

BOOMERS AND MILLENNIALS: ADAPTING TO GENERATIONAL CHANGE

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Every generation has its own approach to life and work. At the risk of stating the obvious, the interactions between generations have profound effects on families and their businesses. Reflecting on John's decades of researching and advising family companies, we are impressed with how attitudes about work, careers, family life, and family business have changed rather steadily since 1978, when "Baby Boomers," born between 1946 and 1964, were just entering the work force. Baby Boomers were interacting with their parents, members of the "Silent" or "Builder" generation, born between 1925 and 1945. Today, Boomers are mostly in charge and getting hit with the new wave of change brought in by the Millennial generation, born between 1982 and 2004, sometimes called Generation Y. By 2016, Millennials will be 80% of the global workforce. We've never seen generational change on this scale before, and most Boomer leaders are not ready for the widespread changes the Millennials will bring to their organizations.

Sandwiched in the middle are Generations Xers, with technical skills and insights into new trends that are propelling them into leadership positions faster than the two generations that came before them. Meanwhile, the Silent Generation are not retiring in their 60s or even their 70s, as generations have always done before them. They are still exerting significant influence on families, ownership groups, foundations and companies.

At the Cambridge Institute for Family Enterprise, we are tracking how all four of today's living generations approach life and work, and what impact that has on family enterprise. We are particularly concerned with the confusion and conflict that can arise when multiple generations—especially from the same family--meet across the conference

table. Our research aims to better understand how generational differences can be transformed into advantages and opportunity. In this article, though, we will stay focused on Boomers and Millennials.

Baby Boomers all over the world share a strong work ethic and they have mostly joined organizations to pursue their careers. During their formative years, they benefitted from and were shaped by three key things: modern education, expanding markets in a mostly peaceful world economy, and a belief in scientific progress. Boomers in the United States grew up in a world of socialturmoil brought about by a Presidential assassination, Watergate, the Vietnam War, the women's movement, and civil rights movements marked by two other assassinations: RFK and Martin Luther King, Jr. They are less trusting of authority than their parents were, skeptical about power concentrated in government and companies, and they believe it is their job to make the world a better place. They espouse change through knowledge, rationality, and communication.

Millennials are their grandchildren in the family and the youngest new recruits at work. The early Millennials graduated from university roughly at the time the global recession began. If not in the workforce today, they are suffering the double-digit unemployment that characterizes their age group in many countries. The second wave of Millennials, born up to 2004, was largely in elementary school on September 11, 2001, when a terrorist event in the U.S. marked the beginning of a new global era. These late Millennials are still teenagers or young adults today.

Millennials perceive economic uncertainty all around them. Some experts believe that Millennials' apparent lack of interest in joining organizations results from the lack of opportunity that organizations currently offer, along with the lack of loyalty that organizations express. Understandably, Millennials feel it is safer to invest in themselves, than in organizations.

Millennials are the first generation to completely grow up with computers in the home and to be immersed in social media. This might help explain the short attention spans that observers attribute to Millennials. Efforts by parents and others to curtail their social media involvement face huge challenges. One study shows that quitting social media causes the same symptoms as quitting an addictive drug. While Boomers accept new technology as a necessary tool for work and life, Millennials view technology as the promise of a better life. In Latin America, according to a 2013 survey by Telefonica

and *The Financial Times*, Millennials are confident that technology will empower and produce global change.

Almost ironically, “disconnected” Millennials are more connected with their families. A study by Junco and Mastriodicasa of over 7,000 U.S. college students found that 94% owned a cell phone, a computer or both, and they talked with their parents an average of 1.5 times a day. Where once it was unheard of for young American adults to live at home after college, today it is becoming the norm. Experts say this attachment to home and parents is behind an entirely new stage of personal development they label “Emerging Adulthood,” focused on self-fulfillment and characterized by self-exploration and trying out different pathways to a good life.

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Young adults today (including recent MBA graduates) don’t see a problem changing jobs every year or two to benefit their own career development. Around the world, early Millennials (ages 22-30) tell us that they are not interested in working in established organizations or having conventional careers. In business families, we are also hearing many more serious discussions about work-life balance—a topic raised by Xers and Millennials, who agree that work should not be the primary focus of life.

There is common ground between Boomers and Millennials. Both believe that business has a social purpose and they both frequently press for social and environmental responsibility by their family business.

But even where Boomers and Millennials share interests, their interactions can be problematic. Research at Georgetown University suggests that Millennials and Boomers approach community engagement differently. Boomers believe in face-to-face interaction and think it’s important to mingle and make their voices heard in their communities and in their governing forums. Boomers accuse Millennials of “slacktivism” for their primary use of social media, rather than physical gatherings, to broadcast ideas, establish viewpoints, and take action. Millennials, on the other hand, wonder why they need to leave the house to engage with the community when technology delivers more impact.

Finally, consider this. More Millennials from business families want to be entrepreneurs. (According to the same *Financial Times* survey, more than half of Latin American Millennials—52%—consider being an entrepreneur to be a very important life accomplishment. Many still want their families to provide financial support for their ventures, so not everything is changing.) We believe their interest in entrepreneurship is a reflection of their generation's attitudes about what is important about work and life— independence, flexibility, and self-expression. Millennials' entrepreneurial drive could prove to be a good thing for families that want to diversify into other businesses. You need to think about the opportunities you can offer Millennials, both in and out of the core business. But if Millennials work inside the core business they will need to adapt to the regulations of the business.

Perhaps the biggest challenge in working with Millennials could be adjusting to, and managing, their work habits. “Most Millennials say the older generations have a better work ethic,” writes T. Scott Gross in his book *Invisible: How Millennials are Changing the Way We Sell*. Many Millennials expect work to be punctuated by humor and fun, so their own productivity may depend on providing it. Is the Millennial work ethic really weaker? Or does it just look different from Boomers' but still gets the job done—maybe even in more innovative or efficient ways?

We have more to learn. Will Millennials really hold 25 jobs in a lifetime and forge five careers? What if economic conditions improve significantly for the late Millennials? Will they be more open to joining and staying with established companies? Will Xers lead Millennials differently than Boomers or Builders, who recognize their tech savvy but balk at their demands for good to great salaries, steady advancement, and for coaching relationships (not just direction) from their managers? Before you think all this is only happening in your family enterprise, look around.

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ABOUT CAMBRIDGE INSTITUTE FOR FAMILY ENTERPRISE

The Cambridge Institute for Family Enterprise is a global research and education institute dedicated to the real issues facing family enterprises. It is a place where progressive members of family enterprises come to learn, exchange ideas, develop themselves and position their enterprises to be not only successful, but sustainable over generations. Its sister organization, Cambridge Advisors to Family Enterprise, advises multigenerational families around the world on strategies to sustain their success over generations.