5 years. Defined in "Double-Digit Growth: How Great Companies Achieve it No Matter What", Treacy, M. cited in Hewitt, 2004.
net profit margin over a three-year period. Companies in this study with low levels of employee engagement were down 2.01% operating margin and 1.38% in net profit margin over the same period (ISR, 2003). A 2004 study of the best employers in Europe shows that companies with the highest levels of engagement have 23% less voluntary turnover than others (Hewitt Associates, 2004). A firm also benefits from high levels of employee engagement with high levels of customer engagement (willingness to repeat purchases and recommend a firm to friends) (Bates, 2004).

There is heightened interest in the topic of employee engagement at present for a number of reasons. Engaged employees are highly motivated and perform above expectations. In today’s lean organizations seeking to gain competitive advantage, all employees must be high performing. Recent studies, however, show that there are more disengaged employees than there are engaged employees in today’s companies. Some predict that the US economy runs at 30% efficiency due to disengaged workers (Bates, 2004). Others estimate that 75% of the workforce is disengaged (Loehr & Groppel, 2004). Frank et al. cite another study that found only 17% of the workforce is highly engaged (Frank et al., 2004). These results strongly suggest the large potential for improved performance possible by increasing the numbers of engaged employees in organizations.

Hewitt Associates developed an employee engagement model based on research conducted over the past ten years. Their research includes data gathered from more than four million employees (Hewitt Associates, 2004). Figure 2 shows Hewitt’s Engagement Model including six categories of engagement drivers.
Hewitt's Engagement Model identifies the six engagement drivers as quality of life, work, people, opportunities, compensation, and procedures. Each category breaks down into subcomponents that allow organizations to focus specifically on areas that drive engagement of their employees. Hewitt's engagement drivers map closely to Herzberg's motivator and hygiene factors. Hewitt Associates suggest that organizations can improve the engagement of their employees, and thereby the performance of their organizations, by targeting activities on the engagement drivers.

Recent Hewitt studies suggest specific engagement drivers with greater importance than others. Hewitt's 'Best Employers in Europe' study conducted in 2004 assessed engagement levels in 200 companies (Hewitt Associates, 2004). Approximately
27,000 employees completed engagement questionnaires to assess engagement levels in these companies. The results show that improvements to engagement would result most from an increased focus on career and development opportunities as well as non-financial recognition and improvements in company policies.

Hewitt Associates use specific measures to assess levels of employee engagement. Their research says that engaged employees will ‘stay’ with the organization, ‘say’ positive things about the organization, and ‘strive’ beyond expectations for the organization (Hewitt Associates, 2004). Their assessment of a company’s level of employee engagement revolves around these three themes. Employees answer questions about their thoughts and behaviours on these themes to determine their level of engagement (see Appendix A for a sample of Hewitt’s Engagement Questions). A company’s overall engagement score derives from the number of employees with positive responses to these questions.

2.5 Summary: Highly Motivated and Engaged Employees Positively Impact Firm Performance

The research cited in this section highlights the importance of people management in organizations. It also concludes that firms with highly motivated and engaged employees will perform better than other firms with lesser-motivated or disengaged employees. To capitalize on the potential of employees, firms must focus on specific drivers of motivation and engagement. If firms are able to create the right combination of HRM practices to effectively motivate and engage the employee base, they may just achieve the ultimate competitive advantage in their people.
3. CANADIAN AGE COHORT DEMOGRAPHICS

Demographic changes in Canada over the next twenty years will have a significant impact on Canadian companies. The age composition of the workforce is shifting. A large majority of the current workforce will retire. Younger, replacement workers are required to take their places. The resulting workforce will look proportionately different by age distribution when this shift occurs. This in turn will have effects on organizational management (Foot, 1998).

3.1 Total Canadian Workforce by Age

The Canadian workforce totalled 17.2 million in 2004 (Statistics Canada, 2004). Figure 3 shows a breakdown of the workforce by age. Seventeen percent of the workforce is currently under the age of twenty-four. The majority of the workforce is between the ages of twenty-five and forty-four at forty-seven percent. The oldest workers today are the forty-five and up group at thirty-six percent of the total workforce.
3.2 Canadian Workforce by Generational Cohort

Five generational cohorts will comprise Canada’s workforce over the next twenty years (Foot, 1998). The next section of this report introduces each of these cohorts and discusses the significance of them as entities. Over the next twenty years, the proportion of each generational cohort of working age will shift. Figure 4 shows a prediction of how these shifts will play out in the workforce.
Figure 2 shows how the workforce in Canada will look over the next twenty years. For the next five years, Baby Boomers will retain a large portion of their positions within the workforce. Beyond five years, however, they begin declining. The World War II cohort will be retired by 2011 entirely. The Baby Bust cohort is participating fully in today’s workforce and will continue for the next twenty years. The Baby-Boom Echo cohort is just now entering the workforce. They will not be fully participating until 2016. Millennium Busters begin entering the workforce in 2016. They reach full participation in the year 2026.

Figure 3 shows a different view of Canadian Labour Force projections. Baby Boomers continue to outnumber all other cohorts in the workforce for the next ten years. In this chart, we see that in 2016 the workforce will have an equal distribution of Baby Boomers, Baby-Boom Echo and Baby Bust cohorts. The Baby-Boom Echo and Baby...
Bust cohorts make up the majority of the workforce with almost equal participation after 2016. The Millennium Busters rise in number between 2011 and 2026. In 2026, the Canadian workforce again comprises an almost equal distribution of three cohorts: Baby Bust, Baby-Boom Echo and Millennium Busters.

Figure 5: Canadian Labour Force Projection Trends

<table>
<thead>
<tr>
<th>Year</th>
<th>Millennium Busters</th>
<th>Baby-Boom Echo</th>
<th>Baby Bust</th>
<th>Baby Boom</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
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<td>2011</td>
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3.3 Summary: Changing Workforce Age Demographics Will Impact Canadian Firms in the Near Future

Canada’s workforce age demographics are shifting. Over the next twenty years, the distribution of generational cohorts in the workplace will comprise members of four different generational cohorts. This will have implications for organizations in building high performance in multigenerational workgroups. The following section discusses generational cohort theory, identifies each generational cohort, and discusses the
differences between cohorts in an attempt to understand the implications of generational cohorts on Canadian organizations.
4. WHAT WE KNOW ABOUT GENERATIONAL COHORTS

The following is a review of generational studies conducted to date. Demographers, social science researchers, and writers all propose theories of generational cohort membership and characteristics. There is general agreement on the basic theory behind cohort membership; however, wide differences exist in the belief of how generational cohort membership manifests itself in individual behaviour. The following review identifies generational cohort theory, presents both the demographic and social science views on cohort membership, defines Canadian cohorts, and provides a summary of both perceived and proven differences between cohorts. A brief discussion on age factors in the workplace concludes this section.

4.1 An Introduction to Generational Cohort Theory

William Strauss and Neil Howe conduct research on America’s generational cohorts. Their work includes historical reviews and future predictions. They define a generational cohort as “people whose common location in history lends them a collective persona” (Strauss and Howe, 2000). The significance implied in this definition is that collections of people growing up at the same period of time, share similarities.

Strauss and Howe introduce their generational cohort theory in their book Generations (Strauss and Howe, 1991). They suggest that individuals born during a certain period develop a ‘peer personality’ shaped by the events they share particularly during their formative (pre-adult) years. Political, social and economic events and
attitudes during these years shape a common set of values, beliefs, expectations, and behaviour that express themselves throughout an individual’s lifetime. Parental views also affect individuals of a particular generational cohort. Strauss and Howe found that individual views toward government, education, conformity, materialism, religion, drugs, alcohol, wealth, disparity, and self-esteem are in part a result of parents’ efforts to overcome problems they remember from their childhood. The ‘peer personality’ applies for the majority of a generational cohort’s membership though individual differences still exist. Strauss and Howe found that these values, beliefs, expectations and behaviour remain mainly unchanged throughout an individual’s lifetime (Strauss and Howe, 1991).

Sago uses generational cohort theory in discussions of generational cohorts in the workplace. Sago says that individuals of a particular generational cohort have common communication styles, viewpoints, outlooks, work habits, and expectations (Sago, 2001). Members of the same generational cohort also feel more comfortable together and understand each other better than those of different generational cohorts. Sago cites research that shows generational cohort membership as an important predictor of employee behaviour (Sago, 2001). Differences in expectations and experiences affect how members of a generational cohort react to situations in the workplace.

Based on these findings, it is necessary to pinpoint the specific values, beliefs, expectations and behaviour common to each generational cohort in order to see how they operate within the workforce. The next section identifies the generational cohorts working in Canada today and in the near future.
4.2 Generational Cohort Definitions

There is significant debate around generational cohort borders and identity. Demographers, social science researchers, and writers define generational cohorts differently. Criteria used to identify the borders of a generational cohort vary mainly between population trends, life cycles, and social/economic/political events. National differences add further complexities as events and influences vary by country.

4.2.1 Demographic View

Demographers focus on population trends to identify generational cohorts. Known demographers Torres-Gil and Foot identify generational cohorts based on statistical facts. They consider birth and fertility rates, immigration, and population in order to classify unique generational cohorts. According to their work, one generational cohort ends and a new one begins when the number of births in a given year trends downward. Demographers review the economic, social, and political events that occur in a specific location (primarily by country) during the formative years of a cohort. The goal of this type of work is to develop a generational cohort’s common characteristics.

Foot’s work takes a Canadian perspective on generational cohort membership. He identifies five generational cohorts important in Canada’s workforce today. These are ‘World War II’ (born 1940 to 1946), ‘The Baby Boom’ (born 1947 to 1966), ‘The Baby Bust’ (born 1967 to 1979), ‘The Baby-Boom Echo’ (born 1980 to 1995), and ‘The Millennium Busters’ (born 1996 to today) (Foot, 1998). These cohorts are similar to those identified by American demographer Fernando Torres-Gil (Torres-Gil, 1992).
A basic premise of Foot’s work is that the size of a generational cohort matters. According to Foot, a small cohort has benefits that a large cohort does not. He suggests that small cohorts have less competition in school, the job market, and life in general than large cohorts. This leads to a more successful cohort on the whole as life is relatively easier. This in turn leads to a more optimistic attitude and less struggle. A large cohort, however, has more power than a small cohort does as large numbers create greater influence. An example of this is the large Baby Boomer cohort retirement phase. As Baby Boomers come of retirement age, there will be increasing demands on healthcare, insurance claims, and seniors’ homes.

4.2.2 Social Science View

Strauss and Howe take a social science view of generational cohorts. Their studies into American history reveal four cycles of generational cohorts evident for more than 400 years. Based on their research into history they find these generational cohorts of ‘peer personalities’ repeat in the same order throughout history (Strauss and Howe, 1991).

According to Strauss and Howe, one generational cohort is the length of a phase of life. Their definition of life phases includes youth (age 0 to 21), rising adulthood (age 22 to 43), midlife (age 44 to 65), elder hood (age 66-87) (Strauss and Howe, 1991). From this perspective, one generational cohort is approximately 20 years in length. They suggest that during each life phase individuals play distinct social roles. Events occurring at a specific time affect each social role differently.
Strauss and Howe identify each life phase social role (Strauss and Howe, 1991). Dependence is the central role during youth. Activities during this life stage include growing, learning, receiving protection, avoiding harm, learning values. Activity is the central role during rising adulthood. Activities at this time include working, building careers, starting families, serving institutions, and testing values. Leadership is the central role during midlife. Activities include parenting, teaching, directing institutions, and using values. In elderhood, stewardship is the central role. Supervising, mentoring, giving, and teaching values are activities at this time.

A basic premise of Strauss and Howe's work is that experiences occurring during youth and rising adulthood affect how that cohort will behave in future situations. An example is that how parents raise their children affects how their children in turn raise their children. Strauss and Howe suggest that alternating patterns of behaviour manifest in a variety of categories. Generational cohorts shift in their views on “public action and private introspection, secularism and spiritualism, cultural suffocation and liberation, fragmentation and consensus, overprotective and under protective nurture of children” (Strauss and Howe, 1991, p. 33).

Strauss and Howe propose four generational cohorts active in today's workforce. They are the 'Silent' generation (born 1925 to 1942), the 'Boomer' generation (born 1943 to 1960), 'Generation X' (born 1961 to 1981), and the 'Millennial' generation (born 1982 to approximately 2002). Each generational cohort has a distinct peer personality shaped by the events and experiences they commonly share from their formative years. They tend to share similar attitudes towards politics, lifestyle, religion, family life, institutions, sex roles, and the future.
The four, cyclical 'peer personalities', according to Strauss and Howe, are the Idealist Generation, the Reactive Generation, the Civic Generation, and the Adaptive Generation. MacManus summarizes Strauss and Howe's definitions of these generational cohorts in her book *Young v. Old* (MacManus, 1996). She states that the Idealist Generation grows up during a time of prosperity; they inspire a spiritual awakening, become egotistical adults, become moral in midlife, and visionary in elderhood. Baby Boomers are the Idealist Generation. The next generational cohort is the Reactive Generation. They grow up during a spiritual awakening as under protected children, become risk takers and alienated adults, in midlife they are down-to-earth during a period of crisis, and become respected, reclusive elders. This is Generation X.

The next two generational cohorts are the Civic Generation and the Adaptive Generation. The Civic Generation is a cohort of protected children after a spiritual awakening, overcoming a secular crisis as rising adults, becoming heroic, high achievers in adulthood, building better institutions in midlife, and being highly involved elders in the next spiritual awakening. This is the Millennial generation. The final generational cohort is the Adaptive Generation. This group is a cohort of overprotected children during a secular crisis. They become risk averse and conformist as rising adults. In midlife, they are indecisive during a spiritual awakening. As elders, they hold influence but less respect.

4.3 Workplace Cohorts Identified

Foot suggests that Canadian cohorts are unique when compared to those of other nations. Similarities, however, exist with western, industrialized countries including the United States, Australia, and New Zealand (Baby Boomers in particular) (Foot, 1998).
Nonetheless, the events and influences in Canada are distinctive. As a result, the characteristics of Canadian cohorts are unique.

Foot identifies five generational cohorts that will work in Canada during the next twenty years. Strauss and Howe describe four generational cohorts influential over the next twenty years in the workforce. Individuals born between 1940 and 1990 make up the working population of Canada in 2005. These individuals are between the ages of 15 and 65. The following figure shows a comparison of Foot’s versus Strauss and Howe’s cohort definitions.

Figure 6: Cohort Definitions by Birth Year

<table>
<thead>
<tr>
<th>Strauss &amp; Howe</th>
<th>Foot</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baby Boomer</td>
<td>Baby Boomers</td>
</tr>
<tr>
<td>Gen X</td>
<td>GenX</td>
</tr>
<tr>
<td>Millennials</td>
<td>Millennium Busters</td>
</tr>
</tbody>
</table>

Data compiled from: Strauss and Howe, 1991; Foot, 1998

Strauss, Howe, and Foot define cohorts similarly. Figure 6 shows the similarities and differences in their cohort definitions. The Silent and World War II cohorts represent the oldest workers in today’s organizations. Strauss and Howe define Boomers as starting earlier and ending earlier than Foot’s Baby Boomer definition. Generation X as
defined by Strauss and Howe overlaps closely with Foot’s Generation X subgroup within
the Baby Boomer cohort combined with the Baby Bust cohort. Millennials are roughly
equivalent to the Baby Boom Echo and Millennium Buster cohorts.

As similarities exist between American and Canadian cohorts, and Foot’s cohort
definitions map closely to Strauss and Howe’s cohort definitions, it is possible to
combine the work of both to identify key cohort characteristics. The following section
defines each cohort using Foot’s definitions combined with Strauss and Howe’s findings.

4.3.1 World War II / Silent Generation

Foot identifies this cohort as individuals born between 1940 and 1946. This
group numbered 2.2 million in Canada as of 1998 (Foot, 1998). Many were born to
parents who had been through World War I. All parents of this cohort also experienced
the hardships of the Depression years of the 1930’s.

This cohort is small for several reasons. World War I and a major influenza
outbreak in the 1910’s killed tens of thousands of people who would have had children
during this time. In addition, many men were away during the early 1940’s fighting in
World War II. The size of this cohort is small with fewer Canadians of childbearing age
either alive or in the country between 1940 and 1946.

It is perhaps surprising that there were any births during this time in history. Foot
suggests, however, that this generational cohort is the product of two key factors. The
first is the racing biological clocks of women and men that were unable to afford children
during the Depression years (making up for lost time). The second is the growing
Canadian economy during World War II, a direct result of Canada’s role as a large
supplier of military equipment. Members of Canada’s population were running out of time to have children, and they could now afford families.

The parents of this generational cohort have a strong effect on the values, beliefs, expectations and behaviours of this cohort. They are said to be risk averse, minimalists and prone to saving behaviours because of living through the war and depression years. This also makes them want more for their children. These traits and values strongly influenced the World War II cohort. Strauss and Howe describe this cohort as dependable, hard working, conservative, loyal, and conformist. They also value security and have a sense of duty (Strauss and Howe, 1991).

4.3.2 Baby Boomers

According to Foot, Baby Boomers in Canada are the cohort born between 1947 and 1966. Births in Canada during these years are the highest of any time since. Men returned from World War I to make up for lost time. Canadian women of childbearing age during this time averaged four children each (Foot, 1998). This was possible because the Depression Baby cohort (born 1930 to 1939) benefited from a time of reconstruction and prosperity after the war. Their population was lower than previous cohort populations were during a period of economic prosperity. Fewer numbers shared greater wealth. This enabled families the ability to afford larger families.

Immigrants to Canada also contributed to the Baby Boomer population. Canada’s immigration policies evolved and expanded during the 1940s and 1950s (Citizenship and Immigration Canada, 2000). This brought large numbers of immigrants from around the world. After a period of negligible immigration during the Depression years of the

33
1930’s, the 1940’s, 1950’s and 1960’s saw a spike in immigration as Canada sought to build the post-war economy (Citizenship and Immigration Canada, 2000). As immigrants tend to be young and generally of childbearing age (Foot, 1998), their children contributed to Canada’s Baby Boomer population during the 40s, 50s and 60s.

In total, there were 9.9 million Baby Boomers in Canada in 1998 (Foot, 1998). Baby Boomers made up 32.4% of the population of Canada in this year. According to Foot, the most important distinguishing factor for this cohort is their size. Baby Boomers far outnumber all other cohorts today. This has significant implications for members of this cohort and members of other cohorts.

Foot describes Generation X as a subgroup within the Baby Boomer cohort. They were born in the last years of the boom in the early 1960s. The unique circumstances facing this group are a result of the large numbers of Baby Boomers that came before them and a depressed economy. When Generation X was ready to enter the workplace, it was saturated. Earlier Baby Boomers were in positions they were not leaving. The economic recession in the 1970’s and early 1980’s, added to difficulties in finding work. Opportunities for promotion were also limited, as older Boomers held positions that were more senior. Generation X became cynical because of these struggles. They look out for themselves and lack trust in large institutions. Foot attributes much of their struggles to their position at the tail end of a large generational cohort (Foot, 1998).

Baby Boomers lived through a number of world changing experiences as a collective during their formative years. These include the Vietnam War, a booming economy, drugs, sex and rock and roll as well as the women’s liberation movement and the human rights movements. In their adult years, they faced layoffs and downsizing. As
a result, some lost respect for authority and loyalty to institutions. Scepticism towards employers has resulted in some of this cohort.

4.3.3 Generation X / The Baby Bust

Strauss and Howe define Generation X more broadly than does Foot. Using birth years, Strauss and Howe's definition of Generation X is equivalent to Foot's Generation X subgroup and Baby Bust cohort combined. Although this distinction exists, there are many similarities between how each describe these 'peer personalities'.

Combined with Foot’s description of Generation X above, Strauss and Howe suggest further distinctions (Strauss and Howe, 1991). They describe Generation X as 'latchkey' kids left to fend for themselves at young ages. They suggest that this independence led to a cohort of strong problem solvers with a self-focus. Their formative years were also fraught with family, financial, and societal insecurities as well as rapid change. They entered the workforce during a time of economic recession, downsizing, right sizing, and automation. This made work difficult to find. The former concept of job security and lifelong employment that their parents expected was shattered. Loyalty to oneself replaced loyalty to organizations. To survive, this cohort focuses on increasing their marketability and knows change as a way of life.

Foot defines Baby Busters as those born between 1967 and 1979 in Canada. According to the demographic view, the beginning of this cohort signals the end of the Baby Boomer cohort in Canada as birth rates began falling. Foot suggests that this decline happened for a few reasons (Foot 1998). First, the introduction of the birth control pill in 1967 meant that women now had more control over their family size than
ever. Second, women were entering the workforce, getting educated, and joining the women's liberation movement. They were choosing to have children later in life (or not at all) and fewer in number.

The Baby Bust cohort totalled 5.6 million in 1998 in Canada (Foot, 1998). This relatively smaller size gives them privileges not available to the Baby Boomers. For example, there were fewer to compete with for university and job places. This expands this cohort's ability to choose its future.

This cohort saw the beginnings of technology and increased diversity in the population. They lived through high divorce rates of their parents, single parent homes, and lower incomes as a result. They also saw their parents work hard in many cases sacrificing family only to lose what they had worked for through downsizing. As a result, this group emphasizes work less and family more. The early introduction to technology makes this group technologically literate although they still remember life without many of the technologies of today. High exposure to increased diversity in ethnicity, alternate life styles, and new family units makes this group open to a wide variety of differences in people.

4.3.4 The Baby-Boom Echo / Millennials / Millennium Busters

The Baby-Boom Echo cohort is the Canadian cohort born from 1980 to 1995. Their parents are the Baby Boomers. They are part of smaller families where parents chose to have children later in life. Parents of this generational cohort spend more physical, intellectual, and emotional time with their children (Hill, 2002). They are supportive parents that involve their children in everything (sports, activities, the arts
etc.). They are a large cohort in number totalling 6.5 million in 1998 in Canada (Foot, 1998).

Predictions suggest they will face similar circumstances to the Baby Boomer cohort because of their large size (Foot, 1998). All will face strong competition for school enrolment and jobs. Too few placements are available for such large numbers. The older of this cohort will benefit from their position as first in line in securing placements. The younger of this cohort will face fewer options, much like Generation X. Foot suggests, however, that they will be better prepared for this, as their parents are the original Generation X.

This group continues several of the characteristics noted above for the Baby Bust cohort. Increases in diversity over time deepen this cohort’s appreciation for differences in others. This is the first cohort to experience their entire lives with technology. This fact and expansions in technology over time make this cohort more technologically skilful than the previous cohort. The concept of job security is foreign to this group and not expected. This cohort continues the view that lifelong employment with one organization is not realistic or desirable. They seek to improve their own personal marketability through learning and gaining experiences. They are also confident due to an upbringing of extreme support. They are better educated than any other generational cohort in history is.

Strauss and Howe discuss the ‘Millennial’ generational cohort in their book *Millennials Rising* (Strauss and Howe, 2000). This recent work on the latest generational cohort comes from two surveys (one of ‘Millennial’ students and one of their teachers), Strauss and Howe’s generational theory on ‘peer personalities’, internet research, pop
culture, magazine articles, and US statistics. They identify the Millennials as highly optimistic, team players, accepting of authority, and rule abiding (Strauss and Howe, 2000). As the Civic Generation, Strauss and Howe predict the Millennials will become high achievers that rebuild broken institutions (Strauss and Howe, 1991). They have strong feelings of civic order, traditional values, are family centric, and have a belief in institutions.

Some key events during this cohort’s formative years include the World Trade Centre bombings, the introduction of the internet and wireless technologies, increased exposure to drugs and violence, economic expansion and prosperity, and exposure to the world through mass media. Technology will open new opportunities. Serious world events will create a greater focus on family and work life balance.

The Millennium Busters are Foot’s newest identified generational cohort born between 1996 and 2010. This cohort has not yet completely defined. Their parents are of the Baby-Buster generational cohort (a relatively smaller cohort). Foot predicts the size of the Millennium Buster cohort to be small as their parents’ cohort is small. They are likely to continue many of the characteristics growing over previous cohorts. These include appreciation for diversity, growing technological expertise, and focus on self-advancement without reliance on organizations.

4.4 Generational Cohort Differences

The previous discussion introduced the most common generational cohorts as a starting point in discussing generational cohort differences. Now this paper will discuss the generational cohort differences with a specific focus on the workforce. The main
question is what differences, if any, exist between cohort groups that affect the work environment.

Perceived generational cohort characteristics are rampant. General observations and media portrayals of generational cohorts form the basis for many. Some characteristics are also stereotypes. Table 1 shows general perceptions of specific cohort characteristics. The information contained in this table comes from a variety of sources.
Table 1: Perceptions of Generational Cohort Characteristics

<table>
<thead>
<tr>
<th></th>
<th>Baby Boomers</th>
<th>Generation X, Baby Bust</th>
<th>Millennials, Baby Boom Echo</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Communication Styles</strong></td>
<td>Outspoken</td>
<td>Consume information rapidly</td>
<td>Direct Challenge and question</td>
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<td></td>
<td></td>
<td>Honest and direct</td>
<td>Open minded</td>
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<td></td>
<td>Inclusive</td>
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<td></td>
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<td></td>
<td>Like interaction</td>
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<td></td>
<td>Interested in the big picture</td>
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<td></td>
<td></td>
<td></td>
<td>Into networking</td>
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<tr>
<td><strong>Leadership Expectations</strong></td>
<td>Participative leadership</td>
<td>Freedom from micro-management</td>
<td>Freedom from micro-management</td>
</tr>
<tr>
<td></td>
<td>Consensus</td>
<td>Competent leaders, mentors, and coaches</td>
<td>Ongoing performance feedback</td>
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<tr>
<td></td>
<td>Direction</td>
<td>Ongoing performance feedback</td>
<td>Managers that listen</td>
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<td></td>
<td>Clear direction</td>
<td>Mentors and coaches</td>
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<td>Open and frequent communication</td>
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<td>Clear direction</td>
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<td></td>
<td>Good relationship</td>
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<td></td>
<td></td>
<td>Honesty and integrity</td>
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<td></td>
<td></td>
<td></td>
<td>Encouragement</td>
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<tr>
<td><strong>Workplace Expectations</strong></td>
<td>Stability and security</td>
<td>Learning and development opportunities</td>
<td>Learning and development opportunities</td>
</tr>
<tr>
<td></td>
<td>Prestige and social status</td>
<td>Chance to exercise leadership</td>
<td>Fulfilling work</td>
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<tr>
<td></td>
<td>Expectations of advancement</td>
<td>Chance to use special skills</td>
<td>Meaningful work</td>
</tr>
<tr>
<td></td>
<td>Look for direction</td>
<td>Be involved in decision making</td>
<td>Quality of work life</td>
</tr>
<tr>
<td></td>
<td>Reward loyalty</td>
<td>Opportunity for advancement</td>
<td>Flexibility in work schedules</td>
</tr>
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<td></td>
<td>Public recognition</td>
<td>Variety in work assignments</td>
<td>Work-life balance</td>
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<td></td>
<td></td>
<td>Fun environment</td>
<td>Variety in work assignments</td>
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<td></td>
<td></td>
<td>Challenging work</td>
<td>Opportunity for advancement</td>
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<td></td>
<td></td>
<td>Work-life balance</td>
<td>Reward performance</td>
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<td></td>
<td></td>
<td>Reward performance</td>
<td>Access to the latest technology</td>
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<td>Sense of community</td>
<td>Social responsibility</td>
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<tr>
<td></td>
<td></td>
<td>Quality of work life</td>
<td>Fun environment</td>
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<tr>
<td></td>
<td></td>
<td>Fulfilling work</td>
<td>Expect quick promotion</td>
</tr>
<tr>
<td></td>
<td>Baby Boomers</td>
<td>Generation X, Baby Bust</td>
<td>Millennials, Baby Boom Echo</td>
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<tr>
<td>------------------------</td>
<td>-------------------------------------------</td>
<td>---------------------------------------------</td>
<td>----------------------------------------------</td>
</tr>
<tr>
<td><strong>Work Styles</strong></td>
<td>Driven work ethic</td>
<td>Work to live</td>
<td>Team players</td>
</tr>
<tr>
<td></td>
<td>Long term focus</td>
<td>Independent</td>
<td>Like collaboration</td>
</tr>
<tr>
<td></td>
<td>Process oriented</td>
<td>Entrepreneurial</td>
<td>Prefer to work alone</td>
</tr>
<tr>
<td></td>
<td>Team oriented</td>
<td>Self-reliant</td>
<td>Independent</td>
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<tr>
<td></td>
<td>Relationship focused</td>
<td>Multitasking</td>
<td>Entrepreneurial</td>
</tr>
<tr>
<td></td>
<td>Willing to sacrifice</td>
<td>Risk takers, Resourceful</td>
<td>Slackers</td>
</tr>
<tr>
<td></td>
<td>Risk averse</td>
<td>Slackers</td>
<td>Sociable</td>
</tr>
<tr>
<td><strong>Attitudes</strong></td>
<td>Idealists</td>
<td>Realists</td>
<td>Confident</td>
</tr>
<tr>
<td></td>
<td>Optimistic</td>
<td>Sceptical</td>
<td>Optimistic</td>
</tr>
<tr>
<td></td>
<td>Self absorbed</td>
<td>Accept gender and race diversity</td>
<td>Accept gender and race diversity</td>
</tr>
<tr>
<td></td>
<td>Sense of entitlement</td>
<td>Want to be productive</td>
<td>Moral</td>
</tr>
<tr>
<td></td>
<td>Value seniority and experience</td>
<td></td>
<td>Impatient</td>
</tr>
<tr>
<td></td>
<td>Loyal</td>
<td></td>
<td>Dislike condescending managers</td>
</tr>
<tr>
<td></td>
<td>Conform to rules</td>
<td></td>
<td>Civic minded</td>
</tr>
<tr>
<td><strong>Comfort with Technology</strong></td>
<td>Mixed acceptance of technology</td>
<td>Technically competent</td>
<td>Technically strong</td>
</tr>
<tr>
<td><strong>Acceptance of Change</strong></td>
<td>Resistant to change</td>
<td>Comfortable with change</td>
<td>Accept change as a way of life</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Like mobility</td>
<td>Like new opportunities</td>
</tr>
<tr>
<td><strong>Views on Authority</strong></td>
<td>Lack trust</td>
<td>Dislike hierarchy</td>
<td>Oblivious to authority</td>
</tr>
<tr>
<td></td>
<td>Lack credibility</td>
<td>Unimpressed with authority</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Question authority</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Love/hate</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Respect authority</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Loyalty</strong></td>
<td>Loyal to employer</td>
<td>Free agents</td>
<td>Free agents</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Loyal to their skills</td>
<td>Loyal to their skills</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Loyal to individual managers</td>
<td>Loyal to their skills</td>
</tr>
</tbody>
</table>

The general perceptions highlighted in Table 1 may or may not represent reality. Some perceptions are also contradictory. Perceptions of Millennials, for example, include both team players and a preference to work alone. Some say Generation X is lazy and others say they are productive. Individual differences may be a factor in why perceptions can vary widely. Although individuals of a common cohort overall will exhibit similar expectations, behaviours, and values, there will always be exceptions to the rule.

With many perceived differences between generational cohorts, it is difficult to assess which characteristics are bona fide and have a real impact on the workplace from those that are stereotypes. Research conducted on generational cohort differences provides insight into the realities of generational cohort differences. Table 2 compares younger generational cohorts and older generational cohorts on key areas of management importance including leadership and workplace expectations, work styles, attitudes about work and life, comfort with technology, views on authority, and thoughts on loyalty. Sago describes these categories of differences as key differences between generational cohorts (Sago, 2001). Table 2 summarizes work conducted by a variety of researchers on the topic of generational cohort differences.

As many cohort definitions exist, this table focuses primarily on the differences between younger and older workers. Using Foot's definitions, younger workers are The Baby Bust, The Baby-Boom Echo, and the Millennium Busters. Older workers are World War II and Baby Boomers.
Table 2: Proven Differences in Generational Cohorts

<table>
<thead>
<tr>
<th>Leadership Expectations</th>
<th>Older Generational Cohort Workers</th>
<th>Younger Generational Cohort Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Professional leaders</td>
<td>Want regular reinforcement</td>
</tr>
<tr>
<td></td>
<td>Integrity</td>
<td>Immediate feedback</td>
</tr>
<tr>
<td></td>
<td>Empower people</td>
<td>Knowledgeable</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Good communicators</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Good motivators</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Supportive, approachable,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>receptive, mentors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Team focused</td>
</tr>
<tr>
<td>Workplace Expectations</td>
<td>Flexibility and recognition of</td>
<td>Freedom to do work as they wish</td>
</tr>
<tr>
<td></td>
<td>getting older</td>
<td>Flexibility in employment</td>
</tr>
<tr>
<td></td>
<td>Retirement focus</td>
<td>Development opportunities to</td>
</tr>
<tr>
<td></td>
<td>Aging parental care</td>
<td>improve marketability</td>
</tr>
<tr>
<td></td>
<td>Expect promotions, titles, corner</td>
<td>Reward performance</td>
</tr>
<tr>
<td></td>
<td>offices</td>
<td>Autonomy</td>
</tr>
<tr>
<td></td>
<td>Long term employment</td>
<td>Short term employment</td>
</tr>
<tr>
<td>Work Styles</td>
<td>Hard working</td>
<td>Hard working</td>
</tr>
<tr>
<td>Attitudes</td>
<td>More accepting of traditional</td>
<td>Greater equality in gender role</td>
</tr>
<tr>
<td></td>
<td>gender roles</td>
<td>perceptions</td>
</tr>
<tr>
<td></td>
<td>Work Centric</td>
<td>Family Centric or Dual Centric</td>
</tr>
<tr>
<td></td>
<td>Seek material gains</td>
<td>(Work &amp; Family combination)</td>
</tr>
<tr>
<td>Comfort with Technology</td>
<td>Find computers more complicated</td>
<td>Find computers less complicated</td>
</tr>
<tr>
<td></td>
<td>Mixed acceptance of technology</td>
<td></td>
</tr>
<tr>
<td>Views on Authority</td>
<td>Question authority</td>
<td>Sceptical of hierarchy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Must earn respect (not a given by</td>
</tr>
<tr>
<td></td>
<td></td>
<td>title)</td>
</tr>
<tr>
<td>Loyalty</td>
<td>Commitment to long-term</td>
<td>Commitment to individual managers</td>
</tr>
<tr>
<td></td>
<td>employment high</td>
<td>high</td>
</tr>
<tr>
<td></td>
<td>Commitment to individual managers</td>
<td>Commitment to long-term employment</td>
</tr>
<tr>
<td></td>
<td>low</td>
<td>low</td>
</tr>
</tbody>
</table>

Data compiled from: Families and Work Institute, 2004; Hu et al., 2004; Sago, 2001; Kupperschmidt, 2000

The studies cited in Table 2 suggest that generational cohort differences do manifest in the work environment. Distinct characteristics seem to exist between older generational cohorts and younger generational cohorts in comfort with technology, views on loyalty, attitudes and values, work styles, leadership expectations, workplace expectations, and views on authority. Table 1 reflects many of these findings as general
perceptions of generational cohort characteristics. In-depth studies, however, have yet to prove many other perceptions.

The research does show a trend towards greater comfort with technology in younger generational cohorts (Hu, Herrick and Hodgin, 2004). This is logical, as younger generations have lived more of their lives with technology than older workers have. With each generational cohort, technological shrewdness will improve. This has a natural impact on the work environment. The Baby Bust / Generation X cohort saw the beginnings of technology and now the newest generational cohorts (Baby Boom Echo / Millennials / Millennium Busters) have never known life without technology.

Differences in loyalty also exist between generational cohorts (Hu et al., 2004; Sago, 2001). Younger workers demonstrate greater loyalty to individual managers while older workers exhibit greater loyalty to employers. The manager/employee relationship is critical for organizations in retaining younger workers who are less inclined to be loyal to employers. This again follows, as younger workers do not expect lifelong employment with a single employer. Focus is now on individuals as free agents providing service to organizations in exchange for experience and skills.

Studies also show differences in attitudes and values between generational cohorts (Kupperschmidt, 2000; Sago, 2001; Families and Work Institute, 2004). The Families and Work Institute study shows that older workers are more work centric than younger workers (Families and Work Institute, 2004). They find that 22% of Boomers are work centric compared to 12% of younger workers. More than 50% of younger workers are family-centric as compared to 41% of Boomers. Hu et al. cites work conducted by Wieck, Prydun, and Walsh in a recent article that supports these findings. Their work
found differences in work/family focus between younger and older workers (Hu et al., 2004).

Differences in attitudes towards gender roles also exist between generational cohorts. Younger fathers are now spending more time with their children than are older fathers. This suggests a shift in family roles and a shift from work to family focus. Younger people are also less observant of traditional gender roles than are older workers (Families and Work Institute, 2004). This suggests greater acceptance of women in the workplace and equity.

The Generation and Gender in the Workplace study conducted by the Families and Work Institute also disproves the perception that younger workers are lazy (Families and Work Institute, 2004). Their results show that there is no difference between the numbers of hours worked by older workers and the numbers of hours worked by younger workers. Both younger and older workers can be hard workers.

Studies also show that expectations of leaders differ by generational cohort. Hu et al. summarize these findings conducted by Wieck, Prydun, and Walsh (Hu et al., 2004). They found that older workers want professional leaders with integrity. They also want leaders who empower people. Younger workers want leaders who are knowledgeable, supportive, and approachable with good communication skills. Leaders should be mentors, team players, and motivators that provide constant performance feedback in order for younger workers to learn and grow. Hu et al. support these findings. They found younger workers expect regular reinforcement and immediate feedback from their leaders (Hu et al., 2004).
Older and younger workers also have some differing workplace expectations (Hu et al., 2004; Kupperschmidt, 2000; Sago 2001). In particular, younger workers expect development opportunities, flexible employment, short-term employment, and rewards based on performance. Older workers expect long-term employment, promotions and status symbols, as well as age recognition. Employers need to understand these expectations and differences when managing multigenerational teams.

Although the research listed above confirmed differences between generational cohorts, other researchers have found more similarities than differences between generations of employees. A study conducted by Jurkiewicz and Brown on motivators in the public sector suggests that generational cohort differences are not significant (Jurkiewicz and Brown, 1998). They suggest that life stages are more important in determining what motivates employees in the workplace than are generational cohort differences.

Their study revealed how three cohorts (Matures or World War II, Boomers, and Gen Xers or Baby Bust and Baby-Boom Echo) ranked fifteen work-related motivational factors. Similarities found among the cohorts included exercising leadership, high prestige and social status, high salary, contributing to important decisions, opportunities for advancement, stable and secure future, use of special abilities, variety in work assignments, and working as part of a team (Jurkiewicz and Brown, 1998). Jurkiewicz and Brown found two main differences between younger (Gen Xer) and older (Matures and Boomers) workers. The first is that younger workers rank ‘chance to learn new things’ higher than older workers. The second is that older workers rank ‘freedom from supervision’ higher than younger workers.
Studies on generational cohort differences in the workplace are inconclusive. Some trends, such as increasing technological shrewdness, are more plausible than are others. Further investigation is necessary to confirm the need for generational cohort considerations in the workplace.

### 4.5 Age in the Workforce

It is necessary to distinguish between generational cohort characteristics and life stage in managing a multigenerational team. As defined above, generational cohort characteristics are a result of events and influences during the formative stages of an individual’s life. The beliefs, values, expectations and behaviours that develop as a result remain stable over time. In other words, they are at play throughout an individual’s working life. Research suggests, however, that life stage plays an important role in workplace motivation and performance (Jurkiewicz and Brown, 1998; Kovach, 1995; Jurgensen, 1978).

Jurkiewicz and Brown suggest that life stage affects employee work motivations more so than do generational cohort differences (Jurkiewicz and Brown, 1998). They propose that workplace expectations and values change over different life stages for all generational cohorts. All employees generally want to increase their levels of income, responsibility, and influence (Jurkiewicz and Brown, 1998). Kovach and Jurgensen also suggest that individual motivation and needs change through different life stages (Kovach, 1995; Jurgensen, 1978). As such, an employee’s age or life stage seems to be an important factor in motivating the workforce.
A collection of work conducted on life stage theory suggests that all individuals, regardless of generational cohort, go through the same life stages (Erikson, 1997). Egri and Ralston cite studies in their article that show with age, individuals become “more collectivistic, conservative and self-transcendental while becoming less individualistic, open to change, and self-enhancing” (Egri and Ralston, 2004, p. 211). This work suggests that employers should consider how life stage affects employee needs, expectations and motivations.

People also change what they want from their jobs over time and lifecycle. Jurkiewicz and Brown cite research that says that throughout the course of a lifetime, focus is first on career then family, back to career and then retirement (Jurkiewicz and Brown, 1998). Young workers new to the job market are concerned with pay, job security, growth and development, and interesting work (Kovach, 1995; Jurgensen, 1978). Middle-aged workers in childbearing years become family or dual family/work centric (Families and Work Institute, 2004). Older workers become concerned with retirement, benefits, and job security with age (Kovach, 1995). It is important to consider and distinguish between differences that result from different generational cohorts and differences resulting from differences in age.

4.6 Summary: Some Generational Cohort Characteristics May Have Implications for the Workforce

Generational cohort theory suggests that individuals within the same cohort group exhibit similar values, beliefs, expectations and behaviour. This section identified the generational cohorts participating in the Canadian workforce over the next twenty years. The review of generational cohort differences in the workplace suggests that differences
between generational cohorts exist to some degree. How these differences manifest in the work environment should be a concern for today's organizations. The next section of this paper introduces one company in particular that is facing a highly multigenerational employee base. Their specific circumstances make the need for a highly motivated and engaged workforce strong.
5. TELUS COMMUNICATIONS OVERVIEW

TELUS Communications is Canada’s second largest telecommunication service provider. Products and services offered include data, Internet Protocol, television, voice, and wireless communications. Customers range from residential homeowners to national companies. In 2004, TELUS revenues totalled $7.6 billion (TELUS Investment Profile, 2004).

5.1 Company History

TELUS has a long and unique history. Its beginnings go back to the 1880’s when the first Canadian telephone exchanges were established. At that time, multiple independent telephone companies existed across Western Canada. In the early 1900’s, western Canadian governments purchased the independent telephone companies in their areas. This established regional telephone providers as public utilities with monopolies in their regions.

A number of changes affected BC TELECOM, AGT, and ED TEL’s competitive situation throughout the 1900’s (TELUS’ predecessors). As regulated monopolies, they faced strict labour standards. In addition, regulations dictated business requirements including a requirement to provide telephone services to rural areas and affordable residential service (Winseck, 1995). In 1986, Alberta introduced competitive cellular phone services to the industry. Deregulation ended regional monopolies in the early 1900’s. This privatized the telecommunications industry in Canada and led to new
entrants (TELUS History, 2005). Although, TELUS is now a private organization with shareholders, it is still highly regulated by the CRTC. This severely restricts TELUS’ strategic position in terms of pricing, service levels, and business focus.

Many technological advances influenced the telecommunications industry during the 1900’s. These included the introduction of long distance calls, touch-tone service, the ‘911’ system, the ‘Centrex’ system, digital switching units, cellular telephony, digital cellular networks, internet, and multimedia service (TELUS History, 2005).

TELUS today is the amalgamation of BC TELECOM, Alberta’s AGT and ED TEL, Québec Tel, Clearnet Communications Inc., PSINet, and various other communications companies (TELUS History, 2005). These mergers and acquisitions began in 1995 when TELUS (formerly known as AGT) acquired ED TEL from the City of Edmonton. In 1999, TELUS merged with BC TELECOM. TELUS acquired Québec Tel and Clearnet Communications Inc. in 2000. TELUS today operates nation wide.

TELUS’ product and service offerings have grown and changed significantly over the last twenty years. Advancements in technology are the primary drivers of this change. Significant opportunities became available through the introduction of internet and wireless technologies. In addition, deregulation changed the nature of competition in this industry. As a result, prices fell on many traditional services such as wire line telephony. Low marginal costs of such services drove price wars between new entrants and incumbents. Today the marginal returns on these services are almost negligible. Emphasis shifted as a result from traditional services to higher margin opportunities such as those offered by internet, data, and wireless technologies.
5.2 The Industry Today

The telecommunications industry in Canada today is more diversified than ever. Companies no longer focus strictly on telephone services, but now offer a suite of communications offerings. This suite includes wireless and landline telephony, internet and data services, customized applications, television, and voice over internet protocol (VoIP). Bundling of these services is shifting consumers and businesses away from using multiple communications and entertainment suppliers. Instead, competition today focuses on securing a consumer's entire portfolio of communication and entertainment needs.

Several suppliers either currently offer or soon will offer this entire suite of products and services to the Canadian market. The main players are TELUS, Bell Canada, Rogers Cable, and Shaw Communications. Each company provides comparable services. The cable companies have entered the internet and telephone services marketplaces, while the telecommunications companies are entering the television/entertainment marketplaces. All also provide wireless offerings. Each company must try to differentiate themselves to consumers in order to gain market share. Regulation and labour union situations greatly influence each competitor's position in the market.

5.3 The Regulatory Environment

TELUS faces severe industry regulation from the Canadian Radio-television and Telecommunications Commission (CRTC). The CRTC regulates telephone rates, service quality, and service availability among other things. The CRTC deregulated long distance in 1992 requiring TELUS to provide their competitors with access to their
network (Austen, 2001). Then they gave TELUS competitors cheaper access to use TELUS networks (Verburg, 2002). In 2005, the CRTC ruled that voice over internet protocol (VoIP) would be subject to similar regulations as telephone service (Schick, 2005). This would include receiving pricing approvals from the CRTC and not operating these services at a loss. This ruling would apply to the telephone carriers, but not the cable companies or VoIP independent providers. TELUS’ competitive position and strategy is highly restricted by regulations. Some competitors are not subject to the same regulatory restrictions as TELUS. As a result, these competitors operate from a more favourable position. This makes survival and profitability particularly difficult for TELUS.

5.4 TELUS’ Labour Situation

TELUS has a long and arduous history with its union. Contract negotiations over more than fifty years brought increased wages, benefits, and employee rights. This came to an abrupt stop when in 1999 BC Tel merged with TELUS. Employees choose one union out of the four present to represent them (Verburg, 2002). They selected BC Tel’s Telecommunication Workers Union (TWU). Negotiations began in 2000 to create a new contract that would affect all TELUS unionized workers across Canada. This time, however, the company was not willing to follow historical increases in the new contract.

Since 2000, TELUS union workers have been without a contract. Negotiations between the company and union continue in 2005. The company asserts that the contract needs extreme changes in order to enable TELUS to be competitive in today’s marketplace (as most competitors have more favourable labour situations). The union asserts that workers deserve job security, wage increases, and the rights to all terms
gained in previous contracts. In July 2005, the TWU walked off the job in response to TELUS’ plans to implement terms of a new collective agreement (TELUS News Releases, 2005). On October 10, 2005, TELUS and the TWU reached a tentative agreement to end the work stoppage. The union membership, however, rejected the agreement in a vote made final on October 30 (TELUS News Releases, 2005).

The current labour situation does not fare well for TELUS’ employee relations. Union member sentiment, however, is mixed. In Alberta, 52.6% of union workers were crossing the picket lines as reported by Ernst and Young in an independent review of TELUS’ payroll (TELUS Labour Updates, 2005). While these employees support TELUS, another group is strongly opposed to TELUS. The Courts granted a series of injunctions to TELUS in an attempt to maintain operations by restricting picketing activities (TELUS Labour Updates, 2005). Employee sentiment is decidedly mixed. The company is currently divided.

5.5 Employee Base

TELUS today employs 19,000 people across Canada. Employees represent members of all four generational cohorts as defined by Foot. Figure 7 shows an approximate breakdown of TELUS’ employee base cohort distribution. The majority of TELUS employees are in the Baby Boom cohort (65%). World War II cohort members total 7%. Younger workers (Baby Bust and Baby Boom Echo) total 28% of the total workforce. The youngest identified cohort group (Millennium Busters) do not yet work at TELUS.
Figure 7: TELUS Total Employee Breakdown by Cohort

Data Source: TELUS Communications HR

Figure 8 shows the approximate breakdown of cohort distribution by employee classification. Similar cohort distributions exist in both management and union employee groups with Baby Boom employees comprising the majority of employees at 66% and 64% respectively. A slight difference exists in both the oldest (World War II) and youngest (Baby Boom Echo) cohort groups. The union employee group holds a proportionately higher number of positions of these cohort groups than does the management group.
5.6 Summary: An Engaged and Motivation Workforce is Necessary to Gain Competitive Advantage at TELUS

TELUS faces a complex situation as an organization in today’s Canadian telecommunications market. The industry is highly competitive and dynamic. Similarities between companies in product and service offerings in telecommunications and television make competition tough. Firms once offering discrete products and services are now competing head to head for the same customer base. CRTC regulations make competition even more difficult for the telecommunication providers as they are disadvantaged as compared with other competitors. Varying labour situations also factor strongly into whether or not a firm has competitive advantage or disadvantage in this industry.

TELUS’ unique situation makes competition particularly difficult. They must comply with strict regulations affecting their cost base and profitability. They must also work with a resolute union whose previous contract was far less company friendly than contracts of competitors (Verburg, 2002).
6. THE IMPLICATIONS OF GENERATIONAL RESEARCH ON EMPLOYEE MOTIVATION AND ENGAGEMENT

This section discusses the implications of generational cohort research on motivation and engagement factors. The question is whether differences between generational cohorts affect employee motivation and employee engagement. A further question is how to measure employee motivation and engagement for a multigenerational workforce. Finally, the analysis focuses on TELUS’ specific situation as it relates to employee engagement in a multigenerational organization.

6.1 Motivation Theory Conclusions

Maslow and Herzberg’s theories together suggest a specific path required by organizations in order to achieve high performance. Taking Maslow’s theory, organizations must first ensure their employee’s basic survival needs are satisfied. This includes a focus on sufficient compensation, working conditions, medical benefits etc. These are Herzberg’s Hygiene Factors. Once met, employees can seek higher levels of needs including self-esteem and self-actualization. At these levels, employees are most likely to excel in their work. This in turn should lead to organizations meeting their goals and objectives. Herzberg suggests that the highest levels of job satisfaction and motivation come when individuals feel a sense of achievement and growth. This is possible only when employees are at the higher levels of Maslow’s needs hierarchy. As a result, employers must satisfy the Hygiene factors to a sufficient level in order for employees to be able to focus on the motivator factors.
Motivation-Hygiene Theory suggests that employer programs solely aimed at satisfying Hygiene Factors have minimal effects on motivation (Herzberg, 2003). As motivation is a key driver of employee performance, this implies that raising salaries, improving working conditions, and changing policies will not alone lead to higher individual performance. Instead, focusing on motivator factors will improve individual performance. In particular, Herzberg's review of 12 studies shows that the most important motivator factors in driving extreme satisfaction in employees are achievement, recognition, the work itself, and responsibility (Herzberg, 2003).

The work itself comes forward in other studies as well as the most important factor influencing employees. Kovach identifies the desire for interesting work as the number one ranked job reward factor (Kovach, 1995). Jurgensen finds that the more educated an individual is, the greater the importance of the work itself as a motivator (Jurgensen, 1978). As the Canadian workforce is becoming more educated with each generational cohort, one can believe that interesting work will continue to grow in importance as a motivator factor.

From this evidence, it seems that employers should focus specific attention on key motivator factors in order to drive organizational performance. These should include achievement, recognition, interesting work, and responsibility.

6.2 Motivators and Engagement Drivers

Hewitt's model of employee engagement relates closely to Herzberg and Maslow's work. The following table shows a comparison of the drivers of motivation and engagement from all three sources.
### Table 3: Motivation and Engagement Drivers

<table>
<thead>
<tr>
<th></th>
<th>Maslow</th>
<th>Herzberg</th>
<th>Hewitt</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Physiological Needs</td>
<td>Security</td>
<td>Quality of Life – physical work environment, work life balance, safety</td>
</tr>
<tr>
<td></td>
<td>Safety Needs</td>
<td>Personal life</td>
<td>Compensation – pay, benefits</td>
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<td></td>
<td></td>
<td>Working Conditions</td>
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<tr>
<td></td>
<td></td>
<td>Salary</td>
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<tr>
<td></td>
<td></td>
<td>Status</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Company Policy &amp; Administration</td>
<td></td>
</tr>
<tr>
<td>Hygiene Factors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Belongingness</td>
<td>Relationship with subordinates, peers, supervisor</td>
<td>People – co-workers, management, senior leadership</td>
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<tr>
<td></td>
<td></td>
<td>Supervision</td>
<td></td>
</tr>
<tr>
<td>Motivator Factors</td>
<td>Esteem</td>
<td>Growth</td>
<td>Work – intrinsic motivation, work tasks, resources</td>
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<tr>
<td></td>
<td>Self-Actualization</td>
<td>Advancement</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Responsibility</td>
<td>Opportunities – recognition, career opportunities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Work Itself</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Recognition</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Achievement</td>
<td></td>
</tr>
</tbody>
</table>

Data compiled from: Maslow, 1954; Herzberg, 2003; Hewitt, 2004

A comparison of Maslow, Herzberg, and Hewitt’s motivation and engagement drivers reveals many similarities. It is possible to differentiate hygiene factors from motivator factors as seen in Table 3. Combining all three theories, one can say that organizations that satisfy the hygiene factors sufficiently and focus on the motivator factors will be most successful. Organizations that do not sufficiently satisfy the hygiene factors but do satisfy the motivator factors will be less successful as hygiene factors can act as barriers to motivated performance (Leach and Westbrook, 2000). Organizations
that satisfy the hygiene factors but not the motivator factors will have a less motivated, lesser performing workforce. A lower performing workforce, in turn, leads to a lower performing firm.

Hewitt’s recent review of The Best Employers in Europe shows that improvements to engagement would result most from an increased focus on career and development opportunities as well as non-financial recognition and improvements in company policies (Hewitt, 2004). These categories again support the need to focus on motivator factors in improving engagement. This study also highlights the importance of opportunities for growth. From earlier studies, this one motivator factor can act as both a satisfier and a dissatisfier. Based on work conducted by Kovach (1995), opportunities for growth are more important for younger workers than for older workers. It is possible that in organizations with a younger employee base, opportunities for growth could be a key motivator. Based on this work, one can suggest that the most important motivators, particularly for a young employee base, are achievement, recognition, interesting work, responsibility, and opportunities for growth.

6.3 Engagement and Motivation Measures

As a highly motivated workforce leads to high performance, employee motivation and engagement measures should assess the degree to which employees feel they experience the key motivator factors. Measures should focus on sufficiently meeting the hygiene factors and optimally meeting the motivator factors.
To assess employee feelings toward the motivator factors, organizations could ask the following types of questions. Response options should use a Likert scale (a five-point scale identifying the degree of agreement or disagreement).

- To what degree do they feel a sense of achievement at work?
- To what degree do they feel recognized at work?
- To what degree do they find their work interesting?
- To what degree do they feel accountable for their work?
- To what degree do they feel they are growing and learning in their work?

To assess employee feelings toward the hygiene factors, questions could include:

- Do they feel they are fairly paid?
- Are company policies a significant problem in their day-to-day work?
- Do they have sufficient tools to do their job?
- Is their relationship with co-workers a concern?
- Is their relationship with their manager a concern?
- Is their work environment sufficiently comfortable?

Hewitt’s measures of engagement do not fully capture the motivator factors. Their focus on assessing employee responses to questions related to ‘say’, ‘stay’, and ‘strive’ suggest that employees with positive feelings towards the engagement drivers will positively rate these three themes. Suggesting that these three themes accurately determine employee feelings towards the motivator factors is arguable. Employers may
be wiser to look directly at employee responses to the motivator factors to assess employee engagement and motivation than to look only at responses to ‘say’, ‘stay’, and ‘strive’ questions.

6.4 Generational Cohort Differences and Drivers of Motivation and Engagement

The generational cohort mix of employees in Canadian companies is changing. Although the largest generational cohort in Canadian companies today is the Baby Boomers, this will change significantly over the next 20 years. Younger workers become the majority participants in the workforce by the year 2011 with Baby Boomers declining every year thereafter. This suggests implications for companies as older generations of workers move out and younger generations of workers move in.

Different perceptions of generational cohort definitions and characteristics are rampant. Common stereotypes also exist that cloud this topic. General research does suggest that cohorts share similarities in values, beliefs, expectations, and behaviours. Proven manifestations of these differences in the workplace, however, are fewer than expected. Research studied for this report shows proven differences between generational cohorts in comfort with technology, views on loyalty, attitudes and values, leadership expectations, and workplace expectations. Other research, however, suggests fewer differences between generational cohorts and greater differences between individuals by life stage. Although many perceptions of generational cohort differences persist, proven differences influencing the workplace are few.
Considering the few studies conducted to date that show differences between generational cohorts, it is possible to draw some connections between this research and employee engagement and motivation theories.

Table 4: Generational Cohort Differences and Drivers of Motivation and Engagement

<table>
<thead>
<tr>
<th>Generational Cohort Differences</th>
<th>Engagement Drivers / Motivator &amp; Hygiene Factors</th>
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<tbody>
<tr>
<td></td>
<td>Work Itself</td>
</tr>
<tr>
<td>Comfort with technology</td>
<td>✓</td>
</tr>
<tr>
<td>Views on loyalty</td>
<td></td>
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<tr>
<td>Attitudes and values</td>
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<tr>
<td>Leadership expectations</td>
<td></td>
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<tr>
<td>Workplace expectations</td>
<td>✓</td>
</tr>
</tbody>
</table>

Data compiled from: Hewitt, 2004; Herzberg, 2003; Table 2

Table 4 highlights the main categories of generational cohort differences mapped to their associated motivator/hygiene and engagement drivers. It is possible that differences in comfort levels between generational cohorts with technology can influence employee views on the work itself. Employees with a lesser degree of comfort with technology (older generations) may find their work less satisfying, more frustrating, and feel less achievement if their work requires them to use technology. This can negatively affect their feelings of motivation and engagement. As today’s work environment requires most employees to use technology, this could lead to lesser engagement in older generations of workers than in younger generations of workers.
Differences between generational cohorts also affect expectations of leaders. Younger workers expect to have a close relationship with their manager. They also expect regular performance feedback including recognition. Their leaders also need to be mentors and coaches that enable younger workers to grow and develop. If leaders of younger generations of workers do not meet these needs, younger workers may become less motivated and engaged. Similarly, younger workers expect recognition for performance and interesting work with opportunities to grow from the workplace. All of these expectations have an impact on engagement and motivation.

Attitudes and values as well as views on loyalty also link to motivator and engagement drivers. Younger generations of workers are dual work and family focused while older generations of workers tend to be more work centric. Employers that do not recognize these differences may see different levels of motivation and engagement between employees of different generational cohorts given the same work environment. Loyalty also links to the relationship an employee has with their supervisor. As younger generations of workers tend to show greater loyalty towards individual managers than to the organization, workers that do not have good relations with their supervisors may feel less loyalty to the organization. This lessens engagement and motivation. It could ultimately lead to termination of the employment contract by the employee if the situation becomes dire.

Two of the engagement and motivator factors related to the generational cohort differences are hygiene related. According to Herzberg’s theory, insufficient fulfilment of the hygiene factors will lead to dissatisfaction and could ultimately block the positive impacts of the motivator factors (or even lead to termination of the employment contract.
in extreme situations). The two hygiene factors with links to generational cohort differences are relationship with supervisor and quality of life. Insufficient fulfilment of these two areas could lead to disengaged and unmotivated employees depending on their generational cohort. If these two areas become sufficiently dire, organizations may lose employees. However, improving these areas will not alone lead to higher employee performance.

Three engagement drivers related to generational cohort differences are motivator factors. Generational cohort differences affect the importance of the work itself, growing and learning, as well as recognition. Given these key drivers, employees in the same environment may be either fully engaged or be fully disengaged. This stems from potential generational cohort differences in comfort with technology as well as leadership and workplace expectations. Focusing on the work itself, growing and learning, as well as recognition, with concessions for different needs and expectations of generational cohorts, may lead to greater motivation and engagement on the whole as well as high performance (as these are motivator factors).

In light of the above discussion on employee motivation and engagement across generational cohorts, measuring engagement and motivation according to Hewitt’s model may not yield accurate results. Hewitt’s focus on measuring individual attitudes towards the three themes of ‘say’, ‘stay’, and ‘strive’ may not hold true across generational cohorts.

The ‘stay’ line of questioning is particularly concerning when considering responses from various generational cohorts. As younger generations of employees are less loyal to organizations than are older generations of employees, the results of the
‘stay’ question in Hewitt’s study may be misleading in determining engagement levels of younger generations. Younger generations may continue to consider all employment options while at the same time being highly engaged in their current work situation simply by virtue of their tendency towards short-term employment and goals of growth and development. Older generations of workers on the other hand show a greater affinity towards long-term employment and loyalty to the organization. Studies on increasing age also suggest that older workers of any generational cohort are more focused on retirement and minimizing change than are younger workers. For these reasons, older workers may fully intend to stay with the organization although they may not be fully motivated or engaged.

Building on Herzberg’s motivator factors in measuring engagement, however, may prove to be appropriate across all generational cohorts. In particular, a focus on the work itself, recognition, and achievement (the highest-ranking motivator factors as defined by Herzberg, Kovach, and Jurgensen across a wide variety of organizations, position levels, and industries). In addition, including a focus on growth and development will assess the degree to which organizations meet expectations of the growing number of younger generations of workers.

6.5 The TELUS Communications Case

TELUS’ unique situation in today’s telecommunications industry requires fully leveraging all employee resources. This requires TELUS to focus heavily on employee engagement and consider generational differences. There are several reasons for TELUS to do this. Reasons include:
• **Differentiation:** Increasing numbers of competitors with similar product and service offerings make it difficult for TELUS to differentiate on technology and superior products alone. In addition, entry barriers once in place are no longer in existence. People can be TELUS’ source of competitive advantage.

• **CRTC Regulations:** TELUS is at a disadvantage when compared to some competitors due to the strict regulations with which they must comply. Some competitors gain advantages over TELUS, as they are not subject to the same regulatory compliance. TELUS must leverage its people to make up for this disadvantage.

• **Labour Situation:** TELUS’ recent union situation and work stoppage shows a division within the company. Union employee focus is currently on hygiene factors as opposed to motivator factors. They are concerned with job security, wages, benefits, among other things. TELUS needs to shift this focus to the motivator factors that will increase employee engagement. This will lead to high levels of performance within the company.

• **Management Situation:** Management engagement should also be a focus at TELUS. During the work stoppage, managers are away from their regular careers working in union positions. Many of these union jobs are tedious and mundane. Managers will slowly become disengaged in these roles if TELUS does not continuously engage them.

• **High Rate of Retirement:** TELUS will soon see large numbers of employees in the Baby Boomer generation retire from the company. Due to the lower population of younger workers, it is likely there will be a shortage of workers available to fill their
vacancies. TELUS must act now to retain and engage younger workers to ensure workplace continuity and high levels of performance.

- **Generational Cohort Participation Mix:** The proportion of younger generations will continue to grow year over year at TELUS. This implies a need to focus on the needs and expectations of younger generations as they will be the majority of the workforce soon.

For all of these reasons, TELUS must look to yield results through differentiating themselves on their employees. To do this effectively, however, TELUS will need each employee performing to their highest capability. This in turn requires a highly motivated and engaged team.

This may prove challenging over the next few years due to TELUS’ recent labour situation. The past five years without a union agreement suggests that employee engagement and motivation, particularly in the union, may not be optimal. With union employees focused on their own hygiene needs of job security and wages, it is unlikely that they were all fully engaged and performing beyond expectations before the work stoppage. Moving forward, when union employees return to work they will bring with them feelings of mistrust and anger towards the company. It is imperative that TELUS act to fully engage and motivate this group as quickly as possible upon their return.

Management employee motivation and engagement should also be a focus. These employees put their own lives and careers on hold to perform union work during the work stoppage. Their engagement and motivation should be an ongoing concern for TELUS leaders.
TELUS' employee base closely reflects the realities in the Canadian workforce as a whole as it relates to generational cohort membership. With the majority of TELUS' workforce over the age of thirty-eight (72%), retirement during the next ten to twenty years will significantly change the age demographic in the company. Based on Canadian statistical trends and projections, TELUS' employee base will look significantly different by 2011 with younger generations of workers in the majority. This requires HRM and leadership concessions for the different needs and expectations of younger generations if TELUS can expect to yield high performance results.

6.6 Summary: TELUS Should Consider Generational Differences In Light of Employee Engagement and Motivation

This section discussed the implications of generational cohort research on employee engagement and motivation. It proposed measures of employee engagement and motivation for a multigenerational organization. These measures focus on assessing levels of the key motivator factors of achievement, recognition, interesting work, responsibility, and opportunities for growth. This section also highlighted the need for TELUS to leverage its people as a means of achieving competitive advantage in the telecommunications industry. Achieving high levels of engagement in the company at this time and in the near future will be a challenge. This heightens the importance of specific focus on employee engagement and motivation in this company.

The next section proposes alternative ways of utilizing this analysis in measuring employee engagement at TELUS.
7. ALTERNATIVE WAYS OF CONCEPTUALIZING EMPLOYEE ENGAGEMENT AT TELUS

There are a few different ways of thinking about how to measure employee engagement at TELUS. We know that the generational cohort membership distribution in the Canadian workforce will change significantly in the next twenty years. A new generational cohort mix will exist by 2011. Research shows several key drivers of engagement and motivation. Measuring employee levels of satisfaction with these drivers, however, vary. In addition, some research suggests that differences between expectations and needs of generational cohorts can influence these measures. The following alternatives are possible for measuring employee engagement and motivation in the work environment.

1: *Ignore generational cohort differences and adopt the Hewitt model of engagement and measurement.* Generational cohort differences in the workplace are inconclusive. As such, making generational cohort concessions in HR practices may not yield results. Hewitt's Employee Engagement model and measures result from multiple studies and closely map to Herzberg's motivator and hygiene factors proven to influence employee motivation and satisfaction. This alternative measures engagement based on the three themes of 'stay', 'say' and 'strive'. Employees respond to outcome questions on these themes. The total number of positive responses to these questions determines TELUS' engagement score.
2. Ignore generational cohort differences and focus on the Motivator Factors in HR practices and measurement of engagement. As stated above, generational cohort differences in the workplace are inconclusive. Making generational cohort concessions in HR practices may not yield results. Focus on the Motivator Factors proves to lead to highly motivated employees and high organizational performance. Through multiple studies on the impacts of the Motivator Factors, employees of all categories (age, position, industry) consistently rank the motivator factors as most important in building high levels of motivation and job satisfaction. Even Hewitt's work on employee engagement ranks these factors among their drivers of engagement.

This alternative focuses HR programs and measures of employee motivation and engagement specifically on the motivator factors most important in driving performance: achievement, recognition, the work itself, and responsibility. Measures of employee motivation and engagement in this alternative would focus questions on the degree to which employees feel positively about the motivator factors. This alternative would also seek to assess employee feelings towards the hygiene factors. These questions would look for employee responses that rate the hygiene factors as sufficiently met by the organization.

3. Utilize proven generational cohort differences in conjunction with a focus on the Motivator Factors. Focus human resource programs and measures of employee motivation and engagement specifically on the motivator factors most important in driving performance across generational cohorts: achievement, recognition, the work itself, responsibility, and growth and development. Consider employee differences by
generational cohort in employee feelings towards comfort with technology, views on loyalty, attitudes and values, leadership expectations, and workplace expectations.

Measure employee motivation and engagement using questions focused on the motivator and hygiene factors. Measure the degree to which employees feel positively about the motivator factors of achievement, recognition, the work itself, responsibility, and growth and development. In addition, seek to assess employee feelings towards the hygiene factors. These questions would look for employee responses that rate the hygiene factors as sufficiently met by the organization.

Segregate employee responses by generational cohort. Consider the differences between generational cohort responses to questions on the work itself, growth and learning, recognition, relationship with supervisor, and quality of life. Review the findings from Table 4 to determine those factors most important for both younger generational cohorts and older generational cohorts. Assess employee responses by generational cohort to determine engagement levels by measuring the number of positive responses to the most pertinent questions for each cohort group.

Look for areas of low scores for individual generational cohorts to determine areas requiring immediate attention. Target HR and management practices on the areas identified to improve employee engagement by generational cohort.
8. RECOMMENDATIONS FOR TELUS ENGAGEMENT AND MEASUREMENT

TELUS’ position in the telecommunications industry as well as their changing age demographic requires careful consideration in order to drive maximum performance through employees. It is crucial for TELUS to leverage their employee base with highly motivated and engaged team members. This will be particularly challenging for TELUS in the near future due to recent labour issues. Low-level needs of job security and wages are presently the focus of most union employees. TELUS needs to sufficiently satisfy these needs in order for employees to shift their attention to the higher-level needs associated with the motivator factors. TELUS must do this quickly to regain momentum in the telecommunications industry.

Due to TELUS’ multigenerational team and union membership, this report recommends that TELUS consider measuring employee engagement in line with alternative number three. The participation of various generational cohorts of TELUS team members over the next twenty years will be diverse. They should not ignore possible differences between generational cohorts although differences are not fully conclusive. The presence of a strong union mentality means that employees look for longevity in employment. Their employment contract provides far superior terms when compared to employees of non-unionized organizations with similar job descriptions. As such, TELUS union members are unlikely to leave TELUS. Their responses to questions about staying or leaving will not appropriately reflect their levels of engagement.
By considering employee engagement using the motivator factors in light of generational differences, TELUS should achieve the best possible results from its employees. Younger generations will become increasingly important to TELUS' success in the near future. Meeting their specific needs and expectations is a means of retaining these employees and enabling them to achieve high levels of performance. Considering older generations of workers will ensure they achieve their highest levels of potential before retirement. By focusing on the key motivator factors of achievement, recognition, the work itself, responsibility, and growth and development, TELUS can channel its efforts into the most influential factors in driving high levels of employee performance. If TELUS focuses its attention on HR and management practices in line with the motivator factors in light of generational differences, they may achieve competitive advantage through their people.

The next section discusses specific ideas for focusing HR and management practices on the motivator factors. In particular, this section focuses heavily on the work itself.
9. TECHNIQUES FOR IMPROVING WORKPLACE MOTIVATION AND ENGAGEMENT

Work content itself is central to motivation, job satisfaction, and employee engagement. It contributes significantly to achievement, recognition, responsibility, advancement, and growth (Herzberg’s motivator factors). As such, organizations should pay careful attention to job design in order to influence positive employee feelings towards their work.

Two concepts are particularly relevant in designing jobs that fulfil employee needs. These are job enlargement and vertical job loading.

9.1 Job Characteristics Model

Hackman & Oldham’s Job Characteristics Model provides a framework for considering job design. It identifies five core job dimensions said to induce three critical psychological states that in turn lead to four highly desirable personal and work outcomes (Hackman and Oldham, 1976). Work outcomes include high quality work performance and low absenteeism and turnover. Organizations can consider their jobs in light of this model to determine whether opportunity for improvement in job design exists. Changes to job design in line with the model can drive improved firm performance.

Figure 9 shows Hackman and Oldham’s Job Characteristics Model of Work Motivation. The model identifies five core job dimensions linked to personal and work outcomes including internal work motivation, job satisfaction, turnover, absenteeism, and
quality of performance (Hackman & Oldham, 1976). The core job dimensions are skill variety, task identity, task significance, autonomy, and feedback on job performance. These dimensions lead to three critical psychological states including meaningfulness of the work, responsibility for outcomes of the work, and knowledge of work results. When employees experience the psychological states, they are most likely to achieve the four identified personal and work outcomes.

Hackman and Oldham show that skill variety, task identity, and task significance contribute to an individual experiencing their work as meaningful. High levels of skill variety exist when the job includes different activities that use that individual’s specific skills and talents. This includes challenging work that enables the individual to stretch
their skills and abilities. High levels of task identity exist when the job enables the employee to complete a complete piece of work. This means seeing a task from beginning to end with a visible result. High levels of task significance exist when the employee feels that they have an impact on other people or the greater good. This includes line of sight to the end goal, which they believe to be desirable.

Autonomy is the main contributor to individuals experiencing the psychological state of responsibility for outcomes. Hackman and Oldham define autonomy as “the degree to which the job provides substantial freedom, independence, and discretion to the individual in scheduling the work and in determining the procedures to be used in carrying it out” (Hackman and Oldham, 1976, p. 258). Younger generational cohorts highlight freedom to complete work to their own discretion as a workplace expectation.

Feedback is the core job dimension influencing the psychological state of knowledge of results. Hackman and Oldham suggest that individuals need to receive clear and direct feedback on their performance to induce this state. Performance feedback is also a stated leadership expectation for the younger generational cohorts of employees.

Hackman and Oldham suggest that when jobs optimally meet all core job dimensions they will provide workers with the highest level of motivation possible. If it is not possible to meet all core job dimensions, however, they suggest that at least one of the core dimensions leading to meaningfulness needs to be in place in combination with a high degree of autonomy and feedback. If a job ranks low on any one of either autonomy, feedback, or all dimensions related to meaningfulness, a job will create negligible motivation in the employee.
The Job Characteristics Model provides a simple yet proven way to review job design. Organizations should look to develop high degrees on the core job dimensions to obtain high levels of performance, absenteeism, and turnover.

9.2 Vertical Job Loading

Herzberg provides insight into the concept of vertical job loading as a form of job enlargement in a recent article (Herzberg, 2003). Vertical job loading seeks to increase the motivator factors present in individual jobs, thereby increasing levels of motivation and firm performance. Enlargement through vertical job loading should not be confused with enlargement attempts through horizontal job loading. Horizontal job loading includes changes including increasing the amount of production expected, adding meaningless tasks to the job, rotating assignments between meaningless jobs, and removing the most difficult parts of a job to accomplish more of the less difficult parts of the job.

Table 5 shows seven principles identified by Herzberg as vertical job loading techniques. This table associates each principle with the motivator factor(s) it influences.
Organizations should consider the extent to which they can incorporate the seven principles into their job design. Vertical job loading can lead to increased levels of motivator factors inherent in jobs. This in turn will lead to greater engagement and motivation in the employee base, which will ultimately improve firm performance.
10. CONCLUSION

This report considered the impact of multigenerational cohort membership in organizations on employee engagement, motivation, and firm performance. The findings show some evidence that individuals of diverse generational cohorts have different needs, expectations, values, beliefs, and behaviours when it comes to the workplace. In addition, research suggests specific organizational requirements beneficial to achieving a high performing, engaged, and motivated team. This study proposes that if organizations consider generational cohort differences in light of known drivers of engagement and motivation, they can develop and implement leadership and human resource practices that will improve firm performance.

Current knowledge of human resource management is comprehensive; however, studies of generational cohort differences in the workplace are not. Further research on this topic should benefit organizations. Leaders in today’s organizations are predominantly of the Baby Boomer generation. Their leadership styles and management practices arguably reflect biases of their generation. To engage and motivate younger generations, leaders need to understand the differences in order to alter their behaviour appropriately. Over the next twenty years, the allocation of generational cohorts within the workforce will change significantly. This new distribution will have implications for all organizations with multigenerational team members. Organizations should consider how multigenerational team member differences affect employee engagement, motivation, and performance.
Future research on the topic of generational differences should pay careful attention to legitimate generational differences as opposed to life stage differences or perceived differences. Few studies exist on the impacts of generational differences in the workplace. It is difficult to differentiate whether differences between employees of diverse age groups are due to generational cohort membership or life stages. In addition, perceptions and stereotypes of generational cohort characteristics cloud reality. Future studies of this topic should test common perceptions. Greater knowledge on generational cohort differences will help today’s organizations better understand the real implications of multigenerational team member participation on employee engagement, motivation, and firm performance.

Implementing changes to leadership and human resource practices to address generational differences may be challenging. Leaders must see past their own generational biases and preferences when dealing with employees of diverse generations. To do this successfully, they must understand and accept that differences exist between generations of employees. This may prove to be challenging. Human resource practitioners must educate leaders and employees of the unique needs of different individuals. They must also create flexible programs and practices that allow for different requirements of individuals. These should include flexible performance management, recognition, compensation, recruitment, and benefits programs.
APPENDIX: HEWITT ENGAGEMENT QUESTIONNAIRE

The following is a sample of questions asked in Hewitt’s Engagement Questionnaire to assess the level of employee engagement in a firm. These are a compilation of questions from Hewitt’s Best Employers in Europe 2004 Study Findings and Hewitt’s Research Brief: Employee Engagement Higher at Double-Digit Growth Companies.

1. There are good opportunities for me to develop skills necessary to do a different job
2. The organization provides training to help me build skills that are valuable to me
3. My performance has a significant impact on my pay
4. Overall, my benefit plans meet my (and my family’s) needs well
5. We have valuable benefits not typically available at other companies
6. I am proud to tell others I am part of this company
7. Given the opportunity, I would recommend our products/services to customers
8. I feel our products/services provide real value/benefits to our customers
9. I think this company is an exceptional place to work
10. I feel I can be myself around here
11. I see trust and mutual respect in the workforce
12. I would not hesitate to recommend this company to a friend seeking employment
13. There are sufficient opportunities to obtain skills necessary to assume greater responsibility
14. There are sufficient opportunities to improve my skills in my current job
15. I know what skills I need to focus on to develop further
16. My manager provides the support I need to meet my career goals
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