DIFFERENT GENERATIONS IN COMPANIES: THE KEY TO CREATING VALUE

FOREWORD

In recent months, AmCham has made a significant shift to become a think tank that places the transatlantic relationship at the very heart of its identity. This evolution was motivated by the conviction shared by our members that during a time when French society faces complex economic, social and geopolitical challenges, it is essential that businesses play a growing role in the public debate.

Today, AmCham brings together approximately 350 French, European and American businesses, of all sizes and active across all sectors of the economy. Through their transatlantic dimension, the expertise these companies have developed, and the talented people they employ, they have become an invaluable source of new ideas and specific innovations enabling them to respond to the major challenges facing France. From this perspective, the members of the AmCham decided to create two working groups with the objective to bring forth innovative and disruptive ideas on relevant topics to the public debate. These working groups bring together executives of French and American companies as well as experts from civil society and the academic world. AmCham's transatlantic DNA is found in in the composition of the working groups and in the international approach to the topic - notably in the use of benchmarks.

It is in this context that AmCham decided to dedicate its first work group to the issue of generational diversity within companies.

In just a few years, five generations with different goals and aspirations will have to work together. This major challenge will affect companies, across industries and sectors, all under the pressures of the digital revolution. Facing this issue is a strategic challenge, too often ignored by economic and political leaders. Companies' ability to profit from generational diversity will have an immense impact on their potential to attract and retain talent, to acquire a strong identity, and to perform well.

AmCham understands that generational diversity is an asset. It was a driver of our programs facilitating the cohesion between generations, notably via our mentoring platform and our NextGen initiative, which allows young founders of start-ups to exchange ideas and collaborate with executives of large corporations. The working group, co-presided by Mathieu Gelis, Director General of Citi in France, and Marc-Andre Kamel, Partner at Bain & Company, worked to understand what topics are raised in the management of multiple generations within a company. This white paper highlights the intensity and complexity of the subject. It elegantly demonstrates that an off-the-shelf solution that can be replicated by all businesses does not exist. However, there are pragmatic recommendations, and innovations that allow organizations to transform this challenge into a competitive advantage.

Jérémie Gallon
Managing Director of AmCham France

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GENERATIONAL DIVERSITY: MEET THE CHALLENGE TO CREATE MORE VALUE

A major challenge for business executives looms: in just a few years, five generations will coexist within companies.

In this context, creating multigenerational companies where everyone can reach their full potential and where collaboration is not only productive, but constructive, constitutes not only a challenge, but also an immense opportunity. These issues are all the more important as they are exacerbated by the digital revolution. The businesses that will succeed in converting generational diversity to profit will be those able to adapt to change, follow several guiding principles that cannot be ignored, and dig into a selection of tactical solutions to create the recipe for their success.

Challenges that reflect diversity: multiple and varied

The cohabitation of multiple generations within a company can create negative perceptions and be a source of tension.

In fact, 43% of businesses estimate that the misunderstandings between generations persist and hierarchical relationships are tense and unraveling[1]. Moreover, when asked about the reasons for these difficulties, the respondents tend to use negative stereotypes to describe the other: "lazy" is the first adjective chosen by generations Y and Z, while the latter describe generation X as "boring" and "tired"[2]. Furthermore, without generalizing, the generations express differences in their aspirations and expectations of work, their relationship with authority, and their modes of operation and communication. Companies are working to diffuse certain negative stereotypes and facilitate understanding and sharing between generations. For example, Dow has implemented an employee training course focusing on the differences in terms of expectations and operation which may exist among the multiple generations within a company. This training makes it possible to optimize team work and to foster motivation among employees.

Due to the extension of retirement and the roll back of the retirement age, in the coming years, the number of seniors will become a larger percentage of our society and consequently our companies [4]. In 2050, one in three citizens will be aged 60 or above, compared to one in five in 2005[5]. Even today, one third of Europeans aged between 60 and 65 are still working. Beyond these demographic and macro-economic imperatives, a societal change is already taking place because seniors wish to stay active for a longer period: 75% of baby boomers want to continue working full or part-time after the legal retirement age. However, many companies do not understand how to fully integrate seniors. France notably opted for the enactment of pre-retirement of older employees, which brought forth a loss of many companies' key knowledge holders. Consequently, only 17% of seniors aged 60 to 65 are working in France, versus 60% in Sweden.

Some businesses always have rendered valuable the experience of their most senior employees. At Otis, almost 90% of the newly-recruited techs don't have the required expertise prior to their arrival and are thus trained for three months by an experienced instructor. This is the tool Otis deploys to highlight the expertise of its teams. Therefore, companies wishing to mobilize their entire staff regardless of age should aim at rethinking the functions, career paths, and training of their most senior employees to implement an efficient support system and provide them with the resources necessary to bring the most benefit to the company in the long run.

TRENDS ON THE 5 GENERATIONS COHABITING IN BUSINESSES:

	GENERATION Z	GENERATION Y / MILLENNIALS	GENERATION X	BABY-BOOMERS	SILENT GENERATION
Age	<24 years old (born after 1995)	24–37 years old (born between 1981 and 1994)	38–53 years old (born between 1965 and 1980)	54–72 years old (born between 1946 and 1964)	>72 years (born before 1946)
Career stage	Finishing studies or at the very beginning of professional career	Beginning of professional career	Mid career	End of career	Not working for the majority, a minority still active
Relation to work	Work as a means of personal development		Prioritize personal life	Prioritize work, by ambition	Prioritize work, by a sense of duty
Relation to hierarchy	Horizontal conception of relations	Respects skills regardless of relations	Respects skills in a vertical conception of relations	Respects authority and hierarchy regardless of skills	
Career perspec-tives	To find a job that matters	To find a fulfilling profession	To be a leader, "to succeed"	To succeed at all costs by progressing in the ranks of a company	To succeed, provided to remain honest, by progressing in the ranks of a company
Relation to the company	Loyalty to a cause		Loyalty to people	Loyalty to a profession	Loyalty to a company

At the same time, the other end of the generational spectrum is progressively evolving into the majority. Millennials will account for up to 75% of the workforce by 2025. In the same way that they are redefining consumer habits, these "digital natives" are redefining company lines: by challenging standard operating modes by requiring more cooperation and flexibility and emphatically expressing their fulfillment aspirations. This generation is progressively taking the reins - it already holds 20% of managerial positions - and is imposing a new leadership model. The struggle is to thus allow millennials to fully play their role as agents of change by giving them the space and support they need. Accompanying, rather than stifling the dynamic that they inspire, is essential as it also prepares companies to better welcome Generation Z.

Finally, caught between the junior and senior generations, is Generation X. This cohort suffers from the symptom of the forgotten child, as all eyes and initiatives are turned toward the baby boomers and the millennials. This exacerbates the anxiety among this population who accumulates daily sources of stress. At work, they often have demanding middle-management roles, and at home, close to 40% of them simultaneously have a child and a dependent parent who is older than 65. They also have significant doubts about their future perspectives: only one in five is confident about their ability to assure financial security at retirement age, as opposed to the baby-boomers where this ratio amounts one in three and the millennials[9], where it amounts to one in two. Generation X combines the qualities of the previous generation and of the following one. Businesses that know how to render themselves valuable will benefit from their ability to navigate the junction between two extreme generations and to facilitate a productive cohabitation.

<u>The digital revolution as a catalyst for generational challenges</u>

65% of current primary school students will occupy a position created by digital trends which does not exist today [10]. The transformation of today's ongoing digital revolution is massive, complex, and will continue to change the way that business works. It is driven by new tools and new techniques, but it also poses a major human challenge. Notably, it induces deep transformations in the labor market: redesign of the panorama of professions (appearance and disappearance of some professions), demand for new skills, evolution of working methods, and a new relationship to the company and to hierarchical relations. To achieve this human transformation, businesses must get involved and bring their employees on board, regardless of age.

The need to attract the younger generations with digital understanding is crucial in a talent war and an employment market polarized between digital business leaders and others. For new digital careers and for current ones that will continue to exist, the digital revolution requires skills of a new order: paying attention to the user experience is key, as is with the capability to use common digital communication channels to animate a community and a digital ecosystem, to analyze the massive data at one's disposal, etc.

However, "digital talents" who master these new skills are still too scarce to meet the needs of all companies. Of the companies interviewed, 85% estimated in 2017 that digital skills were more important for their activities than two years ago, but 75% of these companies experienced a lack of such skills within their own workforce." A study by Bain & Company confirms that this trend is expected to continue, with a risk of increasing scarcity of digitally trained workers into the2030s[12].

These talents are only possessed by "digital natives", as familiarity with digital tools is not the same as expertise. Nonetheless, these "digital natives" make up an invaluable recruiting base as they are just entering the job market. In order to attract digital natives, companies must develop frameworks and career paths that allow them to fulfill their objectives.

The digital revolution also raises the question of training for generations already in the workforce, the baby-boomers but also Generation X, to keep up with the rapid evolution in the panorama of uses, professions, and skills.

A variety of professions that were previously unimaginable exist today, and evidence shows that this trend will continue. Blogger, web analyst, SEO specialist, customer experience manager, app developer, big data analyst, scrum master, and so forth: none of these jobs existed ten years ago. On the other hand, some professions - notably those involving the most easily automated tasks - are on their way to extinction. This is also the case in the mass retail sector, where robotization allows for the replacement of many handler. It is estimated that, between now and 2030, automation will reduce businesses' manual labor requirements by between 20% and 25%[12].

A report by the World Economic Forum[10] identifies investment in training for employees as the most widely used axis in HR strategies to adapt to current evolution in the workplace (65% of the companies surveyed), the second is support for mobility and job evolution (39%). Companies should invest and rethink the training and career paths they offer to avoid excluding senior populations and the subsequent loss of performance.

Finally, the digital revolution embodies a profound cultural transformation in the way people work within companies. Business agility allowed companies to rethink and level hierarchies, and to create new modes of communication and collaborative work tools. Influenced by companies born in the digital world, hierarchical and transverse modes of working are evolving. To address the challenges of the digital age, teams should be multidisciplinary, and work in project mode. At the same time making access to information easier for the entire workforce encourages a good rapport within hierarchical relation. This gives more autonomy to employees, placing the manager in a role of support more than oversight. One example is ING Bank, which since 2015 has undertaken a major migration of its organization towards an agile mode with the constitution particularly of self-managed teams, able to develop a product or simplify a customer episode in a fast and autonomous way.

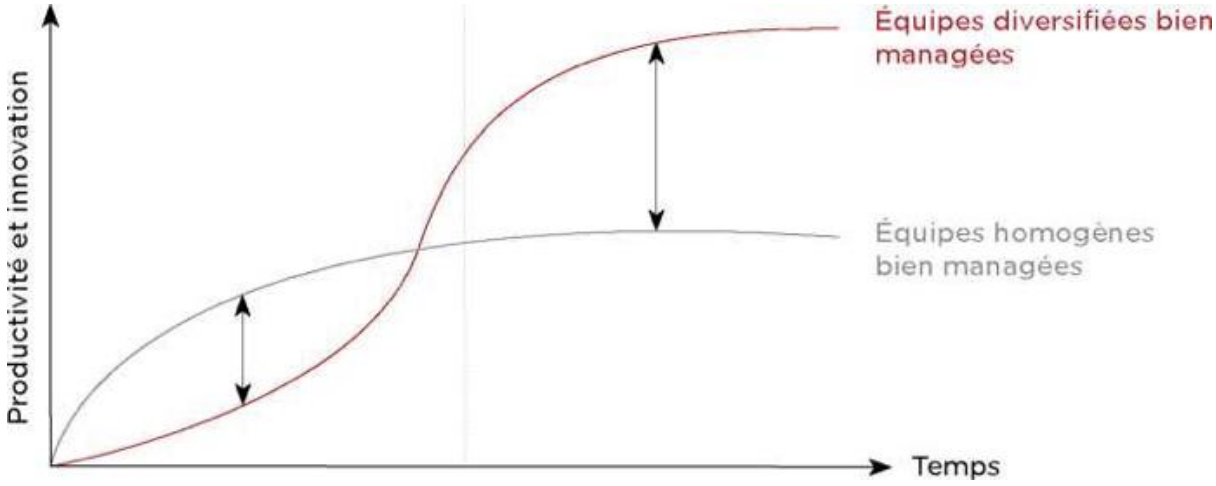
The challenge for companies is therefore to actively change the way they work, rather than waiting for the transformation to overcome them. This requires encouragement of generations within companies who participate in these changes, help to companies with less experience to explore transformations, and to define a common framework to promote intergenerational cooperation. This is the case at

Johnson & Johnson, which set up an "inverted" digital mentoring program where each Executive Committee member meets their Generation Y pair monthly for a full year to discuss digital trends and tools.

Meeting the generational challenge

Generational diversity may create value. Conversely, when inadequately managed it may diminish the performance and productivity of companies. In fact, nearly one-fourth of the 2,500 high-level managers questioned by the global consortium "Future of Work"[13] consider inter-generational cohesion to be the biggest risk their company is facing. Similarly, many studies underline that diversity is a source of economic performance. In a study conducted by Forbes, it was estimated that diversity is a source of innovation for 56% of companies exceeding USD 10 billion, and in another study conducted by Gallup, it was considered that the most diverse distribution company divisions show an income exceeding 14%[15]. In the same way, effective inter-generational cooperation generates advantages: satisfaction increases for everyone (49%), modernized methods of working (65%), new means to develop company activities (38%), and faster project realization (34%)[1]. Beyond these benefits, in a context of talent scarcity and increased competition, companies that want to succeed must mobilize all their resources - whatever their age - and help them develop their full potential, in ensuring their motivation and offering them the right opportunities throughout their life in the company.

LEVEL OF PRODUCTIVITY AND INNOVATION OF DIVERSIFIED VS. HOMOGENEOUS TEAMS OVER THE COURSE OF TIME:



Productivity and innovation / Time
Well-managed diversified teams
Well-managed teams

Generational diversity is therefore a strategic issue that all business leaders must tackle.

The strong and direct involvement of leaders in the generational challenge is key in many respects. On the one hand, leadership must be at the forefront of any cultural change, both by embodying and encouraging it in others. Beyond the reinvention of the value proposition and modes of operation, it is necessary to change mentalities and behaviors to succeed. On the other hand, imagining, building and deploying the most relevant solutions cannot be done without a significant and sustainable investment. The role of the manager is crucial in prioritizing and securing such an investment. Last, but not least, this is a complex challenge for which only a few proven solutions exist. Every company will have to learn as they go. In this context, the leader plays a dual role: encouraging experimentation and helping the organization to make relevant choices.

Experimenting with tactical solutions

In the absence of a cookie cutter approach, companies must strive to maintain a proper balance between understanding the specifics of different generations and the trap of age stereotypes. This is a delicate but necessary practice.

Generation is not the only factor that explains behavioral differences at work. Other factors beyond age, such as hierarchy and individual preferences come into play. Because of this, it would be limiting to build solutions solely based on generation. Systematic segregation of age-based initiatives could crystallize stereotyped generations' views and exacerbate the silos and tensions rather than reduce them.

However, the generational prism remains an effective means of understanding the specific needs of each generation and their evolution in terms of aspirations. This prism makes it possible to identify challenges and to adapt the company in a relevant and rapid manner. For example, recognizing the difficulties that baby boomers may face in terms of updating skills makes it possible to enrich the reflections on training. Similarly, identifying the frustrations and anxieties of Generation X invites us to rethink evolution opportunities. Lastly, understanding the new expectations of the Y and Z generations encourages adjustment of the value proposition to attract and retain employees over time. To provide an example, Sodexo interviewed its employees on their level of satisfaction and commitment, and then compared the results between generations. The analysis of the gaps between generations and the understanding of their origins, through discussion groups, allowed them to imagine relevant solutions.

Thus, the right approach skillfully mixes individualization and community. On the one hand, companies need to build a strong identity to unite employees beyond their age differences, which helps to better address the challenges of generational diversity. This identity, embodied daily, helps answer the employees' quest for meaning and their desire to participate in a great corporate adventure. At the same time, businesses need to rethink how they work to adapt to different expectations and strengthen collaboration. Finally, businesses must meet the individual aspirations of employees of all generations through an attractive and differentiated value proposition. This will allow them to recruit and retain the best talent and allow them to reach their full potential throughout their life in the workplace.

To meet the challenges of generational diversity and reap the benefits, leaders must focus on each of these three key dimensions: the identity of the company, its modes of operation and its value proposition. By taking care of these elements, they will be better equipped to attract, retain and, obviously make the best talents of all generations work together. There are no cookie cutter solutions. Nonetheless, each company must accept to engage fully and over time in this profound work of construction of the solution best suited to its particularities. To do this, companies need to imagine, test and launch solutions, then sometimes start over again - they will learn as they go. To help the companies wishing to take up the generational challenge, we propose the keys to success identified during numerous exchanges with AmCham member companies, and examples of initiatives set up as sources of inspiration.

TAKE ADVANTAGE OF GENERATIONAL DIVERSITY: CONCRETE EXAMPLES

COMPANY IDENTITY AS A UNIVERSAL UNIFYING ELEMENT

An inclusive company identity that is fully embodied on a daily basis is essential in order to bring together employees despite generational differences and ensure their commitment at all ages.

HOW CAN IDENTITY BECOME A REFERENCE AMONG INDIVIDUALS REPRESENTING DIFFERENT GENERATIONS?

Identity is the mission a company has set itself, but it is also the set of values and common codes it promotes. It is the anchor, often linked to the company's history, which creates commitment throughout the workforce and allows for a sense of unity.

Yet regardless of the generation they belong to, more and more employees express the desire to belong to a company with an identity that matches their own in terms of vision, values and behavior at work. In a context where 36% of failed recruitment is mainly due to a mismatch between the applicant and the company's identity [16], companies should now endow themselves with an identity that is distinct, structured, and well-defined in order to attract and mobilize talents of all ages. This identity should meet expectations across generations, to not generate self-censorship among applicants. Thus, it is necessary to avoid the case of a young graduate who is reticent about joining a big company that he considers "old-fashioned," or a forty-something afraid of joining a start-up that he perceives as too "young." When is the identity is integrated and personified thoroughly, this powerful tool for inter-generational cohesion truly becomes a motivating factor that facilitates collaboration thanks to shared interpretive frameworks and behavioral guidelines.

Ideas to put to work

- Build an identity that includes all generations; identify and improve any elements in the existing identity that could be seen as negative by certain generations.

- Make every employee a figurehead of the corporate identity: ensure that each individual personifies this identity, integrate this element in each person's objectives, make sure there are ambassadors in each age group and that the identity is incarnated by managers and opinion-shapers.

- Employ the means necessary to communicate this identity in a concrete and effective way: present the identity to all employees when they enter the company so they will make it their own, set up markers that punctuate daily activities, initiate regular, open discussions, send out small reminders in frequent communications, etc.

Inspiring examples

Stereotype awareness workshops at Citi

Citi organizes half day interactive exchange sessions between employees of different generations. These workshops on "inclusive leadership" aim to raise awareness of stereotypes, particularly age-related ones, to understand them and learn to question them. Decisionmakers within the company, are able to greatly influence the corporate culture by means of the decisions they make on a daily basis;

this is why they are invited to work on themselves and to learn to look at their environment in a more nuanced and reflective way.

A University of Culture to ensure its transmission

In order to transmit its company culture and ensure its durability over time, a big company in the tech sector organizes discussion groups that bring together experienced employees and newcomers. In seven, one-hour sessions spread over three weeks, the groups get together to exchange ideas on the culture, distinctive values, and factors for success.

Leroy Merlin and participation culture [17]

Leroy Merlin bases its culture on a sharing of Knowledge, Power, and Ownership. Knowledge is shared between generations through many training courses. Autonomy and the delegation of power are at the heart of this business model. Finally, ownership is shared among everyone through a system of variable remuneration based on the store's performance and a very large percentage of employee-shareholders.

HOW CAN IDENTITY INSPIRE COMMITMENT AMONG THE YOUNG AND THE NOT-SO-YOUNG?

France ranks last among European countries in terms of commitment, with only 9% of employees engaged while 26% of employees are actively disengaged[18]. This disengagement is not exclusive to a single generation, but can manifest itself at any age for a variety of reasons: absence of meaningful work, a feeling of not fully contributing, lack of implication in the company's challenges, etc.

However, employee commitment is the cornerstone of any company's performance; an employee is all the more involved, productive, and loyal to the company when he feels he belongs to it. Thus, companies that invest in the commitment of their employees, regardless of their age, will be able to encourage each generation to develop its full potential. On the contrary, exclusion of seniors waiting for their retirement or infantilization and disempowerment of young recruits are breeding grounds for disengagement and constitute deadweight losses for the company.

If each individual commitment creates value, the collective commitment creates even more. As a source of emulation, each generation brings the best of itself to the adventure in terms of knowledge, ideas and methods.

<u>Some ideas to put to work</u>

- Allow all employees to get involved in the company by handling duties outside their usual tasks: encourage all age profiles to get involved and do not make participation in internal projects contingent upon any criteria whatsoever (seniority, position, hierarchical, status, etc.)

- Suggest ways of giving meaning to the work that is appropriate for each generation: ask employees what they need to feel really involved and make changes to the forms of commitment accordingly.

- Encourage dialog and transparency: communicating regularly on generational challenges of the company and favoring opportunities for sharing and exchange between generations (current state of affairs, challenges, ideas for improvement, etc.)

Inspiring examples

"Open kimono" at Reverb[19]
In order to nurture a sense of contribution to the project and the performance of the company in every employee, a score board presenting all performance indicators (past and present), monitored by the CEO, is accessible to all employees at any time. This creates an environment of trust and allows every employee to see the direct impact of their activity on the company.

The "extra 10%" projects at Bain & Company
Bain & Company employees, of all ages and backgrounds, are encouraged to invest 10% of their time in projects beyond their normal duties: participate in recruitment, train young recruits, organize internal events, uphold the principles of sustainable development, etc.

Solidarity days at PepsiCo
Every year during the Purpose Day, PepsiCo employees have the opportunity to dedicate a day to the ANDES (National Association of Solidarity Groceries): they select and sort fruits and vegetables for sale at the headquarters of PepsiCo for the benefit of ANDES.

"Learning Dating" sessions supported by Korn Ferry
Employees of Korn Ferry in France are committed to coaching a thousand young people from the City's Priority Quarters, and prepare them for the "Learning Dating" sessions organized by Impact Partenaires, that will allow everyone to be themselves and meet five to ten companies that are recruiting. All generations therefore have the opportunity to give meaning to their work using their skills, to serve students in Seine-Saint-Denis.

Vendredi, for sharing time between the company and a social activity
Vendredi is a startup that allows employees to spend time usually spent working on social involvement. Although they initially intended their services for trainees of companies they worked with, they soon noticed an interest across generations. They therefore broadened their service offer to employees of all ages, now offering them to spend one or several days a week with partner associations.

WAYS OF WORKING RECONSIDERED FOR POSITIVE COLLABORATION BETWEEN GENERATIONS

Integration of all ages into decision-making processes, development of inter-generational learning and ways of working which favor collaboration at work all allow companies to effectively address the challenges of generational diversity.

HOW DOES ONE INTEGRATE EMPLOYEES OF ALL AGES INTO THE DECISION MAKING PROCESSES?

Operating in silos is one of the common problems encountered in companies, and the division between generations lends to this separation: younger employees being involved in decision making, too homogeneous teams with a majority of members belonging to the same age-group, bastions voluntarily or not kept out of the company's developments, etc.

CloverPop, a platform for analyzing decision-making, has followed 600 decisions related to the management of the company and its results have shown that diverse teams, particularly in age, are significantly more efficient: almost 80% of their decisions are better, and their results are up by nearly 60%. The speed of a decision-making process is also doubled when it is more inclusive, notably of

different generations. A governance model that promotes more collegiality, giving the different generations a voice, is therefore more virtuous for the productivity and performance of the company.

Some ideas to put to work

- Identifying opportunities to integrate different generations in decision making, for example through active representation in governance bodies, work groups or collective consultation processes.

- Encouraging speaking out by inciting all employees, including younger ones, to share their ideas without any risk of judgements or sanctions.

Inspiring examples

Work groups composed of young talents at ABB
The ABB Group has a pool of "talent" identified by managers, Human Resources Managers and the Management Committee. In order to take into account the vision of the younger generations it was decided to put these talents together once a year to discuss important issue for the company, in order to collect their opinions and ideas and then take them into account.

Expanded governance at AccorHotels[21]
AccorHotels has created a shadow executive committee that is aimed at enriching the decisions taken by the Executive Committee through the eyes of Generation Y. This body is made up of twelve executives between twenty-five and thirty-five years, of seven nationalities and from different professions, appointed for one year and having access to the same information as the Executive Committee.

Opinion sharing platform at Carlson Wagonlit Travel
Carlson Wagonlit Travel developed an internal digital platform to gather the opinions of all the employees of a department or even the entire company. For example, a department with a business problem approaches its employees; the latter can then propose ideas of solutions, which are submitted to the vote of their colleagues. Finally, the most popular ideas are presented to the executive directors, who take the final decision.

HOW CAN INTER-GENERATIONAL LEARNING BE PUT AT THE HEART OF A COMPANY'S STRATEGY?

In a world where the renewal of the workforce is accelerating, an effective and systematic transmission of knowledge becomes a competitive advantage. The role of senior employees as holders of expertise is key in this process. Currently, only 19% of employers have implemented measures to prevent the loss of skills of the baby-boomers[22] even though 98% of companies say they want to increase their ability to retain and share this knowledge internally[23]. Last, but not least, a "learning enterprise" is based on a culture of 360 ° feedback: mutual feedback is shared between all employees, regardless of their hierarchical relationship or age.

Ideas to put to work

- Identify all possible learning opportunities: mentoring, "reverse" mentoring, peer learning (shadowing), external training, etc.

- Extend the scope of skills to be transmitted: identify the skills of each employee and propose their transmission (e.g. "reverse" mentoring, beyond digital).

- Organize optimal conditions for inter-generational learning: structuring learning programs, enhancing the role of the trainer by integrating them into the employee assignments in order to transmit their skills.

Inspiring examples

Cross-company mentoring organized by Cisco
To enhance its talents, Cisco offers cross-enterprise mentoring to all its employees, regardless of their age or function. The candidates to be mentored are nominated and assigned mentors from other companies according to the expectations they have expressed, allowing them to speak more openly. Volunteer mentors at Cisco coach mentees from other non-competing companies.

"Reverse" mentoring at Sodexo
Sodexo's Digital Coaching Program brings together young employees who are passionate about new technologies and want to share their passion, and curious leaders who want to develop their digital knowledge.

Shadowing
A large company in the tech sector forms of two pairs of employees, one following the other in a shadow pairing. For example, an employee at headquarters can accompany a salesperson for a few days in order to understand his job functions. A young manager can follow an experienced manager in order to learn from his best practices.

Multi-generational sales teams at Pitney Bowes
The Pitney Bowes "Three in a box" pilot program organizes sales teams to anticipate the retirement of senior customer relationship holders. Each team thus consists of three employees: the senior customer relationship manager, a generation X manager having an advisory role, and a young recruit being trained by his two bosses in order to be able to take charge of customer relations once the senior retires.

HOW TO DRIVE WORKING METHODS TOWARDS A HIGHER LEVEL OF COLLABORATION?

Younger generations express growing dissatisfaction regarding traditional collaboration conditions in business. Thus, 39% of 18-30 years-old employees wish to transform the organization of jobs[24]. They question overly hierarchical ways of functioning which, in their view, are susceptible to generate a lack of autonomy and involvement. To enable everyone to contribute fully, companies must promote operations where the objective is to bring participants together and where competence supersedes age. Furthermore, when well thought out, work spaces can be a powerful enabler of collaboration and information sharing between generations. Provided you take into account the needs of different age profiles and integrate the growing expectation for more flexibility, as among millennials where 72% state they would like to telecommute[25].

Ideas to put to work

- Increase opportunities for intergenerational collaboration outside of hierarchical relations, including through cross-project teams where competence surpasses seniority.

- Flexibility by allowing everyone to choose their work pace and focusing on results rather than company time.

- Create work spaces that promote generational diversity: open collaborative spaces, spaces that appeal to all ages (even seniors who are used to individual offices).

- Acquire tools, particularly digital ones, that foster greater collaboration and joint development within the company.

Inspiring examples

Unilever Hackathon[26]
Each year, Unilever organizes a Hackathon open to the entire company. Employees form cross-functional and cross generation teams: they present a project on one of the six themes chosen by the Comex, and one team is retained per theme. Its members are then detached from their usual positions to successfully complete this transverse project, first for a week, later one day a week for a duration of six weeks.

Working in project mode at tech companies
Many tech companies wish to develop employee autonomy and competences outside their usual scope, in order to meet the workplace objectives of younger people. To do this, each employee can be charged with a transversal project, beyond their usual perimeters and their direct hierarchy. They are thus in contact with other trades and develop new skills.

New tools at Cisco
Cisco promotes distance working through a teleworking agreement and provides its employees with various collaborative tools: Webex Teams, Jabber, Webex, DX (videoconferencing). Moreover, Cisco deployed Team Space, a virtual tool based on everyone's strength, facilitating exchanges between managers and employees and enhancing agility within teams.

AN ATTRACTIVE VALUE PROPOSAL, CORNERSTONE OF THE COMMITMENT OF GENERATIONS

A value proposal should be developed that is capable of attracting, retaining and developing the best talents of all generations, by meeting individual aspirations in terms of recruitment, valuation and career.

HOW TO RECRUIT TALENT OF ALL AGES?

One of the first challenges to overcome in building a multigenerational company is recruitment: attracting the best talents among all age groups. Managers and recruiters who seek to achieve this goal ensure that they diversify the profiles considered and retained for the various positions to be filled. But a study by the San Francisco federal bank on 40,000 applications showed that with equal competence, applicants aged between 29 and 31 have a 35% likelihood of being called than those between the ages of 64 and 66[27]. However, senior employees are an essential asset to meet the future human needs of companies, and are destined to represent an ever larger portion of the labor market, due to the increase of retirement age. This is why it is important to change the prejudices that can be associated with generations and the types of positions they occupy: an analyst does not need to be less than thirty years old, and similarly, a digital specialist need not necessarily be a millennial. In 2014, 56% of millennials claimed to have strong digital skills, 54% of employees within General X equally declared having such skills[28].

Some ideas to put to work

- Developing a competency-based approach regardless of age: rethinking all the behaviors and processes associated with recruitment in order to review them under a new prism, free from age-related stereotypes, and then train recruiters to avoid age bias while recruiting.

- Involve all generations in recruitment processes: allow employees of all ages to evaluate candidates to multiply points of view and limit bias.

Inspiring examples

Recruitment days without resume at Crédit Agricole[29]
In order to diversify the profiles recruited and prioritize motivation course, Credit Agricole organizes recruitment days without CV, open to all, regardless of age, training, background and career: candidates are selected without prior study of their CV.

Grand Optical recruits senior salespeople to adapt to its clientele[30]
With the growing demand of its customers over fifty years to be advised by vendors belonging to the same age group, Grand Optical has expanded its teams of about fifty senior sellers. The integration and training process has been adapted to these new profiles in order to make it easier for them to take a job: reinforced sponsorship, training two to three days a week alternating with periods in the store, etc.

The community of young talents at Nova
Through mentoring programs and networking and co-creation events, Nova connects young talent with companies represented by employees of all ages. These multi-generational discussions address the major business and societal challenges of the 21st century. In this context, candidates can discover the companies that correspond to them and the companies in contact with a pool of talents.

HOW CAN WE DESIGN CAREER PATHWAYS FOR ALL AGES?

The trend is towards flexibility. The linear career model is disappearing: a single profession, a single employer throughout the career and progress that is always vertical. Thus, those who come out on top will be companies that reinvent the career concept, integrating flexibility into the business model and comply with the varying aspirations of the employees, at different ages, life moments, and stages of their careers. On one hand, companies must offer employees the opportunity to perform different roles throughout their career path, within the company or in its ecosystem. In fact, about two of three employees wish to change jobs, and one quarter have already done so[31]. This appetite for change is particularly strong among Generation Y for which professional development is a key priority: 21% of millennials changed jobs in the preceding year, four times more than the employees of other generations[32]. On the other hand, companies must put employees in control of their own careers by guiding them to follow the path they desire: making lateral movements (from one department to another) or going back and forth (sabbatical leaves, part-time, externship, etc.), combining several trades, recruitment on freelance basis, etc. Finally, it is essential to enhance the employability of workers of all ages, both within and outside the company, in order to attract the younger generation and expand the scope of opportunities for older employees. In this regard, companies must actively support all employees, from the youngest to the oldest, in the development and updating of competences required to foster their performance.

Ideas to put to work

- Providing employees with the means to be drivers of their careers: providing access to necessary information to enable the employees to make appropriate decisions (creating databases of open positions internally), supporting requests for spontaneous change of position, etc.

- Reflecting differently on the issue of older employees by rethinking the scope of opportunities open to them, for example through the creation of ad hoc expertise paths or by offering them greater contractual flexibility.

- Training all generations, and not only young people or newcomers, through diversified learning methods (including digital variants: MOOC, immersive training, serious gaming etc.)

- Coordinating and supporting workers who do not work as salaried employees (platform model, freelance, interim, etc.)

Inspiring examples

Revolution of the employee experience at Solvay
At Solvay, a team of about ten employees of all functions and seniority developed within twelve weeks, thanks to Agile method, the career management digital platform named "YOU." The platform built by and for employees, allows the reception at 360° of internal and external feedback and customized recommendations of career training and opportunities through a powerful algorithm

Internal career management at General Electric
General Electric provides managers and employees with an innovative internal career development tool. This digital tool measures the level of the employee's skills against the ideal level required for his or her position. This application has access to a matching algorithm that allows the employee to develop his skills and take control of his mobility. To this end, the application offers useful training to the employee to enable him to develop his skills, but also, if he is looking to move, positions that could suit him based on the analysis of the historical mobility data of employees and the links between positions.

Flexible career paths at Bain & Company
Bain & Company meets the aspirations of each generation by giving employees the possibility to diversify their experiences. They can temporarily interrupt their career within the company, by taking a sabbatical leave, going to work in another company for six months, taking up part-time work or even changing profession (moving from one department to another internally).

An alumni base at Pitney Bowes
When a senior employee leaves the business, he or she takes along his or her expertise. Hence, Pitney Bowes has launched a project to establish a database containing the details of its alumni so that, should they need to, employees can approach them for a few days, as external consultants. Skills transfer between generations is therefore facilitated, even when employees have left.

Virtual reality learning at Enedis [33]
Enedis offers its technicians a virtual reality training program, developed with the Rennes based start-up Farsight: using a virtual reality headset, they are put into situations (e.g. installation of an electric meter in a home) and can therefore learn without taking any risk, using a very wide selection of scenarios.

HOW CAN TALENTS FROM ALL GENERATIONS BE VALUED?

The valuation of talents, comprised of both recognition and remuneration (financial and non-financial), is crucial for attracting and retaining employees. Yet this tool is not implemented optimally among different generations: the recognition granted to some of them is not sufficient, and remuneration methods are too homogeneous. Thus, the contribution of all employees must be valued both, with regard to their usual tasks and the corporate life. By doing so, the company will be able to value the various contributions of different generations: both the significant role of expertise and knowledge transmission played by a senior employee, and the ability of a younger employee to bring new ideas as well as innovative ways of operating and thinking. Moreover, remuneration policies should evolve to take into account the variable preferences of different age profiles, in terms of remuneration level, nature of benefits, career development and entrusted responsibilities. For example, a millennial may prefer to have more holidays, while a member of generation X may instead value financial advantages [34].

Ideas to put to work

- Constructing a more flexible remuneration scheme to meet the aspirations of all age profiles (benefit in kind, time not worked, etc.) and integrating salaried employees into the model.

- Valuing groups to reward team work, mutual assistance and collaboration, particularly between generations.

- Putting forward atypical career paths: accepting different definitions of ambition from one individual to another and considering the criteria relating to competence and expertise.

Inspiring examples

Valuing everyone's contribution at PepsiCo
PepsiCo Europe has developed an internal challenge open to the entire staff, the "Next Big Idea": teams are given the opportunity to propose a new product idea or a new way of working. Three final teams were subsequently selected to present their project to a jury made up of executive directors. This successful initiative led to the product development of the winning team's idea.

The value of passing on skills at Otis
In order to train employees in particularly technical tasks, new technicians at Otis are paired with a more experienced technician. It's an opportunity to impart the behavioral and technical skills required to serve Otis customers. At the end of six months of support, the ability of the new employee to work independently is evaluated. Once the technician is autonomous, the tutor gets recognized by the company.

Valuing groups at Nature & Découverte [35]
At Nature & Découverte, the variable compensation for salespeople isn't contingent on their personal performance, as is often the case. They all benefit from the same premium, which depends on the overall turnover of the company. Their goal is to prevent each individual ambition from undermining the team spirit that binds all generations together.

CONCLUSION

Following many months of work and listening to a wide variety of firms and experts, the conclusions of the working group have highlighted the extent to which generational diversity, especially under the influence of the digital revolution, is now a major strategic factor for companies as a whole. There is no silver bullet to respond to this challenge, however, there are a number of concrete and innovative recommendations identified in this white paper. The working group has come up with these recommendations based on real, successful examples from large firms and from very diverse sectors.

It is clear that the potential for both French and international firms to make the most of generational diversity lies in the way they structure their identity, their modus operandi and their ability to value and "enhance" their talents.

Creating a strong identity allows them to bypass generational differences by uniting colleagues around common values. Multiplying opportunities for collaboration across generations by encouraging working in project mode, by developing initiatives open to all (without a reporting relationship) or by converting work spaces, equally facilitates generational diversity. Finally, to attract and retain the best skills of each generation and make them work together, it is essential to create programs of recruitment, career management and evaluation that are flexible and versatile, in order to cater for the needs of each.

To ensure that these recommendations don't fall on deaf ears, AmCham will continue to work closely with all its members, social partners and key players in the public sphere, to make them aware of the major implications raised by the question of generation diversity, and to promote the measures contained in this white paper.

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Co- Presidents of the working group

- Mathieu Gelis, General Manager, Citi and AmCham CA member
- Marc-Andre Kamel, Partner, Bain & Company and Vice-President, AmCham

Reporter

- Amira Boualla, Manager, Bain & Company

Work group members

- Emilie Bresson-Lautissier, Program Management Director, Carlson Wagonlit Travel
- Monica Cagnan, French Human Resource Director, Citi
- Elodie Charif, DRH, ABB France
- Jin Du, Business Partner, Diversity and Inclusion, Sodexo
- Myriam Gansier, Marketing Manager, Korn Ferry
- Bernadette Giard, Vice-President, Diversity and Inclusion, Sodexo
- Vanessa Hacquart, Inclusion and Diversity Project Manager, Cisco
- Maya Hagege, General Delegate, French Association of Diversity Managers
- John Hazan, Associate, Bain & Company
- Caroline Latreille, Social Law Attorney, ABB
- Yaelle Leben, Human Resource Director, Cisco
- Victoria Lorenz, Senior Partner, Korn Ferry
- Shemin Nurmohamed, Senior Vice President SMB Global Strategy, Pitney Bowes
- Charles Puybasset, Co-founder and CEO, Nova
- Alice Risetti, Partner, Korn Ferry
- Roselyn Sands, Partner Lawyer, Ernst & Young Law Firm
- Lars Seynaeve, Public Relations and Communications Director, Citi
- Stephanie Sommerard, Human Resource, Sales and Marketing Director, PepsiCo
- Bruno Thevenin, General Manager, PepsiCo
- Mary Varkados, Director, Synodia
- Anissa Yeftene, Social Law Attorney, Ernst & Young Law Firm

Experts

- Francis Barel, Sales Manager, PayPal France
- Samira Belhadad, Human Resource Director, Otis France
- Bruce Fecheyr-Lippens, Director of Employee Experience and Digital to Human Resource, Solvay
- Severine Leca, Human Resource Director, Bain & Company
- Soukey Ndoye, Doctor in Sociology, CEO, CoGenerations Lab
- Philippe Maigrot, Global Pharmaceutical Distribution Director, Dow Chemical.
- Felix de Monts, Founder and General Manager, Vendredi
- Catherine Painmorgado, Recruitment Director, Bain & Company
- Celine Petit, Human Resource Director, Janssen France
- Marc Raynaud, CEO, InterGenerationnel

- Patrice Simon, Technology and Product Development Director, Carlson Wagonlit Travel Equipe organisatrice
- Brune de Bodman, Associate Consultant, Bain & Company
- Giulia Buttini, Communication and Partnerships Director, AmCham France
- Mathilde Clauser, Public Affairs Director, AmCham France
- Stephanie Herrmann, Communication Manager, Bain & Company
- Alix Passot, Associate Consultant, Bain & Company
- Emma de Surville, Public Affairs In-Charge, AmCham France

Translation

- MotaWord

AmCham France
77 rue de Miromesnil
75008 Paris, France
www.amchamfrance.org - @amchamfrance
+33 (0)1 56 43 45 67