

The new face of the American workforce

Adapting benefits to meet
multi-generational needs

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Today's workplace is more diverse than ever before. For the first time in American history, employers face the challenge of providing benefits to a workforce spanning four generations. Each age group's distinct characteristics affect how they interact with others, how they view job success and development, and most importantly, how they find value and satisfaction in their work. To engage, retain and satisfy all employees, it is critical for employers — and the producers who serve them — to have a better understanding of what motivates and drives today's workers. This knowledge, in turn, will aid them in choosing the right mix of benefits.

Talking 'bout my generation

They call it a "generation gap" for a reason. It's easy to see the pronounced differences among the generations by looking at communication and technology in the workplace. Generation Yers (born between 1980 and 2000) chat with coworkers on instant messaging programs, respond to emails and answer the phone all at once. Generation Xers (born between 1965 and 1979) are in the break-room, relaying the latest news story to their colleagues. The Baby Boomers and Matures are in meetings and on the phone, discussing how to solve a client-related crisis. It's perhaps a gross over-generalization, but these distinct communication styles are visible in the workplace.

According to Claire Schooley, author of "Generational Workforce Strategies: Suggestions for Coping," each of the generations process information differently. As the oldest members of the workforce, Matures (born between 1922 and 1943) have a harder time getting acquainted with technology and its many uses in the workplace. They got their work done easily before the birth of the Internet, so why start using it now? Problem-solving by older workers tends to be linear.¹ Matures often focus on one task from start to finish, and dislike interruption by instant messaging or other disruptions. Gen Xers and Gen Yers, on the other hand, easily navigate the Internet, talk on the phone and get their work done all at once.

Multitasking is not just a work style; it's a way of life.²

Baby Boomers (born between 1946 and 1964) prefer to talk out a problem and work out issues in meetings. Gen Xers and Gen Yers like to identify the issue, decide on an approach, and communicate online about results and any necessary changes. They see meetings as disruptions that inhibit productivity. Accustomed to the rapid intake of information (due to years of surfing the Internet and growing up playing video games), Gen Xers and Gen Yers are quick to find a solution. This sometimes raises the question of quality by their older counterparts who prefer a step-by-step method.

Networking in its many dimensions is paramount to the Gen Yers, also called "Millenials." Comfortable in the realms of social networking websites such as Facebook, MySpace, and the like, Gen Yers cannot imagine a world without the Internet or cell phones. Online networking isn't their only desired form of connectivity, however. A recent LIMRA study proposes that millenials want to interact with coworkers of all ages and backgrounds and collaborate on important matters. Working as a team is preferred, and most feel comfortable interacting with older workers, even those seen as authority figures.³

Staying power

Employees of every age contemplate how long they will work for a company, a decision that's often shaped by outside events. Memories of the Great Depression and World War II mean that many Matures know what it's like to live within limited means. As a result, they are practical, committed and hard-working.

Consider all the factors

Understanding generational differences is important, but don't forget about other critical factors when choosing benefits.

Human resource management author, advisor and educator Dr. John Sullivan recommends considering the following key characteristics of employees:

- **Cultural differences.** An employee's country of origin can greatly affect his or her expectations in the workplace.
- **Education levels and experiences.** Innovators, no matter what age, think and act differently from their peers.
- **Life factors** (such as marriage, the birth of a child, a spouse losing a job). The needs of employees are constantly shifting, depending on what stage they are at in life.
- **Goals and motivators.** Be careful not to generalize too broadly. Managers should celebrate individual differences, not bury them.

Lifetime loyalty to a company is not uncommon. Also known as “veterans” or “traditionalists,” they respect authority and are dedicated to giving whatever it takes to make the company succeed. Matures thrive in corporate structure and generally respond well to an environment with standardized policies and procedures.

While Baby Boomers grew up during economic prosperity, many entered the workforce when jobs were scarce. The inventors of the 60-hour work week, they equated “staying late at the office” with success. Corporate downsizing and restructuring in the 1970s and 1980s meant career changes for many. While they would have preferred a long-term commitment to one company, like their parents’ experience, boomers found themselves being moved around and adapting to new places.⁴

Many Gen Xers saw their parents lose jobs in spite of years of dedication. This translated into a lower level of trust of employers, and Gen Xers are less likely to devote a lifetime to one employer, preferring to gravitate from one opportunity to the next. Comfortable in informal settings, they tend to say what they want to get what they want, and they are not afraid to ignore a rule or two in order to achieve their desired results.

Similar to Gen Xers, Gen Yers witnessed their parents losing jobs and are often skeptical of corporate life. When they start a new job, they try to learn all they can, but will leave for a better opportunity elsewhere. If not immediately fulfilled, job-hopping Gen Yers typically leave an organization after 6-18 months of employment, which leaves little time for employers to impress them.⁵ Since they are the most recent generation to join the workforce, solid trends have not yet been fully identified; however, one thing is certain – they want choices and flexibility. A Deloitte study about generational talent management for insurers states that as long as Gen Yers are given a variety of experiences in the workplace, they have the potential to be loyal to one employer and show signs of demonstrating staying power.⁶

It’s a balancing act

Regardless of their age cohort, today’s employees want more flexibility. A strong desire for work-life balance is becoming common across the board. Each generation, however, has its own definition of flexibility.

Baby Boomers find themselves needing time to take care of aging loved ones. As Boomers become increasingly “sandwiched” between the needs of their children and the needs of their parents, they must find additional time to serve as primary caregivers. Gen Xers have led the way toward work-life balance. They put in their time at work, but want to relax when the day is over.

Flexible work hours are also important to Millennials. While Boomers may be tagged as those who “live to work,” Gen Yers “work to live.” It is a marked difference. While Boomers would gladly put in extra hours if it meant an increase in pay or experience, Gen Yers will put in that same work week but expect an equal payout of time off. They demand flexibility for career development, working from home and volunteer activities. As a result, employers today are offering flex hours, on and off-site training and development courses and incentives for volunteer activities.

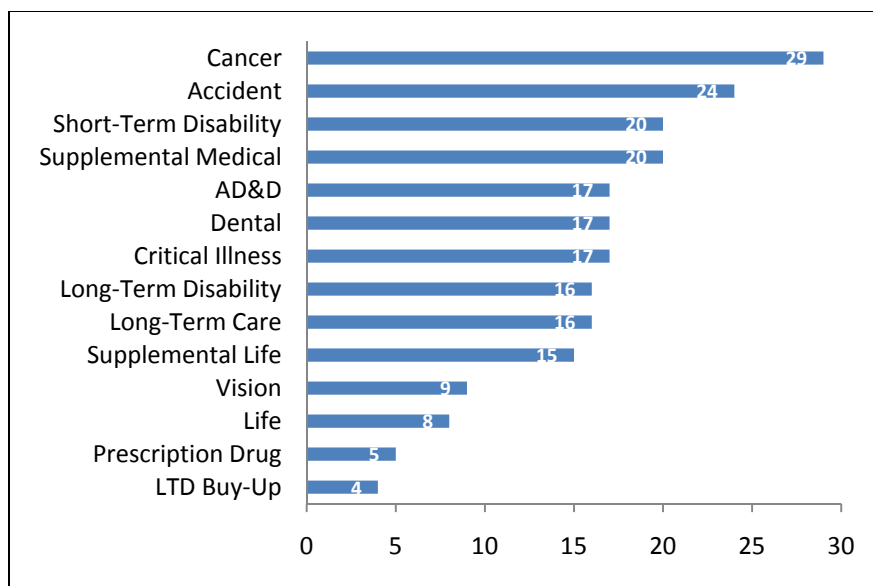
Add some variety

It’s no surprise that with the varying needs of each generation come varying needs in benefits. It’s not easy to provide the perfect mix, but voluntary benefits allow employers to extend a variety of voluntary offerings that allow for more choices to potential and existing employees as shown in Figure 1.

Figure 1

Specialized Benefits

Companies with more than 10 employees offering voluntary coverage



Source: LIMRA International

There is no lack of needs or concepts for voluntary offerings. A sampling of the most popular offerings includes:

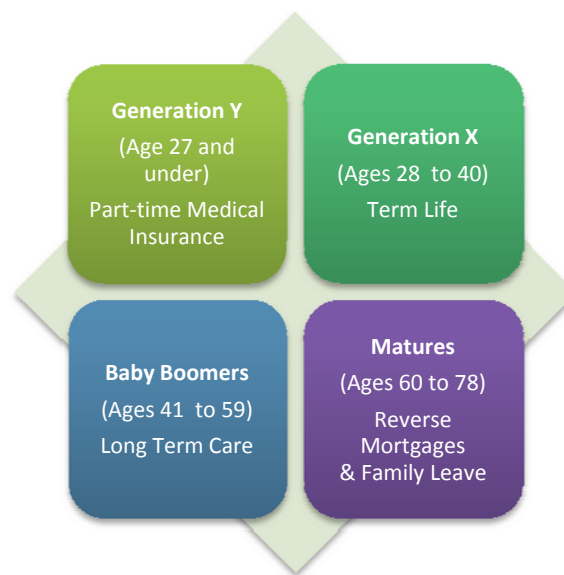
- Financial counseling
- Legal services, including will preparation
- Pet insurance
- Cancer insurance
- Long-term care insurance
- Concierge services (dog walking, dry cleaning, event tickets)
- Emergency travel assistance
- Cell phones and iPods
- Transportation/commuter subsidies
- Onsite fitness centers
- Onsite salon services
- College and other education funding

So how do I please everyone?

Pinpoint what's most valuable to each group. Life stages also create varying needs in voluntary benefits (Figure 2). Baby Boomers and Matures need long-term care insurance products as their loved ones grow older and are in need of more medical attention and alternative housing. Best's Review reports that as seniors continue to stay in the workforce, family leave and reverse mortgages are becoming more attractive.⁷

Figure 2

Voluntary Benefits for Each Generation



Source: Best's Review, February 2008.

For younger generations, term life insurance has a great deal of appeal, mainly because of its affordability. Many young workers do not have children or significant assets to protect, which makes term life insurance a good option for them. As Generation Xers begin to buy their first homes, homeowners insurance is becoming a popular choice, according to an article about varied voluntary benefits in Employee Benefit Advisor.⁸

Younger workers most likely do not think about the need for cancer insurance or long-term care insurance, but Boomers and Matures may feel a greater need for such products at their stage of life. Baby Boomers and Generation Xers both purchase disability coverage and life insurance more than any other employer-offered voluntary benefit.⁹

Producers should also be aware of the growing number of U.S. employers who are implementing employee wellness programs and incentives for adopting healthier lifestyles. Traditional coverage can be supplemented by free or discount gym memberships, health risk assessments, biomedical screenings for employees and spouses, smoking cessation programs, and flexible scheduling that promotes a healthy work-life balance. These very popular health-related benefits help employers:

- Improve employee satisfaction with the overall benefit program.
- Curb health care and disability expenses.
- Reduce absenteeism and improve productivity.
- Attract a wider pool of candidates (especially Gen Yers who are known to inquire about flexibility in job interviews) and retain talented associates.¹⁰

Though the needs of workers are changing, group life insurance still tops the list as the most requested voluntary benefit because of the flexibility it offers. Group rates continue to fall as mortality improves, making coverage affordable on any budget. Payroll deduction makes premium payments convenient. Portability options help mobile workers maintain security when they leave an employer. Cash accumulation products allow employees to supplement other savings plans and tap into the power of tax deferral. At the same time, self-administration keeps costs low for the employer while carrier-provided online services help them off-load administrative work and improve employee education.

Today, a paradigm shift is taking place in the group life insurance marketplace. No longer just about paying death claims, group life also offers important “living benefits,” such as accelerated death benefit and waiver of premium. Leading the way in the trend toward providing additional family-friendly benefits are carriers that promote employees’ financial and physical health as well as their future peace of mind.

Peace of mind in a troubling economy

In a time of financial uncertainty, employees want solid financial protection. Life insurance is just one offering that employers can provide to increase employee welfare. A recent study by AXA found that while 63 percent of Americans believe life insurance protects their loved ones and provides peace of mind, only 34 percent of them have purchased coverage for themselves and 18 percent have no coverage at all.¹¹ Employers can offer affordable supplemental coverage to alleviate this disparity.

Your role is more important than ever

Faced with the challenges of a global marketplace with fierce competition for talent and other resources, HR professionals are turning to producers to add more value to the benefits consulting relationship. They rely on you to provide more expertise, innovative benefit options and new service approaches – all at the most competitive prices. But to whom can you turn for support? Here’s where premier carriers can step in to fill the gap, partnering with you to develop ways to add benefits solutions and value without adding cost.

While you can take steps to tailor benefits to individual needs, several benefits — like wellness initiatives and travel assistance — resonate with all age groups. Remember that several factors besides age motivate and affect employees in the workplace. Keep in mind key factors like cultural background, education, and family status.

Employee Benefit Advisor suggests that how you communicate about benefits may be just as important as the benefit itself. Consider the entire spectrum of employee preferences when preparing benefits communication. Don’t limit yourself to paper flyers and newsletters. Try promoting new programs online or by offering onsite presentations and seminars. Question and answer sessions over lunch-time or online presentations are viable options. Not one single avenue is the best solution; usually a combination of electronic, paper and face-to-face communication is best.¹²

We're here to help you and your clients get more out of life with customized group life plans, service extras and communication strategies that appeal to a broad spectrum of employees. To learn more, contact the group sales manager in your region or call our national sales office at 1-800-606-LIFE (5433).

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