Managing a Multi-Generational Workforce in the BSP

“Statistics are pictures of people’s lives”

AUTHORS

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Introduction

The practice of human resource development has seen the clamor for work-life balance, benefits, flexible work arrangements, coaching and mentoring, and other innovative ways to ensure that organizations are able to attract and retain the right talents. In response to these demands, this study on managing a multi-generational workforce aims to provide information on the varied work-related preferences of the Bank’s workforce. This paper describes how the BSP’s employees are distributed across different generational cohorts and provides an analysis of each cohort’s preferences in relation to all areas of the BSP’s Human Capital Management (HCM) Framework. The findings of the study could be a basis for the review of HR programs to make them more responsive to the various needs of BSP employees.¹

Specifically, the study provides responses to the following:

1. Demographic profiles of respondents of each generational cohort;
2. Differences in the preferences of each generation in the BSP-HR programs/services; and
3. HR programs/services that can be offered to target the needs of each generational cohort.

Review of Related Literature

Generational Classification (Baby Boomers, Generation X, and Generation Y)

This study adopts the cohort perspective, which views generations as a collection of people born during a given period with certain observable homogeneous characteristics. The differences may be attributed to the major events that shaped the particular period in which they became more socially and politically aware (Gilleard, 2004; Laufer & Bengtson, 1974 in Lyons & Kuron, 2013). Generations also refer to people born within the same general time span who share key historical or social life experiences (Kupperschmidt, et al., 2000). Kelly (2014) in her article citing Murphy (2007) expands the definition, wherein a generation is a group of people who have shared similar experiences through news, music, mood, education, parenting styles, and more during a certain period in time. This study focuses only on the three (3) most dominant generations that now form part of the active workforce: Baby Boomers (1946-1964), Generation X (1965-1979), and Generation Y or Millennials (1980-1995). Generation Z (1996 onwards) is not covered in this study.

¹ The paper was drafted in consultation with Deputy Governor Ma. Almasara Cyd N. Tuaño-Amador and Director Jayzle D. Ravelo. The research inputs of Cherry Kerr N. Aguilar, Maria Margarita S. Dela Fuente, and Diane U. Consolacion were also incorporated in the study.
The table below shows the general characteristics of the generational cohorts in a workplace perspective:

### Table 1: General characteristics and values of generations

<table>
<thead>
<tr>
<th>Baby Boomers</th>
<th>Generation X</th>
<th>Generation Y or Millennials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post-World War II generation</td>
<td>Exposed to new media</td>
<td>First global-centric generation</td>
</tr>
<tr>
<td>Strongly believe in lifetime employment and company loyalty</td>
<td>Place greater emphasis on work-life balance, autonomy and independence</td>
<td>Place strong emphasis on corporate social responsibility</td>
</tr>
<tr>
<td>Significantly satisfied and less likely to change jobs</td>
<td>More likely to change jobs</td>
<td>Look for mobility early in their careers</td>
</tr>
<tr>
<td>Most risk averse</td>
<td>Adaptive to job instability</td>
<td>Resilient in navigating change</td>
</tr>
<tr>
<td>High regard for interpersonal relations</td>
<td>Willing to develop skill sets</td>
<td>Appreciate diversity and inclusion</td>
</tr>
<tr>
<td>Idealism, creativity, tolerance, freedom, self-fulfillment</td>
<td>Individualism, skepticism, flexibility, control, fun</td>
<td>Collectivism, positivity, moralism, confidence, civic-mindedness</td>
</tr>
</tbody>
</table>

The retirement age of 65 is also considered in this study. Hence, this research no longer considers the Traditionalists, also known as the Silents or the Veterans (Tolbize, 2008), the generation before the Baby Boomers.

**BSP Human Capital Management (HCM) Framework**

The study analyzes each cohort’s preferences in relation to all areas of the BSP’s HCM Framework. The framework encompasses the cycle of talent management composed of the following areas:

1. Talent acquisition and career management - refers to the systematic identification of key positions and roles within the BSP and the process of recruitment and career and succession management.

2. Talent development - refers to the strategies and practices in building talent capital to meet the needs of the organization.

3. Talent retention - involves the impact of compensation and rewards, work-life balance initiatives, performance and recognition, organization design and management style on employees in the organization.

4. Knowledge management and communication - refers to development and leveraging of applicable systems for information and data sharing and retention, and data preservation.

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2 Jenkins, 2008; Bussin & Rooy, 2014; Festing & Schafer, 2014; Dries, et al. (2008)
Procedure

A pilot survey was deployed from 12 May to 19 May 2017 to the participants. The final survey, either online or through paper-and-pen, was deployed to the randomly-selected 297 respondents from 24 May to 05 June 2017. There were 135 respondents for Millennials (46%), 87 respondents for Generation X (29%) and 75 respondents for Baby Boomers (25%). Informatively, this sample generally corresponds to the actual distribution of generational cohorts in the BSP.

Statement of Research Objective

This study aims to determine the differences in work preferences among generational cohorts. It examines the workforce in the BSP. Specifically, it seeks to answer the following research questions:

1. What are the demographic profiles of each generational cohort – Baby Boomers, Generation X, and Millennials – in the BSP; specifically, age, gender, position/job levels, length of service, civil status?

2. Are there differences in the preferences of each generation in the BSP-HR programs/services?

3. What HR programs/services can be offered by the BSP to target the needs of each generational cohort?

Hypotheses:

\[ H_0 \]: There are no significant differences in the preferences of each generation in the areas of talent acquisition and career management, talent development, talent retention, and knowledge management and communication.

\[ H_1 \]: There are significant differences in the preferences of each generation in the areas of talent acquisition and career management, talent development, talent retention, and knowledge management and communication.

Scope and Limitation of the Study

This study seeks to identify the differences in the preferences of BSP employees in terms of HR programs and policies. It is confined to the BSP’s generational cohorts. The Talent Management Survey (TMS) was utilized to evaluate the preferences of each generational cohort. The analysis of preferences is limited to and represented by the HR programs and policies identified. The study provides answers on the most and least preferred HR program/s and policy/ies of each generational cohort. Data collected must be regarded only as an approximation of knowledge of the BSP as an organization.
Methodology

Research Design

Data analysis employed a mixed method explanatory research design which contains both a quantitative (survey design) and qualitative approach (comments). The TMS was administered to determine which HR programs and policies need to be formulated or revisited to provide for both the general and varied/diverse needs of BSP employees. The quantitative approach was done through statistical analysis of data collected using the survey.

Participants

Participants consisted of the BSP workforce (from the BSP Main Office, Security Plant Complex, Regional Offices/Branches) as of 31 April 2017. Selection of participants was done through stratified random sampling using Baby Boomers, Generation X, and Millennials as generational representations. A stratified random sampling was employed for the 5,182 Bank employees as of 31 April 2017, the breakdown of which is as follows: 1,304 Baby Boomers; 1,576 Gen Xers and 2,302 Millennials. Hence, the target number of respondents was 90, 109 and 159, respectively.

Instrument

In consideration of the BSP HCM Framework and the sub-sets, a TMS was developed by the researchers of the study. The instrument consists of 52 items with space provided for comments. Reliability was measured by Cronbach’s alpha to indicate sufficient homogeneity or internal consistency. Generally, an alpha of .70 or higher is considered acceptable for social science studies. The TMS has an overall reliability of .923. Table 2 shows the reliability test results using Cronbach’s alpha coefficients ranging from .793 to .857:

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent Acquisition and Career Management</td>
<td>10</td>
<td>.823</td>
</tr>
<tr>
<td>Talent Development</td>
<td>10</td>
<td>.793</td>
</tr>
<tr>
<td>Talent Retention</td>
<td>22</td>
<td>.812</td>
</tr>
<tr>
<td>Knowledge Management and Communication</td>
<td>10</td>
<td>.857</td>
</tr>
</tbody>
</table>

Procedure and Data Analysis

A memorandum to all BSP employees signed by the Deputy Governor of the Resource Management Sector was issued to inform participants of the objectives of the study and deployment of the survey instrument. A pilot survey was deployed from 12 to 19 May 2017. The final survey, either online or through paper-and-pen, was deployed to the randomly-selected respondents from 24 May to 05 June 2017.

Data analysis was employed through qualitative and quantitative measures. Quantitative analysis using descriptive statistics was presented followed by inferential statistics, specifically the one-way analysis of variance (ANOVA) and pairwise comparison tests to report the significance of results and compare the population means, respectively. The qualitative method, on the other hand, was employed through content analysis which involved coding and classifying data.
Findings

There were a total of 297 employees who participated in the study. The respondents came from the different functional sectors of the Bank. A seven-day period was allotted for the accomplishment of the survey. While the aim of the study is to achieve 100% submission from the number of stratified samples, this goal proved to be quite challenging despite exhaustive follow-up through e-mail reminders and phone calls.

The highest percentage of respondents came from the Millennials (135 or 46%) followed by Generation X (87 or 29%) and, lastly, the Baby Boomers (75 or 25%).

The following items respond to the statement of the problem raised in this study:

1. The demographic profile of the respondents for each of the generational cohort in the BSP: Baby Boomers, Generation X, and Millennials, is shown in the following graphs:

![Bar graph showing age distribution](image1)

The biggest chunk of the respondents at 46% came from the Millennials followed by Gen Xers (29%) and Baby Boomers (25%).

![Bar graph showing gender distribution](image2)

Females (57%) are higher in number compared to males (43%) across the generational cohorts.

![Bar graph showing job level distribution](image3)

In terms of job level, rank-and-file and supervisory level respondents are at 37% and 40%, respectively.

![Bar graph showing years in BSP](image4)

Millennials with length of service in the BSP from 10 years including below 6 years and Baby Boomers with 21 years and beyond are almost equal in number.
Majority of the respondents from each generational cohort are married (70%) followed by single employees (27%), with its biggest chunk composed of the Millennials (72%).

2. Differences in the preferences of each generation

The respondents were requested to accomplish the TMS. Results of the survey reveal that there are no significant differences in the mean scores of the generational cohorts in terms of their preferences on the following variables under study:

2.1 Talent Acquisition and Career Management

There is no significant difference in the mean scores of the generational cohorts.

However, when grouped according to job level (i.e., rank and file, supervisory, middle management and upper management), employees with supervisory roles (JL5-6, M=3.63) have higher career management preferences than those in middle management (JL7-9, M=3.48) positions.
In the same manner, when viewed according to years of service in the BSP, employees with 6-10 years (M=3.66) in BSP have higher career management preferences than employees who have been in the Bank for 11-15 years (M=3.46).

It may be inferred from the above that younger generations in the BSP are more career-driven than their older generation counterparts. They give premium to learning the ropes more than the number of years of tenure. Gen Xers and Millennials value individual careers and want to experience career growth at a much faster rate. In a study conducted by the American Hospital Association (AHA) in 2014 on U.S. workforce, these generations continually advance in their careers and most of them comprise the middle managers while older generation currently holding the leadership roles would eventually reach their retirement and leave the organization. However, in the case of IBM Institute for Business Value (2015), research shows that Millennials and other generations are on the same level of career expectations.

There is no significant difference in the mean scores of the generational cohorts.

However, when viewed according to service tenure in the Bank (see graph on the left side), employees with 6-10 years of service tenure (M=3.39) have higher Talent Development preference than those who have been in the BSP for 16-20 years (M=3.22).
Majority of the respondents who have been in the BSP for 6-10 years of service are Millennials.

2.2 Talent Development

They prefer development that can drive their careers forward. Same is true with their comment that learning and development, especially for foreign training, should be made accessible to all employees in the BSP. Further, they said that learning should not be limited to those that pertain only to one’s function, but should also cover topics that appeal to their interests.

2.3 Talent Retention

Means for Gen Xers and Millennials are not significantly different. However, the mean score for the Baby Boomers is significantly different from Gen Xers’ and Millennials’. On average, Gen Xers and Millennials have higher preference for Talent Retention than the Baby Boomers.

<table>
<thead>
<tr>
<th>Tukey HSD test; variable Talent Ret (Spreadsheet3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homogenous Groups, alpha = .05000</td>
</tr>
<tr>
<td>Error: Between MS = 12228.0, df = 294.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cell No.</th>
<th>Generation</th>
<th>Talent Ret Mean</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Boomer</td>
<td>3.230579</td>
<td></td>
<td>****</td>
</tr>
<tr>
<td>2</td>
<td>GenX</td>
<td>3.393401</td>
<td>****</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Mil</td>
<td>3.401603</td>
<td>****</td>
<td></td>
</tr>
</tbody>
</table>

There are significant differences on the mean scores of the generational cohorts. To know which means are different, a pairwise comparison test was conducted (i.e., Tukey Honestly Significant Difference test, as above).

Differences in the mean scores may be attributed to the following items in the survey:

<table>
<thead>
<tr>
<th>Item</th>
<th>Significant Difference on the preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>32. I want to be able to rate my supervisor’s performance.</td>
<td>Mean of the Gen X (M=3.569) is higher than the mean of Baby Boomers (M=3.333).</td>
</tr>
<tr>
<td>33. I opt to be compensated for additional job roles (e.g., working groups, task forces, committees).</td>
<td>Means of the Gen X (M=3.195) and Millennials (M=3.340) are not significantly different from each other, but both are significantly different from the mean of Baby Boomers (M=2.783)</td>
</tr>
<tr>
<td>35. I prefer to have the option to work from home.</td>
<td>Means of the Gen X (M=3.325) and Millennials (M=3.474) are not significantly different from each other, but both are significantly different from the Baby Boomers (M=2.888)</td>
</tr>
<tr>
<td>38. I would rather have less formal working relationship with my supervisors.</td>
<td>Mean score of the Baby Boomers (M=2.946) is significantly lower than the mean scores of Gen X (M=3.267)</td>
</tr>
<tr>
<td>39. I want my supervisor to inform me of any anticipated changes in my work.</td>
<td>The mean score of the Baby Boomers (M=3.444) is significantly lower than the mean scores of Gen X (3.637) and Millennials (M=3.643)</td>
</tr>
<tr>
<td>41. I desire to be promoted every two years or less as long as I deliver good performance.</td>
<td>The mean score of the Baby Boomers (M=3.150) is significantly lower than the mean score of the Millennials (M=3.555)</td>
</tr>
<tr>
<td>42. I would think twice about staying in my organization if I do not get along with my co-workers.</td>
<td>The mean score of the Baby Boomers is significantly lower (M=2.626) than the mean score of the Millennials (M=2.902)</td>
</tr>
</tbody>
</table>
The Talent Retention indicators above show that younger generations have greater preference for a working environment that is less hierarchical, more flexible and recognizes accomplishments more. A research survey conducted among Indian private and public organizations showed Generation Xers prefer having creative freedom and authority at work more than getting higher compensation packages (Chawla, et. al., 2017). A more informal, albeit professional, working relationship with supervisors and peers is their preferred mode of interaction. It gives them the opportunity to freely relate and express their ideas. It sets an open line where communication flows freely. In terms of performance and career management, younger generations want to be able to also give feedback to their supervisors. At the same time, they crave feedback and praise as a result of being a generation raised with constant parental supervision and used to instant gratification made possible by modern technology (Valcour, 2013). This is consistent with the Generation X and Millennials’ comments that a 360-degree feedback is necessary to relay inputs to supervisors for the improvement of the supervisors’ performance.

Younger generations are also keen on advancing their careers with compensation packages commensurate to their efforts. While they do not mind being given additional duties, they also expect additional reward. According to Perez in his article on SHRM Foundation (2017), companies are adding special benefits such as parental leave, pet care/insurance, paid social involvement, and paid vacations. BSP employees also commented that flexible schedule, 4-day work week, and work-from-home can spell a difference in striking a balance between work and life. Based on the study conducted by the People Information Management and Analytics Group (2017) on the state of attendance of employees in the BSP, married female employees, 30-40 years old and with less than 10 years of service had the highest availment of sick leaves and vacation leaves. Consistent with the study conducted by WorldatWork in 2008, other generational cohorts utilize flexible work arrangements and only less than half of Baby Boomers utilize such. They have personal interests that they want to pursue as much as careers they want to drive.

There are also significant differences in the mean scores of respondents on Talent Retention when viewed according to the following demographic profiles:

a. Education

<table>
<thead>
<tr>
<th>Cell No.</th>
<th>Education</th>
<th>Talent Ret Mean</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Undergrad-Voc</td>
<td>3.015530</td>
<td>****</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>College</td>
<td>3.346519</td>
<td>****</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Mas/LLB</td>
<td>3.383144</td>
<td>****</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>HS</td>
<td>3.500000</td>
<td>****</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Doctorate</td>
<td>3.560606</td>
<td>****</td>
<td></td>
</tr>
</tbody>
</table>

Given that majority of the respondents have postgraduate degrees (61%), it is expected that BSP offers a wide range of retention programs that cater to the demands of all generational cohorts. Talent retention programs, both monetary and non-monetary, should be on par with other financial institutions to continually motivate the BSP workforce.
b. Years in BSP

Employees with 6-10 years tenure in BSP have significantly higher Talent Retention preferences (M=3.47) from employees who have been in BSP for 11-15 years (M=3.28) and 21 years and above (M=3.26). Considering the high response rate of Millennials (76% of the 27%) under residency of 6-10 years, it is expected that this cluster would want to have program that would encourage them to stay in BSP.

2.4 Knowledge Management and Communication

On the other hand, when viewed according to service tenure in the Bank, the Knowledge Management and Communication preference of employees who have been in BSP for 6-10 years (M=3.47) is significantly higher than those who have been in the Bank for 11-15 years (M=3.28). There is no significant difference in the mean scores of the generational cohorts.

Similar to previous results, there is a demand for information to be disseminated quickly through available media, either using traditional or technological means. Millennials prefer electronic media as means of communicating as long as the message being relayed is clear. However, in a study by JP Morgan Chase Bank (2014), Baby Boomers prefer to communicate in person rather than depend on technological means of communication. The emergence of computer technology had an impact on leveling older and younger generations of employees (Flynn, 2014).
Policy Implications

In view of the results of the survey, the differences in responses among generational cohorts lie along the area of Talent Retention. Talent Retention as defined in this study covers an array of HR programs from organization design, compensation and benefits (both monetary and non-monetary), work-life balance, performance and recognition, and management style. Specifically, policies on the following may be explored to address issues that relate to a multi-generational workforce:

• Appropriate design of rewards and benefits responsive to the generational cohorts – While all of the cohorts want to be rewarded and recognized in some shape or form, the preferred rewards vary across generations. Baby Boomers value additional pay on the efforts they have exerted for the benefit of the organization. They would appreciate hospitalization benefits for themselves and dependents. Generation Xers would also appreciate being paid in a manner that would help support dependents, whether children or ageing family members. On the other hand, Millennials would value paid time off from work in the form of flexible working hours that could give them more time for personal endeavors.

• Intergenerational acquisition of talents and shared career management – To respond to being a diverse organization, the strategy for acquiring talents should also utilize media that have certain appeal for each generation. The use of electronic media may appeal to the younger generation while employee referrals and a more personal invitation approach may be more effective to experienced workers. To be able to bridge intergenerational differences and ensure business continuity, senior workers are expected to mentor and share learning experiences with the younger generations. According to the study by the AHA Committee on Performance Improvement (2014), Millennials are looking forward to having a mentorship program that would help them grow in their career. A new strategy used by companies in managing multigenerational workplace is pairing younger workers with older ones for the former to provide mentorship on new technologies and to share insights on their purchasing habits, while the latter can share their valuable knowledge in their areas of expertise (SHRM, 2017). Generation Xers, on the other hand, would be willing to leave their present position for a job that offers telecommuting and flexible working hours (AHA, 2014). But all generations want fair and transparent hiring and promotion process.

• Management understanding of generations and tailored communication – Baby Boomers are favorable to having long working hours and prefer face-to-face interaction rather than relying on technology when communicating (JPMorgan Chase Bank, 2014). Millennials, being technologically savvy, have been dependent on the use of internet and social media as means of communication (AHA, 2014). They utilize their capability to rapidly share and access necessary information (Murphy, 2007). These differences can be taken into account when communicating with various generational cohorts as well as adopting management styles. Nevertheless, interaction among
the generations can be established through the use of social media platforms that connect all staff (AHA, 2014). To also address intergenerational issues, rotation of employees in different departments may be effected on a more regular basis for expanded organizational understanding. In the same vein, management should also be educated on the generational differences “to improve understanding, acceptance, respect and productivity of the cohorts” (AHA, 2014).

Conclusion

This study offers a different perspective on how employees from different generations blend in a local organization. While popular press has influenced generational stereotypes, an actual workplace setting provides a venue that highlights dynamics among generational cohorts. It emphasizes the common grounds within which each cohort operates. Any perceived generational gap as a result of the study may be further probed to have a more solid basis for programs that contribute to talent retention. The BSP has to proactively respond to the needs of each generational cohort if it wants to raise the level of motivation among its employees. It is also recommended that the results of the study be validated with the intention to revisit HR programs that may impact on retention programs for each generational cohort.
Bibliography


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