



Generations and Geography

*Understanding the Diversity of Generations around
the Globe*

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Many of our most powerful and lasting beliefs are formed when we are teenagers, when we first shift our focus from tangible objects and begin to wrestle with the values and ideas in the world around us. What we see and hear—and the conclusions we draw—influence for our lifetimes what we value, how we measure success, whom we trust, and the priorities we set for our own lives, including the role work will play within it.

Geography significantly influences the formation of generational beliefs and behavior. Each country's unique social, political, and economic events shape specific views and attitudes among today's adults. Understanding these country-to-country differences is critical to creating employment deals that attract and retain the best employees in each geographic area. Western generational models cannot be applied broadly to a global workforce.

Understanding individuals' backgrounds and resultant perspectives or mental models both within generations and across geographies helps leaders grapple with the diversity, challenges, and potential of a global workforce. Better understanding leads to greater empathy for the "other guy's" point of view and, ultimately, provides the foundation for more effective and efficient talent management practices.

How generations form

The work of Swiss biologist and psychologist Jean Piaget provides a framework for looking at the development of generational characteristics. In his highly influential research on child development, Piaget concluded that children build cognitive structures—mental maps—to help make sense of their conceptual experiences from about age 11 onward, when they are pre-teens and young teens. Piaget also concluded that it is primarily *new* experiences that alter the developing child's cognitive structure, rather than those that are perceived as having "always" been true.¹

Because the formative events differ over time and by geography, it's logical that each generation in each geographic area will form its own unique impressions and, to some extent, think and behave based on a different set of rules. Their different coming-of-age experiences influence attitudes toward the world, toward work, and toward each other. Of course, each individual also has had *unique* teen experiences depending on socioeconomic status, parents' philosophies, race or ethnicity, gender, religion, and a host of other factors. The prominent events they experience in common with each other give their cohort its defining characteristics.²

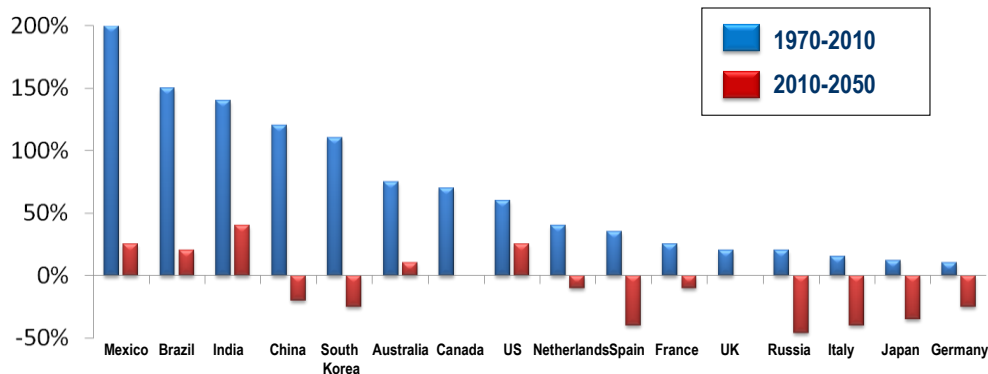
Today's younger generations, who shared teen experiences via the internet and globally available cable news, have some characteristics in common regardless of where they grew up, while the older generations exhibit striking differences because their teen experiences were more limited to their specific geographies and cultures and less influenced by international events.

The global workforce

Over the next decade, engaging talent from multiple generations and geographies will be vitally important for business success. As businesses expand, the availability of talent to match this growth will be limited in many areas and skill sets. Almost every company will find it challenging to attract and retain top talent.

The crux of the challenge is that growth in the workforce is slowing around the world. Virtually every country will experience a lower rate of growth in its working-age population over the next 40 years than occurred over the past 40 years (Figure 1). For example, the working-age population in Mexico grew at 200% over the past 40 years, but is expected to grow by only approximately 20% over the next 40. The workforce in a number of countries, including Germany, Japan, Italy, Russia, France, Spain, the Netherlands, South Korea, and China, will actually decline in size. As workforce growth slows or declines, growing companies will need to recruit, retain, and engage multiple generations of talent to meet their human capital needs. In many instances, companies will need to tap talent in multiple geographic areas, as well.

Globally: Significantly Slower Growth in the Working Age Population

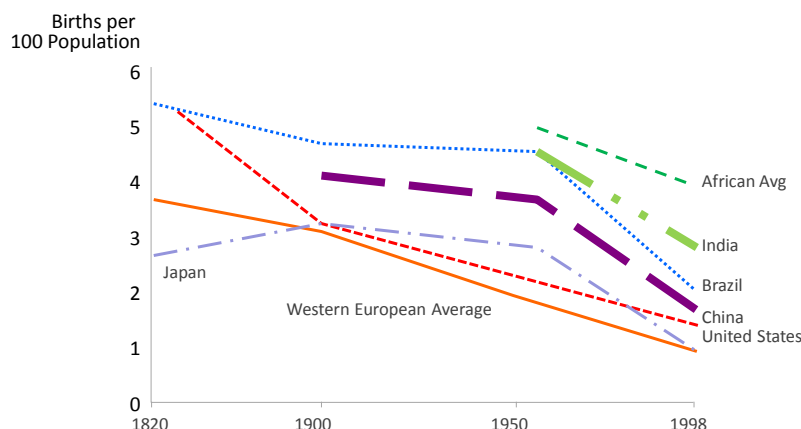


Source: Deloitte Research/UN Population Division (<http://esa.un.org/unpp/>) It's 2008: Do You Know Where Your Talent Is? Why Acquisition and Retention Strategies Don't Work, p.6

Figure 1: SLOWER WORKFORCE GROWTH AROUND THE WORLD

The growth in the workforce is slowing because birth rates around the world have been declining for decades (Figure 2). As economies shift from being primarily agrarian to industrially based, the need for large families to work the land declines and the expense associated with rearing children prompts most families to limit the number of births. These economic realities provide little reason to expect that birth rates will increase over the years ahead.

Declining Birth Rates Around the World



Source: "Changing Global Demographics," H.S. Dent Publishing, 2007, based on data from the United Nations.

Figure 2: DECLINING BIRTH RATES AROUND THE WORLD

As the decline in birth rates continues, companies that hope to grow faster than the rate of growth of the workforce within a given country will need to develop competitive talent management practices to attract and retain a *disproportionate share* of the available labor. Companies that need young talent will have to be highly attuned to the needs of these generations in each market.

The fundamental characteristics of the workforce are also being affected by growing life expectancies. Many individuals in many countries are expected to lead healthy, active lives well into their 70s, 80s, and beyond. Although most will not want to work full-time, or at the same pace and intensity that characterized their work experience while in their 40s and 50s, many will be willing to remain active in the workforce in some way. As the availability of skilled employees decreases, companies will be increasingly motivated to retain and recruit older workers. Thus, a four- or even five-generation workforce is likely to be a reality for many companies for the foreseeable future.

As companies are challenged to draw the best talent from each age group in multiple countries, insight into generational and geographic differences will improve the likelihood that talent management and leadership practices will provide critical advantages for the future.

Four generations in eight geographies

In the US today, most companies and governments have a four-generation workforce:

- Traditionalists

- Born: 1928 to 1945
- Formative years: 1940s and 1950s
- Age in 2011: 66 plus years
- Boomers
 - Born: 1946 to 1960
 - Formative years: 1960s and 1970s
 - Age in 2011: 51 to 65 years old
- Generation X
 - Born: 1961 to 1979
 - Formative years: late-1970s through the mid-1990s
 - Age in 2011: 32 to 50 years old
- Generation Y
 - Born: 1980 to 1995
 - Formative years: mid-1990s through late-2000s
 - Age in 2011: 16 to 31 years old

Of course, no generation covers a precise time span—many people born near the boundary years share characteristics of generations on both sides. However, these general groupings have surprising validity in the US and in many other parts of the world. In areas which the generational groupings might vary slightly, for this report, we have kept the age spans consistent to allow comparisons across the geographies.

Research on the generations in eight major countries points out significant differences around the globe, as shown in Figure 3.

FIGURE 3: KEY CHARACTERISTICS OF EACH GENERATION IN EIGHT MAJOR COUNTRIES

	Born: 1928 to 1945 Traditionalists	Born: 1946 to 1960 Boomers	Born: 1961 to 1979 Generation X	Born: 1980 to 1995 Generation Y
Brazil	Modest Respectful Risk-averse	Materialistic consumers Politically cautious Idealistic	Self-reliant Wary Family-centric	Immediate Optimistic Digital natives Financially driven
China	Hard-working Idealistic re: communism Relationship- oriented	Rigid and authoritarian Loyal to the Party Viewing work as service to country	Educated Sacrificing for the common good Committed to their children	Immediate High self-esteem Digital natives Materialistic
Germany	Disoriented and disillusioned Disinterested in politics Hard-working	Competitive Psychologically responsible for relieving guilt Activists	Career-oriented Focused on self and family Cautious about national identity	Immediate Financially pressured Digital natives Green

India	Respectful of tradition Relationship-oriented Conservative	Committed to education Tied to family and tradition Dissatisfied with leadership	Career-oriented Cynical regarding politicians Eager consumers, excited about opportunities	Immediate Seeking to have an impact Digital natives Steeped in democracy
Russia	Fatalistic and enduring Hard-working Respectful of authority	Competitive Patriotic Educated men and possessive mothers	Self-reliant Hyper-responsible for parents and children Short-term	Immediate Proud of country Digital natives Driven for financial success
Saudi Arabia	Tied to tribal customs Loyal to family Work to provide for family	Proud of the country's progress Grateful to leaders Unsettled by oil money/religion dichotomy	Disillusioned National identity Conflicted by tradition/modernity	Conservative National identity Mistrustful of institutions Digital natives
United Kingdom	Loyal joiners Respectful Frugal	Competitive Anti-authoritarian Idealistic	Self-reliant Mistrustful Dedicated parents	Immediate Optimistic Digital natives Family-centric
United States	Loyal joiners Respectful Fiscally conservative	Competitive Anti-authoritarian Idealistic	Self-reliant Mistrustful Dedicated parents	Immediate Optimistic Digital natives Family-centric

The eight countries profiled include the four BRIC countries (Brazil, Russia, India, and China), some of the most important markets for talent over the next decade, as well as one country from the Middle East. The two countries chosen in Europe, the UK and Germany represent the two opposing sides in World War II. The workforce in each country includes individuals with very different perspectives and values, based on their youthful experiences.

Implications

Wise and attentive employers recognize and leverage the differences among individuals. In some situations, it may be possible to leverage local or generational strengths or motivations in talent selection for the company. More importantly, it is the different assumptions and values of diverse individuals that provide the key ingredients for innovation—multiple perspectives and ideas about how things might be done.

Today leaders are challenged to consistently harness the diversity of the workforce in ways that are creative and productive—to bring multiple ideas and approaches together in a constructive quest for a better way. As global business becomes the norm, companies that succeed at building and engaging a multigenerational, multigeographical workforce will benefit enormously, in innovation and on the

bottom line. With the increasing importance of talent as a competitive factor, the ability to recognize and capitalize on the significant differences in workforces around the world and across the generations is one of the most important strategic opportunities for decades to come. Talent management practices in global companies need to reflect an understanding of the core aspirations and drivers of employees by *both* generation and geography. The application of a Western generation model to a global workforce misses important differences in the motivations of the workforce.

Understanding the generations and geographies can help organizations develop the most effective approaches to recruiting, motivating, and managing people; structuring job assignments and career paths; and creating high-performance teams. Rather than creating standardized global approaches, companies are increasingly challenged to customize programs that speak directly to employees' aspirations, ambitions, and attitudes by generational cohort and by country. Striking the optimum local/global balance is important to leveraging resources effectively. Understanding the life experiences, mental models, and values employees bring to work is key to engaging them.

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More detailed information on the generations in eight major countries is provided in the research series *Generations and Geography*, by Tammy Erickson and Tim Bevins, Moxie Insight, 2011. For more information, please contact info@moxieinsight.com or visit www.moxieinsight.com.

About the authors

TAMMY ERICKSON leads Moxie Insight's Talent program. She is a McKinsey Award-winning author and widely respected expert on collaboration and innovation—on building talent and enhancing productivity—and on the nature of work in the intelligent economy. She was recently named one of the 50 most influential living management thinkers in the world by Thinkers50. Tammy recently completed a trilogy of books on how individuals in specific generations can excel in today's workplace.

They are *Retire Retirement: Career Strategies for the Boomer Generation, What's Next, Gen X? Keeping Up, Moving Ahead and Getting the Career You Want* and *Plugged In: The Generation Y Guide to Thriving at Work*.

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¹ Piaget's theory identifies four developmental stages and the processes by which children progress through them:

1. *Sensorimotor stage (birth to two years old)*: The child, through direct physical interaction with his or her environment, builds a set of concepts about reality and how it works. In this stage, a child does not know that physical objects remain in existence even when out of sight. Intelligence takes the form of motor actions.
2. *Preoperational stage (ages two to seven)*: The child is not yet able to conceptualize abstractly and needs concrete physical situations. Intelligence is intuitive in nature.
3. *Concrete operations (ages seven to eleven)*: As physical experience accumulates, the child starts to conceptualize, creating logical structures that relate to concrete objects or physical experiences. For example, numbers are associated with physical objects and arithmetic equations can be solved.
4. *Formal operations (beginning at ages eleven to fifteen)*: By this point, the child's cognitive structures are like those of an adult and include conceptual reasoning. Thinking involves abstractions. Mental models that will persist throughout adulthood are formed.

² Formative work using the frameworks of child development stages to understand generational patterns includes that done by Morris Massey, "What You Are Is Where You Were When," video program (Cambridge, MA: Enterprise Media, 1986); and William Strauss and Neil Howe, *Generations: The History of America's Future, 1584 to 2069* (New York: Quill, 1991)