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SPOTLIGHT ON LEADERSHIP: THE NEXT GENERATION

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A new cohort of leaders is poised to take senior executive roles and is bringing with it a whole new mind-set. Baby Boomers have been firmly in charge for the past few decades, and as a rule they have been willing to operate by a well-understood set of corporate practices and policies related to compensation, hierarchy, and expectations for the way work “works.” Generation Xers, born from 1961 through 1981, have different ideas. They’re more apt to reject status-quo definitions of success and seek their own paths.

The differences can be traced to the times during which each group came of age and formed its attitudes toward work and society. Although it’s impossible to draw neat boundaries along generational lines and unproductive to overgeneralize, we are each, in part, a product of our time. The formative years of Xers looked very different from those of Boomers.

For one thing, Baby Boomers grew up in a world that was fundamentally too small for them. The infrastructure couldn’t expand fast

enough to accommodate the sudden growth of this cohort. Boomers went to high school in Quonset huts behind the actual schools because there weren’t enough rooms to hold them all. They’ve competed for everything throughout their lives—from spots on high school sports teams to college admissions, jobs, and promotions. Winning, for Boomers, is a *very* big deal.

The Xers’ formative years—the 1980s and early 1990s—were broadly shaped by economic uncertainty and domestic social change. Their teens were a time of major corporate restructuring, as the psychological contracts between employers and employees were ripped apart in then-unprecedented ways. Before 1981, the word “layoff,” in the sense of permanent separation from a job with no prospects for recall, was so uncommon that the U.S. Bureau of Labor Statistics didn’t even keep track of such cuts. It’s not surprising that younger managers are warier of corporate commitments.

Consider the following exchange, shared

with me by a manager in an executive education class:

A Boomer approaches a Gen X manager. "Great news! You've won the promotion!" The Boomer waits for obvious signs of delight, then adds, "Of course, you'll have to relocate to Topoka." Dead silence.

"No thanks," the Xer flatly replies.

Even worse, after considering her options, the young manager quit. A talented, promising Gen Xer simply opted out of the hierarchy.

Herein lie the roots of the slacker myth. Almost any Boomer would be perplexed by this response and might leap rapidly to a value judgment about the Xer's commitment to the company or her career. It would be a short step to assume that the Xer lacked ambition, confidence, or perhaps even raw intelligence—after all, how could she not recognize what a big deal this is? Though misguided, these are the instinctive reactions from a generation that has been conditioned to see the business world as an ongoing game of musical chairs.

The Gen X manager, by contrast, grew up knowing that her company would ultimately view her as expendable. She didn't want to put all her eggs into one corporate basket and potentially be abandoned in a new city or pushed too deeply into one area of specialization. She is part of a generation that particularly prizes options—one with many members who are profoundly dissatisfied with corporate life as they see it.

It's time to acknowledge the legitimacy of both perspectives and to understand the other side. Xers are the future of our business; we need them not just because we'll have to replace Boomers as they eventually head into retirement, but also because they possess skills and attitudes that are especially suited to today's challenges.

### The View from Gen X

Having interviewed or heard from hundreds of Xers from many parts of the world over the past several years, I have consistently found that the coming generation of leaders views work in a way that current corporate executives rarely understand. Meanwhile, Xers are resentful of the Boomers' ubiquitous presence and seemingly blithe assurance that their way is the only way forward. Xers are alienated from corporate America yet feel like underappreciated workhorses, caught between two

much larger cohorts: Boomers, who are threatening to work later in life than other generations did, and Generation Y, the newest employees, who seem to have a natural kinship with the Boomers. In my research, I did hear from Xers who appreciated mentoring from Boomers and didn't perceive a negative generational divide. But by far the dominant theme—expressed literally thousands of times—was frustration over their place in the office. (See quotations from Gen Xers in the sidebars "How Xers View Boomers" and "How Xers View Their Place in Corporate Life.")

Of course, dissatisfaction doesn't belong to any subset of the workforce, and employee gripes are nothing new. A number of Baby Boomers told me that they were sick of hearing about Xers' complaints about Generation Y employees, who seem to expect a lot and feel the world owes them something. And older workers have always bemoaned the attitudes of new hires. In the words of one Boomer, "When I was 35 or 40, I couldn't believe the whining [incompetents] we hired in our twenty-somethings. They complained about everything, and nothing was their responsibility. Now that you [Xers] are approaching your forties, welcome to the hell that was every generation before you." Other Boomers expressed similar frustrations: "[We] were just as disillusioned"; "It's the same story for every generation"; and "[We] Baby Boomers aren't happy either."

Fair enough. But as they approach midlife and contemplate the next steps in their careers, I find that Gen Xers are becoming more frustrated. Given what they say in their candid responses to my questions, large corporations run the risk of losing them in droves. Time and again I heard such managers planning their exodus—to start their own businesses, head for nonprofits, and so on. Despite a bad economy, these people are looking for more than a job. As one Xer put it, "I'm writing a business plan to head out on my own. Corporate life has left a sour taste."

### The X Factor in Leadership

Do we care? Do we even want these disaffected Gen Xers to take the corporate helm? I believe we do, in part *because* of their rejection of conventional leadership norms.

Today's businesses are facing new, unpredictable challenges. What we've thought of as leadership skills—setting direction, having the

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answers, controlling performance, running a tight ship—are less relevant in an environment of constant change. Increasingly, leadership is about creating a context for innovation and inclusion in the face of ambiguity and the unexpected. I believe Generation X is up for that challenge. More specifically, I think this generation will engage in five context-creating leadership activities that are well suited for today.

**1. Increase collaborative capacity.** Networks, in most cases based on strong, trusting relationships, are essential for mobilizing intelligence throughout the business. They make effective use of complex knowledge, get people to use their particular skills and capacities in ways that contribute continuously to the success of the whole, and foster innovation through the contributions of many. And in contrast to the Boomers' more competitive posture, creating and maintaining networks are core values for many in Generation X.

Gen Xers have a strong attachment to their own personal contacts. This generation had accelerated exposure to the real world, and relationships helped them stay grounded from their difficult teen years onward. In the U.S. and the UK, Gen X mothers entered the workforce in large numbers for the first time since World War II. Xers were the first-generation “latchkey kids”—home alone in the afternoons, leaning on their friends for companionship and support. More generally, Xers internalized the possibility that many of the institutions in their lives—whether marriage or corporate employment—could disappear. Today many maintain especially close ties with

those friends and value the development of networks broadly.

Xers also grew up in parallel with the expansion of digital technologies. They readily adopt collaborative tools that reshape how we work and live. (Gen Ys share that collaborative mindset and comfort with technology. As they grow into positions of leadership, we can be confident that they, too, will bring this asset with them.)

**2. Ask compelling questions.** The need to frame challenges in ways that are intriguing and memorable—and that catalyze an organization—represents perhaps the most significant departure from the conventional conception of leadership. Rather than focusing on independent decision making, leaders must now make room for broad participation in finding answers. The leader's role turns toward posing great questions that are ambitious and novel.

Most corporations' criteria for selecting executives have traditionally been weighted heavily toward experience, business-relevant knowledge, vision, decisiveness, and an ability to be commanding. Although still valuable, expertise, wisdom, and intelligence will increasingly be used to shape better questions, discern trends earlier, and articulate challenges in compelling ways.

A sense of alienation from institutions, adults, and their immediate surroundings as teens conditioned many Xers to look outward. Their skepticism and their ability to isolate practical truths enable them to provide rich humor and incisive perspective as they rede-

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## How Xers View Boomers

“The Boomers made it plain our whole lives that no generation could ever compare with theirs.”

“Boomers had security...and as we [Xers] have aged, become parents, and earned our stripes...we have seen very, very little loyalty.”

**“The Boomers will never retire.”**

“The upper-level managers refuse to retire, and then hire their children.”

“Boomers are overlooking the Xers. [They] are hiring the Ys at a cheaper rate and believing they can mentor them into the positions. Gen Xers are getting Xed.”

“Boomer executives expect us to act and think like they do....It's only now that we've been molded appropriately that we can be permitted to take up the reins.”

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*A sampling of comments from Erickson's research*

fine issues and question basic assumptions. Xers' distrust of hierarchy inclines them toward establishing and maintaining symmetrical rather than power-based boss-subordinate relationships. They are less likely than Boomers to use statements that rest on positional authority—an essential aspect of asking effective questions and drawing others into the solution.

**3. Embrace complexity and welcome disruptive information.** Ignoring or oversimplifying challenges does not work. Leaders need to grapple openly with complex issues and seek perspectives that challenge the established point of view. That means rejecting absolutes—getting comfortable with the idea that there is no “right” analysis of events that tops all other analyses, no dominant rationality, no single morality. Multidimensional problems don't lend themselves to crisp, categorical solutions.

Xers grew up buffeted by disruptive events—rising divorce rates, frequent layoffs, the space shuttle *Challenger* disaster, and others. Rather than ignoring or minimizing risk, most Xers have developed a wariness that anticipates a future full of change. Their well-honed survival skills include a continual consideration of “what if,” and they have a strong bias for varied choices. The young manager who received a promotion offer that required moving to Topoka was simply keeping her options open—avoiding becoming isolated and being limited. One Xer commented, “I always have at least one backup plan for any action I take, and while I rarely need to use them, I take pride when they are put into action.” Xers have translated a youthful preference for “alternative”

things and their early experiences in making their own way into an inclination for innovation and proven entrepreneurial achievements.

**4. Shape corporate identity.** Today, perhaps more than ever, people want to know what ties them together. They wonder, “What makes being a member of this organization, doing this work, unique?” Addressing this human longing—shaping organizational identity and maintaining consistency between work and personal values—is the key to creating discretionary energy and is therefore a key leadership skill today. It encompasses many of the traditional activities associated with leading people—motivation, attraction, retention—but in a way that respects their own values and an organization's unique characteristics. It requires authenticity and a systemic view of the organization's operations.

From my interviews, I find that Xers' formative experiences left many of them with strong, value-oriented sensibilities. They tend to exhibit a practical commitment to effective stewardship and a fierce dedication to work/life balance, particularly in their approach to parenting. Having watched their parents struggle with the trade-offs, they bring a new resolve to the fight.

**5. Appreciate diversity.** Today's business world requires a subtle extension of our approach to diversity—one that emphasizes an appreciation of multiple points of view. The step beyond not offending or harassing those with diverse perspectives is knowing that the existence of differences is vital to arriving at a full understanding of an issue and of possible outcomes. Future leaders need to recognize the le-

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## How Xers View Their Place in Corporate Life

“Xers are the sandwich generation, and we're getting totally mashed.”

“[We] are a very small group compared with [Boomers and Gen Y]. This means we will never really influence society like they have and will in the future.”

“I honestly feel as though I'm being asked to train the Boomers' replacements.”

**“We're still peons in corporate America.”**

“To hell with your corporations. In my whole life, I have never seen them be anything but evil.”

“Being the servant of a company is an empty and meaningless life.”

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*A sampling of comments from Erickson's research*

*Xers have developed a wariness that anticipates a future full of change.*

gitimacy of each perspective and acknowledge that there is no reason to grant any one viewpoint special significance or value. This is a difficult philosophical stance for those who were reared in the zero-sum world that characterized many Boomers' early years; it comes more comfortably to many in Generation X.

The richly multicultural experiences of Xers give them a more unconscious acceptance of diversity than preceding generations had. Their formative years followed the civil rights advances of the 1960s and paralleled the gay rights movement. Thanks to high divorce rates and a large number of women entering the workforce, they are the first generation to grow up with women in independent authority roles.

Nearly 90% of the world's top 200 firms are currently led by Boomers or people from an even older generation. Only 23 of them are headed by members of Generation X. Previous generations have brought energy, idealism, optimism, productivity, and sometimes greed

and arrogance. They've built major institutions, most patterned after models that made sense at the time they were constructed—pyramidal, hierarchical, based largely on command-and-control and the assumption that information could remain proprietary. The rules dictated a zero-sum outcome.

Future leaders will have to contend with a complex, rapidly changing environment and intractable problems on many fronts. There's no longer a single, right option or a dominant voice. No one individual will shape the best answers alone. I am confident that Generation X includes many individuals with the essential capabilities for today's leadership challenges. This cohort is more prepared than any other modern generation to trade idealism for realism. It will provide the leaders we need for the companies of the future.

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