

BRIDGING THE GENERATION GAP IN RETIREMENT SERVICES - PART 2



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When it comes to learning, each generation has its own way of interacting with technology, and that interaction is crucial to business success.

Part 1 of this series outlined the different generations working in retirement services. Businesses are faced with unique opportunities and challenges resulting from the interactions of three or four generations working side by side. One of the major challenges will be the knowledge transference required in such a knowledge-intensive business. Rapid technological change combined with the need for sophisticated customer service will make collaboration across the generations essential to a successful business model.

As part of the retirement services profession, what do we need to change in our perception of the generations, approaches to training, technology, and

working with younger clients? How can we foster a knowledge-sharing environment that has the generations working together effectively and efficiently? What can we do to help the various generations in our offices get along?

GENERATIONAL PERCEPTIONS OF THE WORKPLACE

Approach to authority is one of the areas where the different generations diverge. Radio Babies were taught to respect authority, while Boomers learned to question it. For the most part, Gen Xers ignore authority and don't like to be given orders. Millennials actually respect authority, but they expect the respect to be mutual. Millennials need guidance and structure and get along well with their elders and actively shop for mentors.

A Boomer may feel it's disrespectful if a Millennial speaks with improper grammar, while a Millennial may feel that it's disrespectful when a Boomer points out that the Millennial is inexperienced and young enough to be his or her child. It becomes evident that even our definitions and perceptions of respect are different across generations.

The older generations tend to think the younger generations have no work ethic. Work ethic can no longer be measured solely by how many hours you spend in the office; it's being redefined in terms of results produced, with less focus on how, when, or where the work is done.

Gen Xers and Millennials have a strong work ethic when it comes to quality standards, getting the job done, and contributing to the company's success. Work/life balance is very important to them and they can demonstrate to Boomers that working long hours isn't necessarily the best way to inspire creativity and solve problems, especially after seeing their parents work long hours away from home. Radio Babies and Boomers should keep that balance in

mind when they set schedules and expectations. Don't assume that if employees aren't in the office, they're not thinking about work. Millennials are known to surf the web for hours seeking solutions to problems, and they don't mind as much as Gen Xers do if they're contacted after work hours about a work issue. Millennials thrive on constant connectedness via cell phones, text messages, and social networking.

KNOWLEDGE AND TECHNOLOGY

The two greatest generational challenges in the workplace today are technology and knowledge transference.

Technology is pervasive, constantly evolving and changing the way we connect with our coworkers and our customers. For all Millennials and most Gen Xers, even a fairly high-tech workplace is a step backward from what they're accustomed to in their personal lives. For Radio Babies and Boomers, however, that same high-tech workplace may be a considerable leap forward from how they operate outside the office.

The technology gap remains one of the most challenging to bridge, and it will continue to widen with technological innovations. The older generations understand that technology is a great tool to access data and process transactions, but they're not as quick to see how it applies in all aspects of the business. Gen Xers depend on technology to make them more productive. Millennials especially rely on modern technology to fill in their experience and knowledge gaps, to solve problems, to interact, and to stay fully engaged in their work.

However, increased technology in the workplace can lead to increased security risks. Technology policies must be established and properly communicated. Gen Xers and Millennials are all too familiar with debates over technology (*e.g.*, violent video games, inappropriate Internet

sites, illegal media downloading), but since their productivity and motivation hinge on the ability of their employer to meet their technological expectations, understanding the reasons behind any technology restrictions is critical to their acceptance of those policies.

While technology plays a critical role in shaping a business, human capital is by far a retirement services company's greatest asset. Transferring knowledge from generation to generation within the workplace is just as important as it is at home. Many Radio Babies and Boomers hold the key to years of industry experience, law changes, internal processes, and customer relationships that enhance the company's ability to operate. However, highly skilled Boomers are accustomed to control and power that stems from their knowledge and access to privileged information.

To successfully transfer that knowledge, Boomers should agree to share the information freely through knowledge databases that can be used to make the knowledge transparent. Knowledge transference can be threatening to Boomers, especially if they're not great masters of technology, because it can create a feeling of minimized importance. However, impending retirements, as well as more frequent job changing among younger generations, make a culture of knowledge transference imperative in today's workplace.

One solution to the knowledge transfer challenge is to create a two-way mentoring program that provides opportunities for the older generations to transfer technical knowledge and relationship experience to the younger generations, while the younger generations mentor the older generations on technology. By understanding more about Twitter and Facebook and wikis, the older generations can begin to understand how social networking and "bottom-up" self-evolving information

systems can apply to the workplace. Mentoring opens up the channels of communication and sets the stage for other types of collaboration, helping to bridge the generational gaps.

Job shadowing is another technique frequently used to transfer knowledge across generations. These types of programs can help bridge the technology and knowledge gaps, while at the same time help the generations to develop mutual respect for their individual abilities and contributions.

PROFESSIONAL DEVELOPMENT

If your workforce is starting to look like an age barbell, with lots of younger and older workers at either end and not many workers in-between, your firm may be experiencing generational issues. Generational issues aren't new to the workplace but rapidly changing technology makes that gap much wider today.

Acknowledging that generation gaps exist is the first step in managing the "age barbell." Managers who solicit input and involve employees from the various generations to help develop policies will create a positive, productive working environment. A structured brainstorming session before stressful times such as tax season can help to solve problems and bring the generations closer together. Millennials will often suggest ways to deal with data more efficiently, while asking for more cross-training and professional development. Boomers will offer to lead training sessions and provide insight into good client communication skills.

Structured brainstorming sessions centered around education will point out to management that different employees have different training needs, and some of those needs are generational. Credentialed employees need continuing education. Boomers need better technology skills. Gen Xers and Millennials are technologically

savvy, but they need technical training and training in social skills.

The temptation in a difficult economy is to cut back on training dollars, but this strategy can be short-sighted when plan sponsors and referral sources are looking more than ever for services that provide value. Communication and relationships are at the heart of everything we do in business. Don't overlook the importance of education—especially in technical communication and relationship skills.

How training is delivered should take into account different generational learning styles. Boomers prefer traditional classroom style learning, with or without interaction. Gen Xers typically like self-directed learning through webinars or podcasts. Millennials like a learning environment that has many components—classroom, group activities, interaction, fun, and technology.

Technology is transforming education. The way Millennials access and process information is different from former generations, and it keeps morphing. Adapt your own internal training so it can appeal to all groups, and make outside opportunities for education available in a range of styles.

OUR CUSTOMERS AND OUR INDUSTRY

News flash! It's not just our employees who are generational. We're selling plans and services to firms that are also multigenerational. If we understand our own firm's generational differences better, we'll also come to understand our customers better, which can translate to increased profitability. Ask your own employees what's important to them in terms of the operation of your own retirement plan.

Gen Xers and Millennials are changing jobs much more frequently than the generations before them. Many of them are cashing out their assets from their 401(k) plans

each time they change jobs. As an industry, we need to emphasize the importance of retirement savings at younger ages. Institutions are ramping up to retain these assets, and they're establishing rollover programs to keep retirement funds invested with them once employees leave their employer. Easy access to rollover options and single-step simple execution are a must.

Products and services that allow Millennials and Gen Xers to understand savings concepts, make decisions quickly, and even have fun (think YouTube videos) will be in demand. Millennials will also expect the technology to give them feedback on how they're doing, telling them if they're moving in the right direction with their retirement savings (the gold star approach).

Gen Xers and Millennials are the wealth accumulators and the wealth inheritors of tomorrow. The Boomers, on the other hand, are moving toward a decumulation stage. Providing services for Boomers' phased-retirement options and distribution strategies is another burgeoning market opportunity. **PC**



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