Gen X Women at Work


When these job factors are missing, increasingly Gen X women walk. It’s being referred to as the “opt out revolution” and this revolution has serious implications. Why? Because of the looming labor shortage. About 77 million Baby Boomers will be retiring in the next fifteen years but only 44 million Gen Xers are in the pipeline to take their place. Even if organizations retain all their talented Xers, labor shortages will occur. Without the well-educated women of this generation, a crisis of epidemic proportions awaits.

This looming crisis constitutes more than a mere labor shortage, it’s a loss of the female perspective in leadership roles. A 2004 research study by Catalyst indicates that companies with more women in senior management are more profitable. In fact, the companies with the most women on their senior management teams out-performed the businesses with the least women by at least 34 percent. The Catalyst research examined data from a sample of 353 Fortune 500 companies representing five key industry sectors with average revenues of $13.5 billion. Return on Equity (ROE) was 35 percent higher, and Total Return to Stakeholders (TRS) was 34 percent higher in those companies with a significant number of women in senior management.
The number of women on the senior-management teams in the best-performing companies (top quartile) averaged 20.3 percent; the number of women on the senior-management teams in the weakest performers (bottom quartile) was 1.9 percent. Despite this compelling research, women are already vastly under-represented in senior management positions in most twenty-first century organizations. The exodus of younger generations from traditional organizations only compounds the problem.

Currently only 67% of Caucasian MBA females are working full time (compared to 95% of the men) and the percentages are even lower among women with prestigious degrees from Ivy League schools. A recent survey of women from the Harvard Business School classes of 1981, 1985, and 1991 found that only 38 percent were working full time. However, our research suggests that the exodus of professional women from the workplace isn’t really about motherhood; it’s about work—or the lack of meaning and balance therein. In a recent *New York Times Magazine* cover story, one woman used the analogy of a romance gone sour: “Timing one’s quitting to coincide with a baby is like timing a breakup to coincide with graduation. It’s just a whole lot easier than breaking up in the middle of the senior year.” Ambitious Boomer women aimed for a management spot, to get onto the boards of *Fortune* 500 companies or to make it to the top and sit in the CEO seat. There’s a new goal for this generation of women: It’s to redefine the meaning of work. And, they’re doing it—one resignation at a time!

While some of these women are leaving to be stay-at-home-moms, many others are leaving in search of more X-friendly employers; others are becoming entrepreneurs. By a margin of two-to-one, this generation would rather own their own company than be a senior executive in a large firm. One-fifth of all small business owners in the United
States are Gen Xers, and the Gen X start-up rate is three times that of older age groups. Entrepreneurship is especially attractive to Gen X moms who may want to parent their children on a full-time basis while also earning an income. Katie Couric on NBC’s Today Show dubbed these women mom-preneurs. Becoming a mom-preneur offers Gen X women the opportunity to earn a living while also living a balanced life. While entrepreneurship may not offer as many material rewards (at least not in the beginning), many Gen X women are more than willing to sacrifice money for meaning. In our survey of 1200 Gen Xers, both Gen X men and women ranked job status and prestige last in importance among 15 job factors.

**Becoming an Employer of Choice**

It’s not that difficult to create a more X-friendly workplace. There are already plenty of existing role models. One only has to pick up a copy of Fast Company magazine to see new images of organization. In periodicals like this we read about people like Frank Caccamo, Corporate V.P. and CIO of Reynolds and Reynolds. Gen Xers represent forty percent of his I.T. department, and because of that, Caccamo altered how his department communicates. He instituted regular all-hands meetings that allow individual employees to report on their own initiatives and ask probing questions of management. Caccamo has also restructured his 200-employee department from tightly structured job roles into broad job families that offer more task variety, and hence more interesting work. This restructuring was done with the full participation of the employees. This is key! The first step in any culture-change initiative is to find ways to get the stakeholders involved. State-of-the-art processes such as “Appreciative Inquiry” or
“Future Search” are useful tools for involving large groups in the design and implementation of an X-friendly organization.

Don’t let budgetary restraints keep you frozen in the status quo. Many X-driven changes will cost nothing at all. For example, Gen Xers look for tangible results on a daily basis. Remember, they grew up in a fast-paced, high tech world and they want instant results. Is there a way you can give them more frequent feedback? All employees, but especially Xers, respond positively to feedback that’s more frequent than an annual review. Look for more ways that you can give workers daily feedback on the tangible results they achieve.

Remember Xers lust for learning? A manager may be afraid of giving an employee “too much training” because training increases an employee’s marketability, but it also increases their loyalty. Give an Xer some useful training and you’ll find it’s like putting a fresh battery in the Energizer bunny. Training inspires them to go out and do their own jobs better and organizations that provide on-going development, typically have low turnover. Their employees stay around for more opportunities to learn and grow. There is a caveat. Opportunities to learn without opportunities to apply can lead to even greater frustration. The problem in some organizations is not the absence of training opportunities; but rather the absence of appropriate ways to utilize the newly acquired skills. In situations of skill mismatch or underutilization, motivation suffers and the organizational investment in learning is lost.

Simply being a prestigious employer means little to this generation. If you want Xers to come to work for you (and stay for more than two years), you will have to create an egalitarian culture, practice open communication, offer frequent feedback, engage
them in decision-making, make work interesting and fun, provide lots of opportunities for learning, and offer schedule flexibility. In so-doing you will become an employer of choice for this generation, and not only will your retention rates greatly improve, you will find it much easier to attract high-talent employees to fill future employment needs. It is well documented that the single best method for recruiting new employees is to do a great job with managing your current ones.

Create an X-friendly work environment, and then use it to sell your business to new recruits in interviews or at job fairs. Have examples of how your work/life policy is helping individual employees balance home and job responsibilities. It’s something prospects won’t find at every booth in the room. If you’re looking for an edge in recruiting young talent, try offering employee sabbaticals or paid volunteer time off. According to Nancy Ahlrichs, author of *Competing for Talent*, community service buttons on company websites get more hits than job openings buttons.

Prudential is a great example of innovative recruiting practices. Their recruiters incorporate community service programs into their recruitment efforts, giving prospective employees an idea of what types of volunteer activities and non-profit organizations the company’s employees support. At recruitment fairs job applicants, while chatting with recruiters, pack backpacks for children who’ve been removed from their homes and are headed to foster care. Attendance at recruitment functions has quadrupled since Prudential implemented this strategy.

The current buyers job market is about to come to a screeching halt and, the minute the labor market rebounds, all of your frustrated, over-worked, under-appreciated employees will leave—in a flash! Companies that haven’t taken time to build loyalty will
find themselves scraping the bottom of the job pool barrel, especially for managers and skilled workers. On the other hand, loyal employees not only stay longer (thus cutting recruitment costs), they refer their friends, which provides a pool of eager prospects.

Can it really be done? Can we create sane and satisfying workplaces? Sure, but it’s not easy and it’s not common…yet. Out of the 1200 Gen Xers we surveyed, very few offered up solutions to their disillusionment. This 37-year-old Vice President is an exception. She’s not willing to passively wait: “I’ve learned that I have a direct role to play in shaping my career. I’ve learned that I can create my future and overcome changes imposed on me. I have a choice.” Yes she does and so do you! We all have a choice. Will you be a follower or leader in the neXt revolution?

Copyright 2005, Laura Shelton & Charlotte Shelton