

# Dealing with the Tsunami of Demographic Change



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# Big Driver of Change?

## You cannot run from demography

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- Globally we are moving from a “buyers” labour market where there were more good employees than good jobs to a “sellers” market where those with the skills the market needs will be “in the drivers seat”
  - There will be winners and losers in this market
  - Both employers and employees will need to do things differently if they want to survive/remain relevant



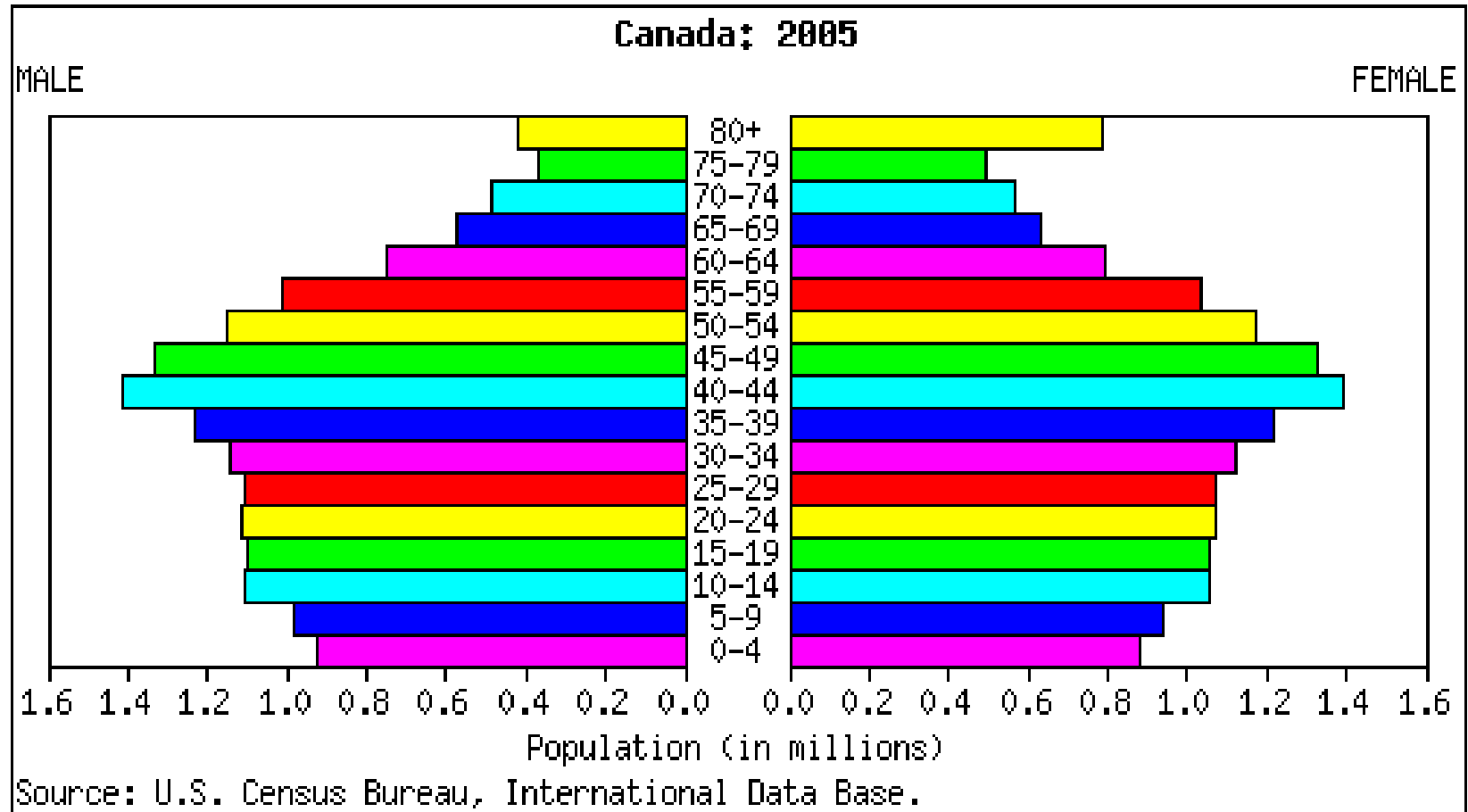
# Why a Labour Force Shortage?

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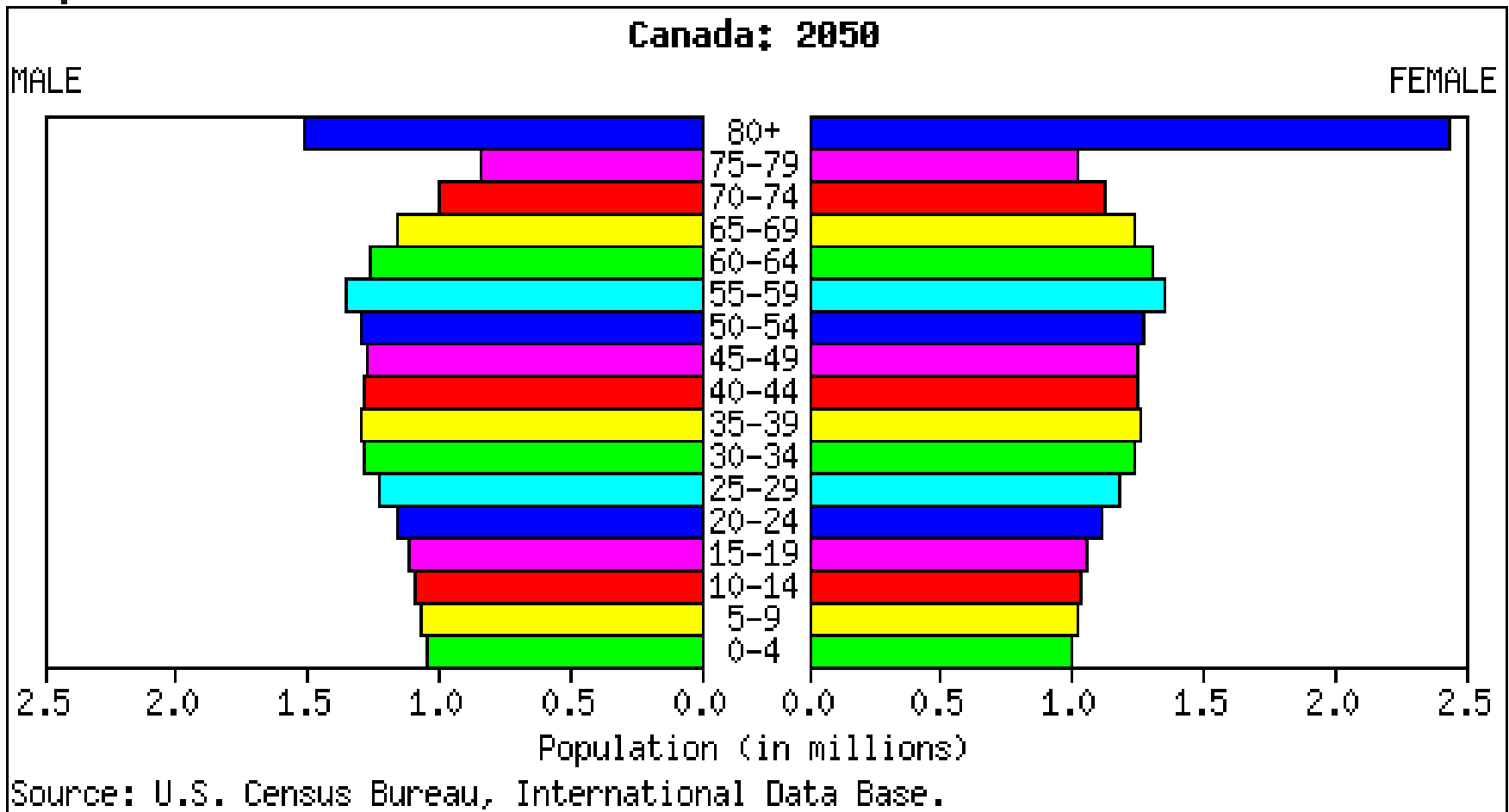
- Birth Rates Declining Throughout the World
  - “Revolution in Fertility”
- Population is aging
- Many countries have inverted population pyramid
- Age at which people are taking retirement has fallen
- People are staying in school longer (or returning)
- Increasing skill-intensity of employment
- Greater international competition for labour

# What is happening?

## Canada - Now



# Canada: 2050

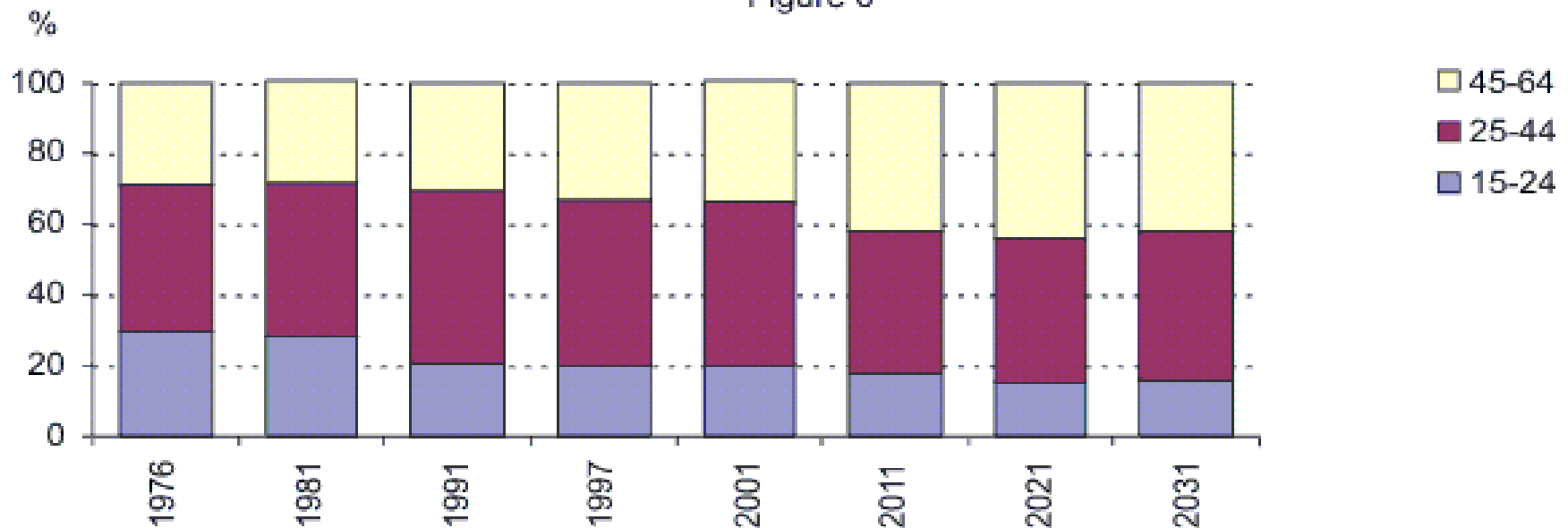


# Age Profile of Labour Force Will Change

## Age Composition of the Working Age Population, Canada

Older Workers Will Account for a Larger Share of the Working-Age Population, 1955-59 to 2025-29

Figure 6



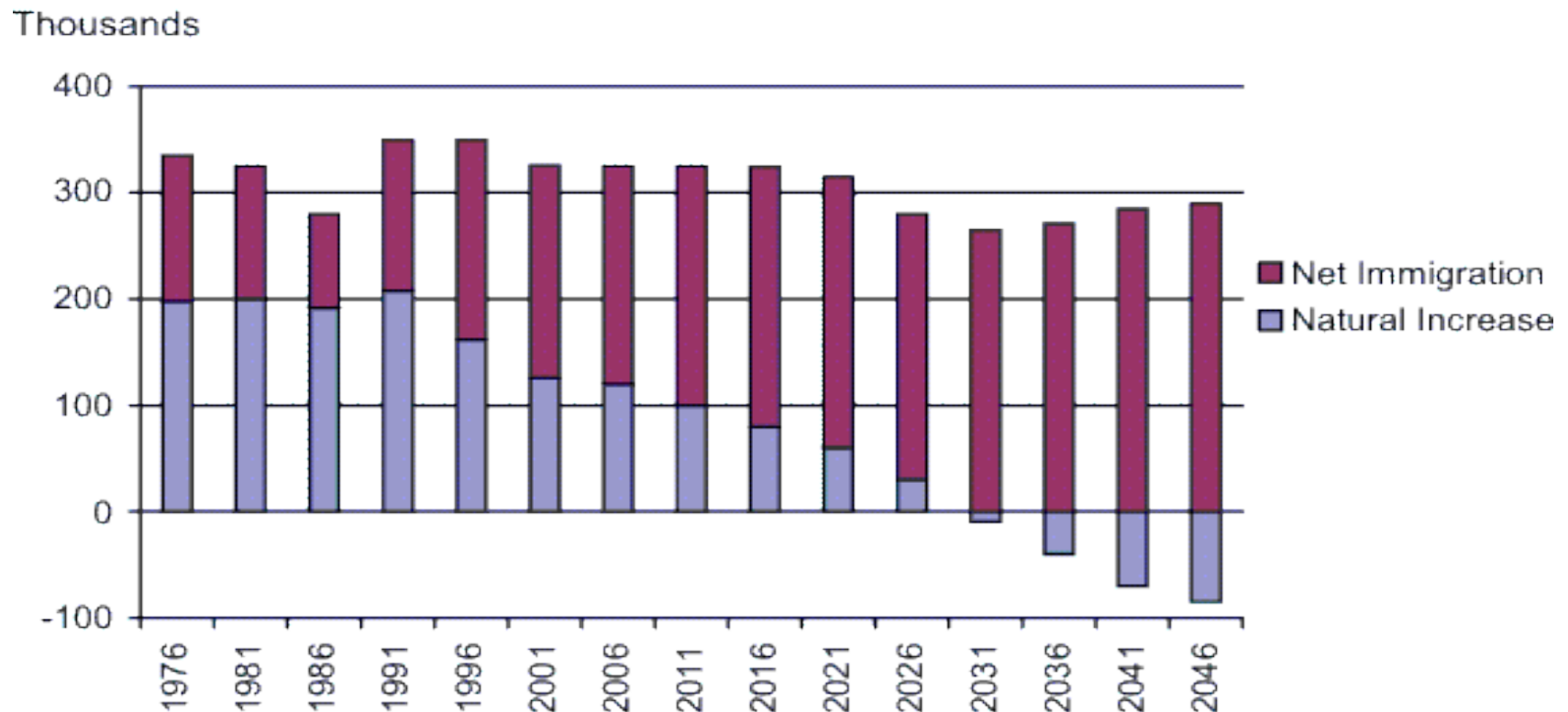
# Dramatic Increase in Immigration Will Be Needed

## Population Growth by Component, Canada

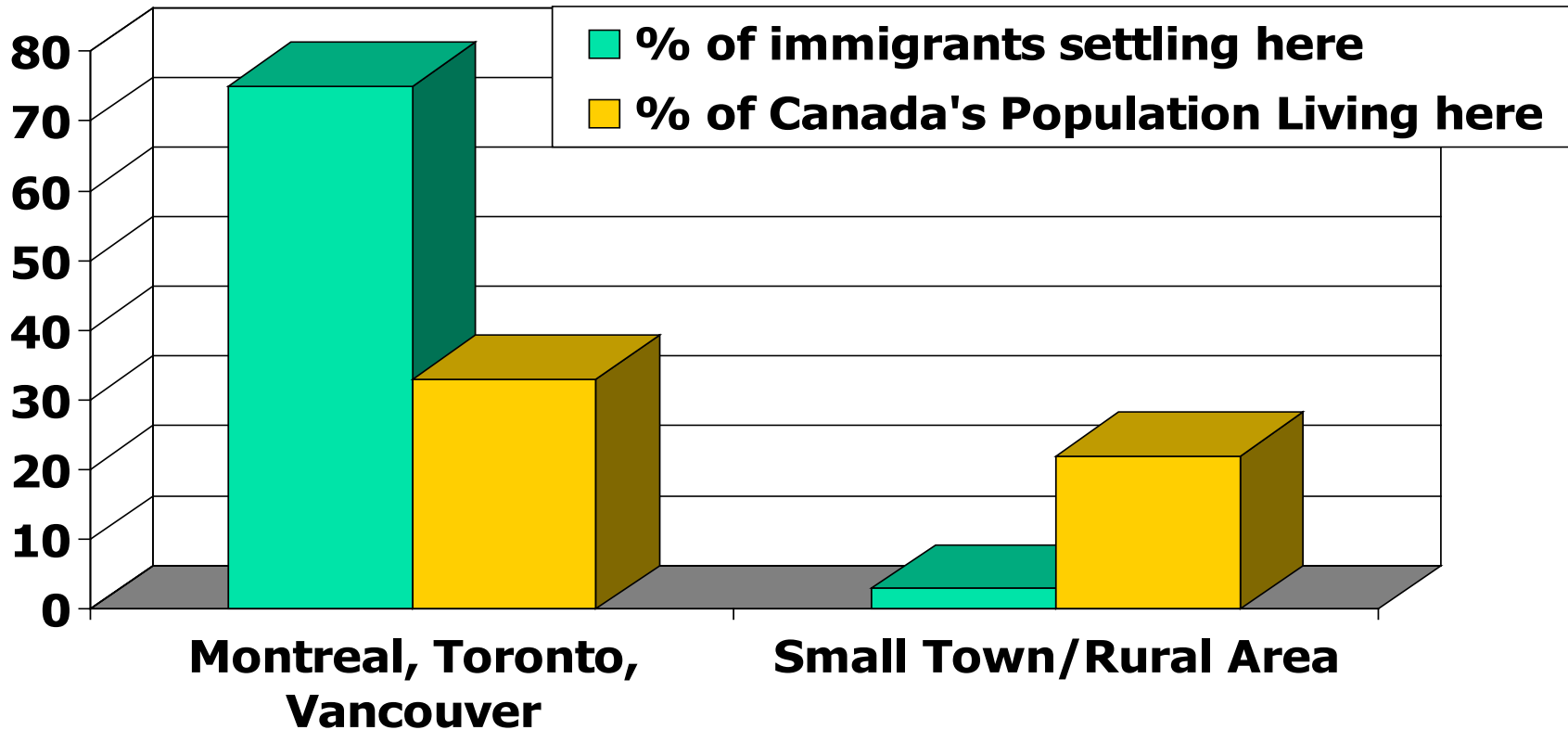
Population Growth Will Increasingly Depend on Immigration

1976-2046

Figure 5



# Where do the Immigrants Live Once They Come to Canada?



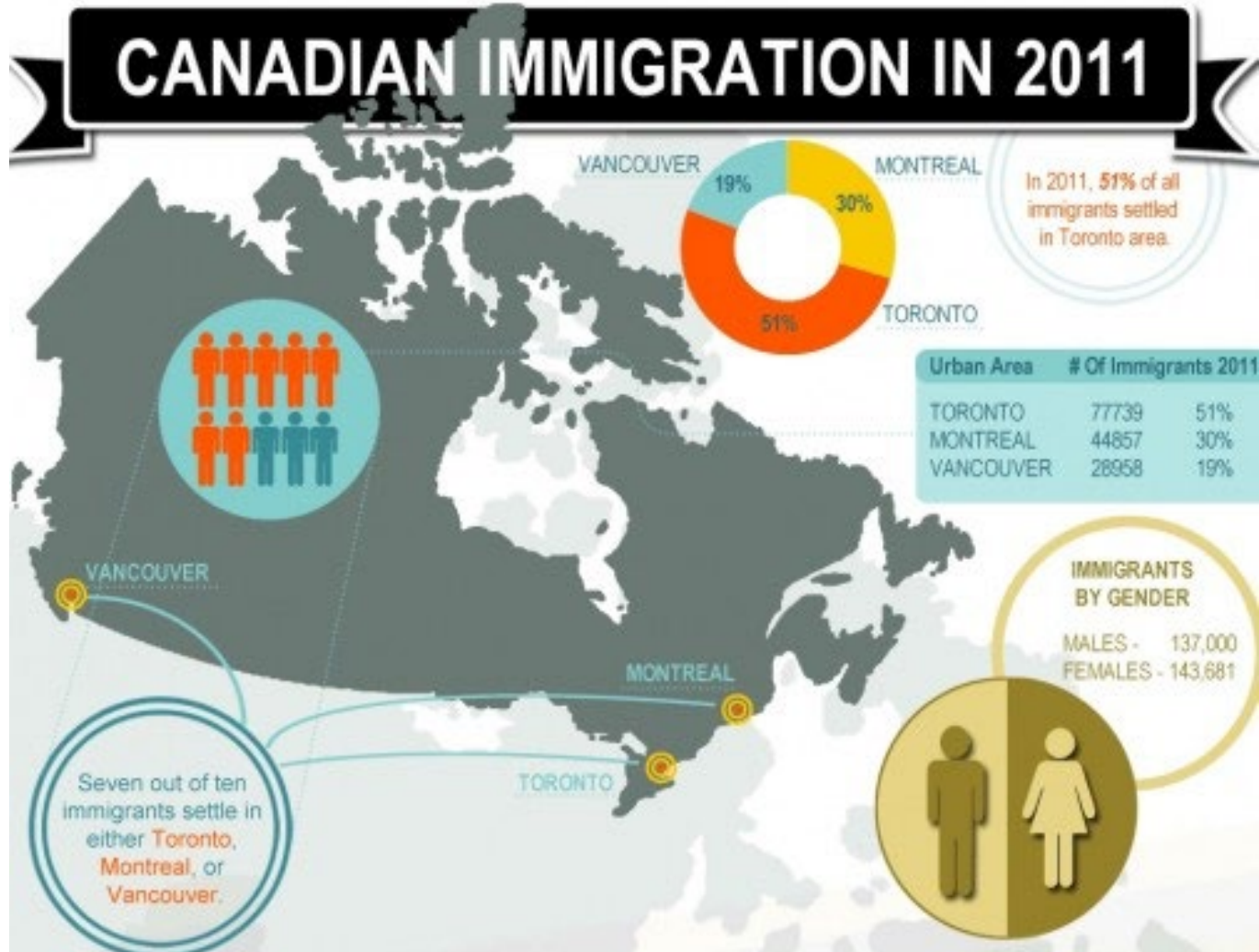


# The MTV problem

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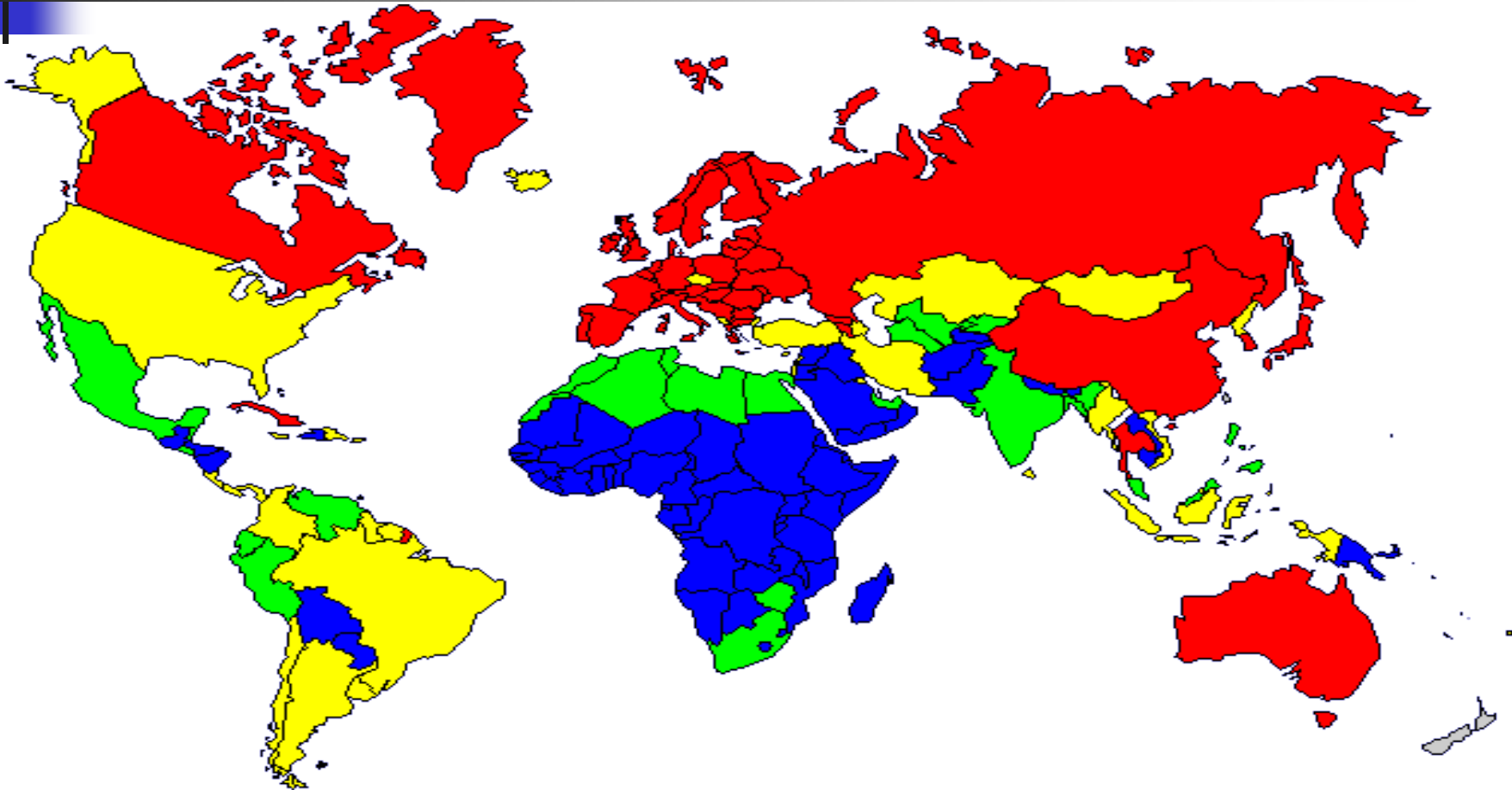
Skilled Workers  
Express Entry

Occupations  
List 2017



# Shifting Demographics

Color	Fertility rate	Long-term impact
Red	less than 2	declining population
Yellow	about 2	stable population
Green	3 to 4	growing population
Blue	4 or more	rapidly growing population



<http://www.pregnantpause.org/numbers/fertility.htm>



# The Knowledge Economy

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- With the emergence of the knowledge economy the proportion of the workforce requiring some form of education or training post high school will increase dramatically
  - US Department of Education shows that 60% of all new jobs in the 21<sup>st</sup> century will require skills that are possessed by only 20% of the current workforce
  - Canadian data estimates that by 2031 Canada will need 77% of our workforce to have post secondary credentials
    - Significantly higher than the 60% we now enjoy
- One of main issues with respect to education is access and the financial burden of higher education

# Job Skills Mismatch:

## People without jobs: Jobs without People

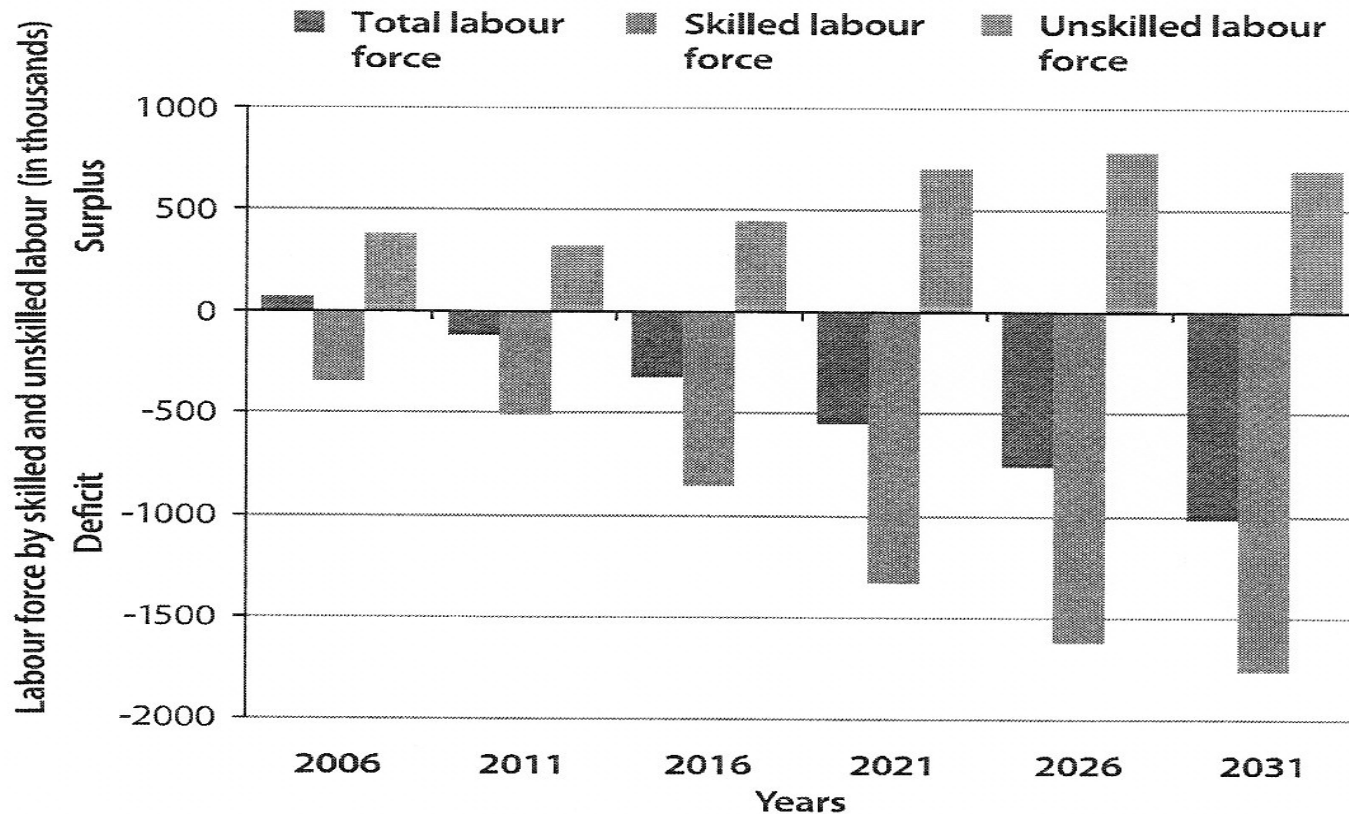
Rick Miner

- We face a future with:
  - large numbers of unskilled workers looking for jobs that require skills they do not possess, and
  - A large number of jobs that will go unfilled (i.e. Shortage in the midst of surplus) Rick Miner
- Retirements will be highest in occupations requiring skills
  - But production of graduates from post secondary institutions is starting to shrink

# Supply and Demand: A looming Imbalance

Miner, 2010

**Figure 6. Ontario Labour Force Balance: Medium Population Growth**





# Jobs without people – people without jobs

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*“During the first eight months of 2015, Ontario added 45,600 jobs for people 25 and older, yet all of these jobs “were concentrated among those with post-secondary credentials.” 91,000 people with high schools education or less lost their jobs during the same period.”*



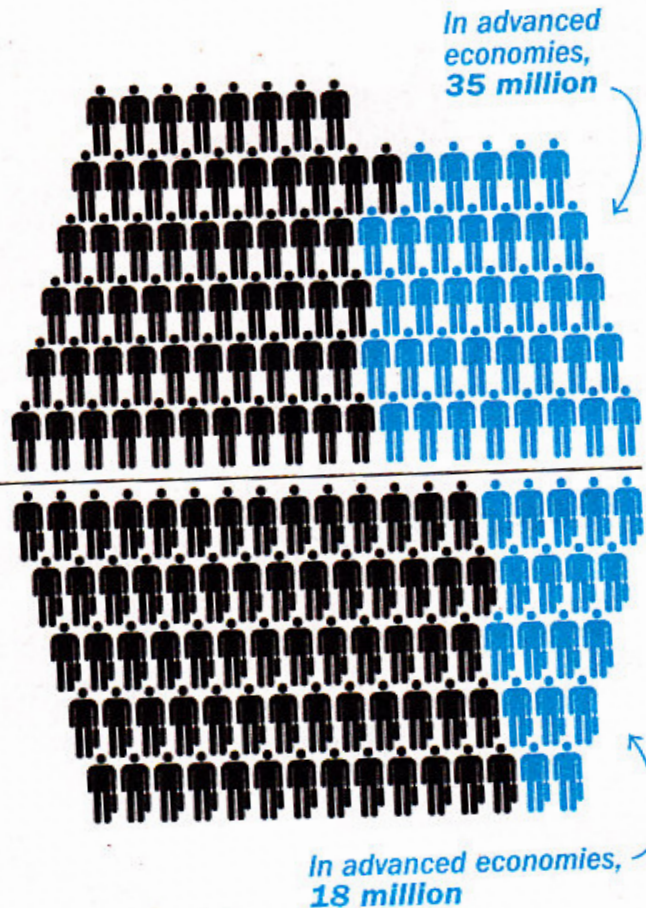
# Jobs without people, People without Jobs

Time magazine, August 26, 2012

## Help Wanted

By 2020, the world  
will have a surplus of  
**93 million**  
low-skilled workers

and a shortage of  
**85 million**  
high- and medium-  
skilled workers



Source: McKinsey & Co.

# Jobs without people – people without jobs

**PEOPLEWITHOUTJOBS**

**JOBSWITHOUTPEOPLE**



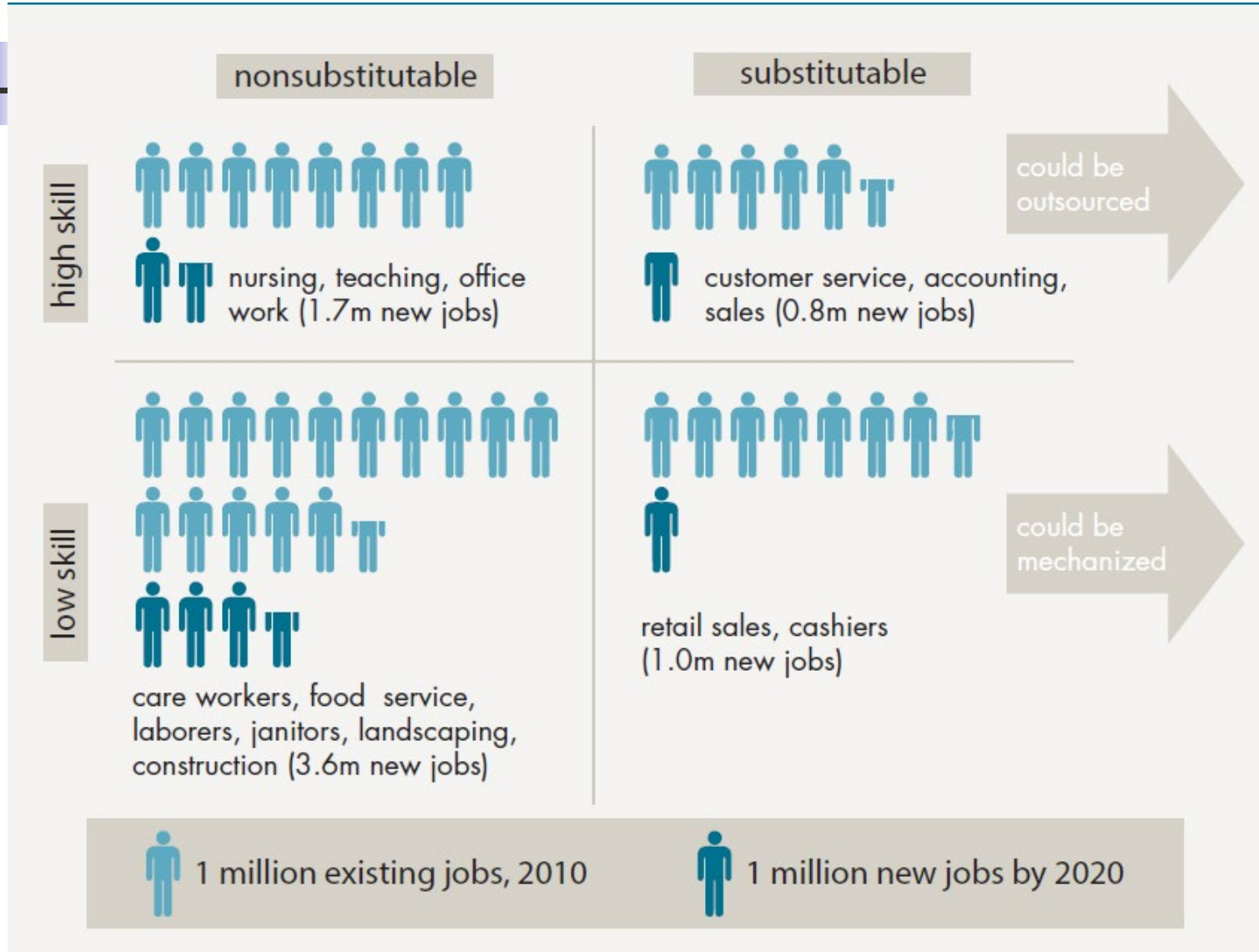
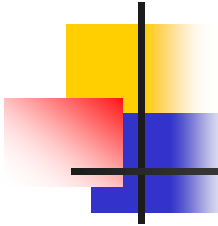
Source

<http://www.bls.gov/news.release/pdf/empsit.pdf>

<http://www.bls.gov/news.release/pdf/jolts.pdf>



# Jobs without people, people without jobs





# Where would you place....

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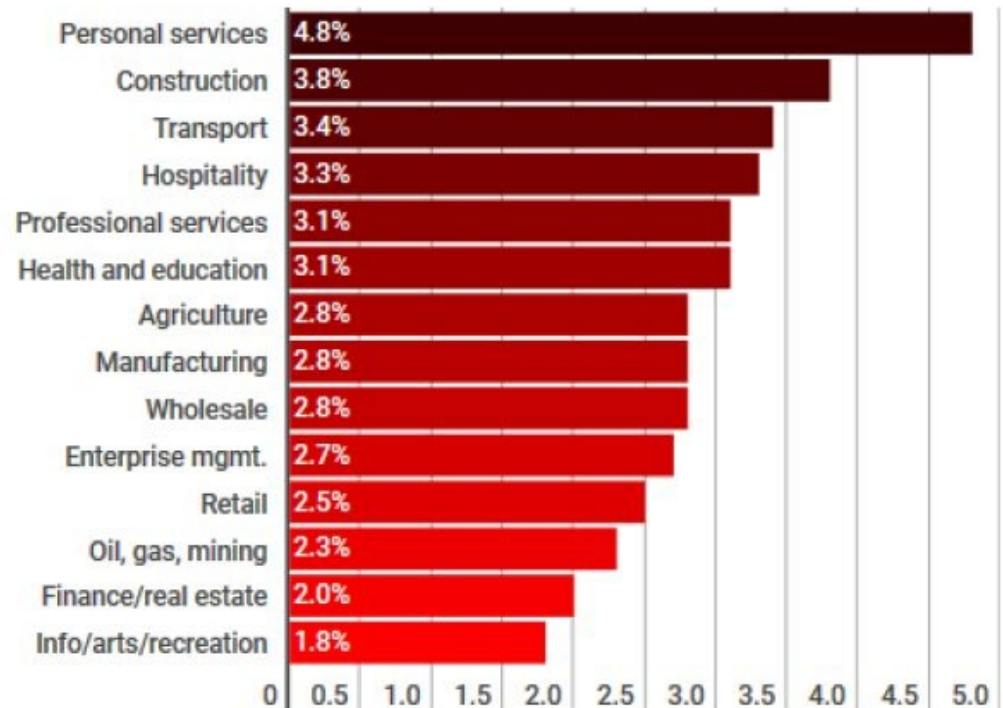
- Those employed within the transportation sector in this grid?

# Trucking?

## Substitutable or Non-Substitutable?

### Skilled?

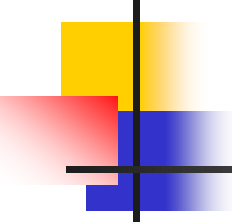
#### Job vacancies by industry



The job vacancy rate for each industry, for April-June, 2018. The number indicates the percentage of jobs that have gone unfilled for four or more months. The higher the rate, the stronger the job market.

Source: CFIB Help Wanted Report, Aug. 2018

Chart: HuffPost Canada



# Substitutable or Non-Substitutable? Skilled?

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- Government?
- NGOs?
- Technology companies?
- Vehicle manufacturers?

# ROBOTICS AND ARTIFICIAL INTELLIGENCE

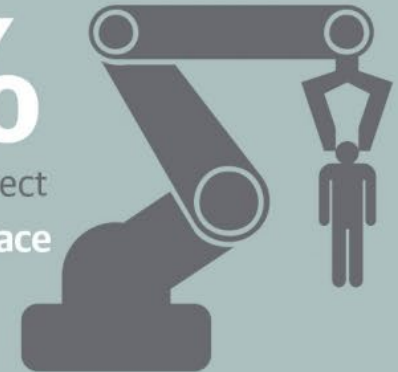


Opinion is divided on how many US jobs are at risk from automation



48%

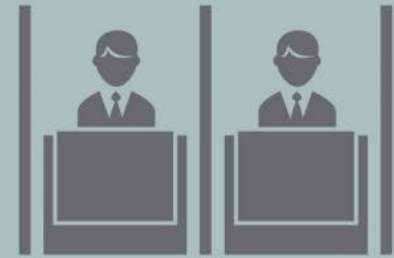
of 1,896 experts expect technology to displace more jobs than it creates by 2025



After last year's EU referendum and election of President Trump, technology could create greater social and political tensions

There are **more cashpoints than human tellers** in the US today but there are still

2x



as many tellers now than in the 70s

Each dollar of capital invested in computers leads to \$10 of investment in 'organisation capital'



# Impact on Organizations:

Means that sound management of human capital will become critical success factor

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- Organizations will have to display competencies in following areas:
  - Recruitment
  - Retention of employees of all ages
  - Succession planning and succession management
  - Work-life balance
  - Career Development
  - Knowledge transfer
  - Change management

# To Manage People in Sellers Market Need to Understand Idea of Generational Cohort

## Demographics 101

- The war, return of the veterans
- The Veterans (born just before or during WWII – 59 +)
- The Baby Boom (1947 to 1964)
- The Baby Bust (Generation X) (1961 to 1980)
- The Echo Boomers (Millennials) (1981 to 1996)
  - 42% the size of the boomer cohort
- Challenges
  - The concept of “cuspers”
  - Impact of country of origin
  - Cohorts are retrospective












# Key Differences in Values by Generational Cohort

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- Our research shows that generational cohort is a key predictor of:
  - What employees want from a job
  - What employees want from their boss
  - What they will do if their organization or their boss “does not deliver”



# Generations in the Workplace

CHARACTERISTICS	Boomers (1945-1964)	Gen X (1961-1981)	Millenials (1975-1995)
Career Views	Organizational: careers defined by employees	Portfolio: loyal to profession, not employer	Digital: works "with" organizations not "for" them
Percent of Workforce	<b>33%</b>	<b>32%</b>	<b>31%</b>
Go-to Product	 Television	 Computer	 Phones/Tablets
Communication	 Telephone	 Email/Text	 Social Media/Text
Preferred Training	 Classroom	 Blended	 Online



# What Boomers Want

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- To meet by phone or face to face
- To be treated as equals
- To be heard, to be included
- Flexible work schedules
- This group values teamwork
- To contribute (and to be told they have contributed)



# What Generation X Want

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- To be independent and self reliant
  - Freedom (especially to make their own decisions) huge reward
  - Prefer not to make long term commitments to the workplace
- A full package of workplace benefits that allow for balance
  - While it is not just about the money for this group, they want money as well)
- What needs to be done not how to do it
  - HATE micromanagement



# What Generation X Want

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- Candid, timely feedback
- Learning opportunities and leadership development
- An organizational culture that encourages entrepreneurial spirit and creative problem solving and values critical thinking
- Ongoing feedback
- Resume building activities and opportunities

# What Generation X Expect (But do not want!)



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- To be screwed by their organization
  - Often skeptical
- To be independent (and want this)

This group also have been found to

- Ignore (rather than challenge) those in authority
- Equate job security with mobility.. Not stability
  - If you want loyalty get a dog



# What Millennials Want

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- **You** to communicate clearly what you want
- **You** to emphasize team work and team goals
- **You** to use technology to deliver information
- **You** to assign work that is meaningful, interesting and important
- A diverse and inclusive workplace
- Flexible work
- Development opportunities
  - Mentoring, coaching, stretch assignments



# Summary of Differences

Lancaster and Stillman, when Generations Collide

	Traditionalists	Boomers	Gen X	Millennials
<b>Education is...</b>	A dream	A birthright	A way to get there	An incredible expense
<b>Work Ethic</b>	Dedicated, pay your dues	Driven, workaholic	Balance, work smarter with greater output	Ambitious, done at 5:00, entrepreneurial
<b>Technology</b>	Adapted	Acquired	Assimilated	Integral
<b>Preferred Work Environment</b>	Conservative, hierarchal, top-down management	"Flat" hierarchy, democratic, warm and friendly	Functional, positive, efficient, fast-paced and flexible	Collaborative, creative, diverse, continuous feedback
<b>Interactive Style</b>	One-on-one	Team player – lots of meetings	Entrepreneur, cut to the chase	Collaborative, lots of feedback



# Summary of Differences

Lancaster and Stillman, when Generations Collide

	Traditionalists	Baby Boomers	Gen X	Gen Y
<b>Career Goals</b>	Legacy	Stellar Career	Portable Career	Parallel Careers
<b>Rewards</b>	Satisfaction of a Job Well Done	Money, Title, Recognition, Corner Office	Freedom Is The Ultimate Reward	Work That Has Meaning
<b>Work-Life Balance</b>	Support in shifting the balance	Help me balance everyone else and find meaning in myself	Give me balance NOW! Not when I'm 65	Work isn't everything. Flexibility to balance my other activities
<b>Job Changing</b>	Carries a stigma	Puts you behind	Is Necessary	Is Expected
<b>Training</b>	I learned the hard way, you can too!	Train them too much and they'll leave	The more they learn, the more they'll stay	Continuous learning is a way of life



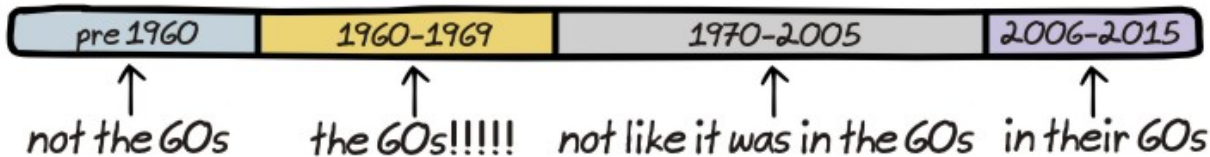
# Summary: The Generations

Dist. by Universal Uclick

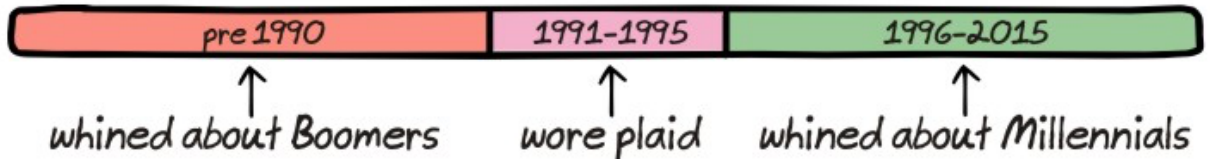
## anatomy of generations

© John Atkinson, Wrong Hands

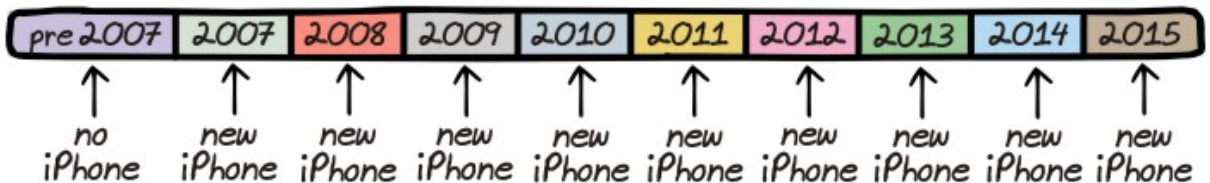
### Boomers



### Gen Xers



### Millennials



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# Summary of Differences

Boomers vs. Millennials @ Work

## EMAIL

thecooperreview.com

### boomers

Hi Alan,

How are you?

I just wanted to get in touch. Please let me know when a good time to meet would be. Feel free to let me know at your convenience, or if you'd just like me to set something up on your calendar.

Best,  
Joe

### millennials

hey,  
hi when can we meet?



100

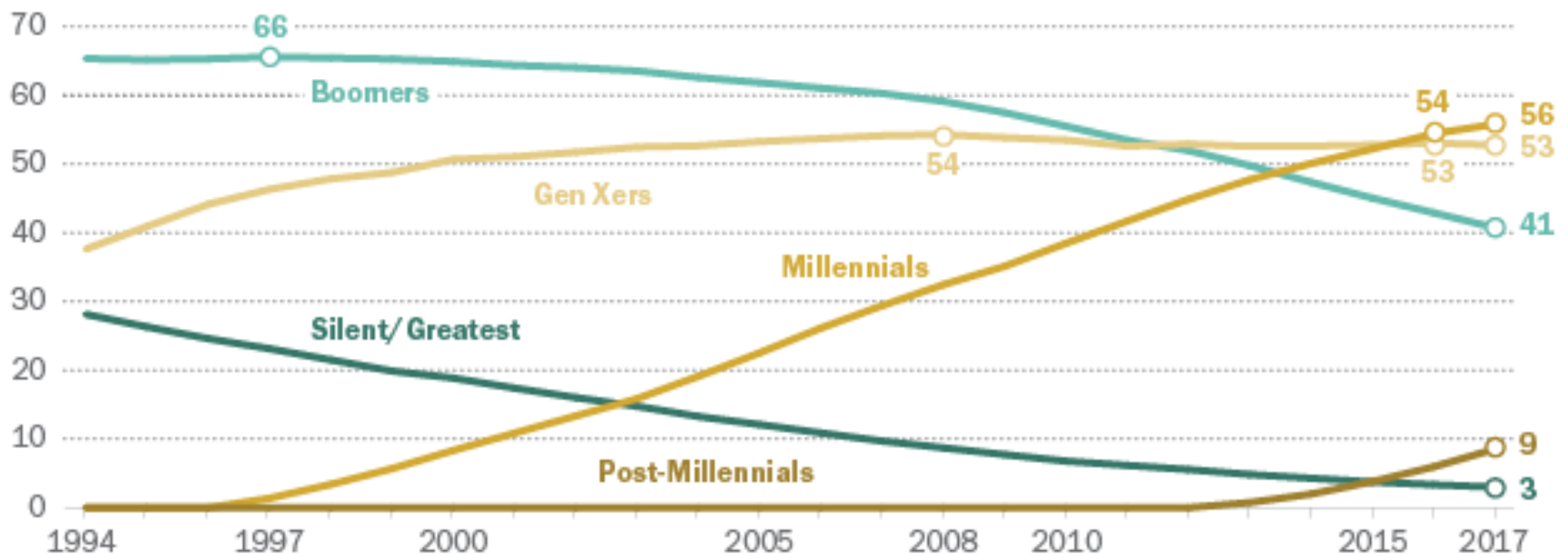
joe



# Boomers on the Wane: Millennial's ascendant

## Millennials became the largest generation in the labor force in 2016

U.S. labor force, in millions



Note: Labor force includes those ages 16 and older who are working or looking for work. Annual averages shown.

Source: Pew Research Center analysis of monthly 1994-2017 Current Population Survey (IPUMS).



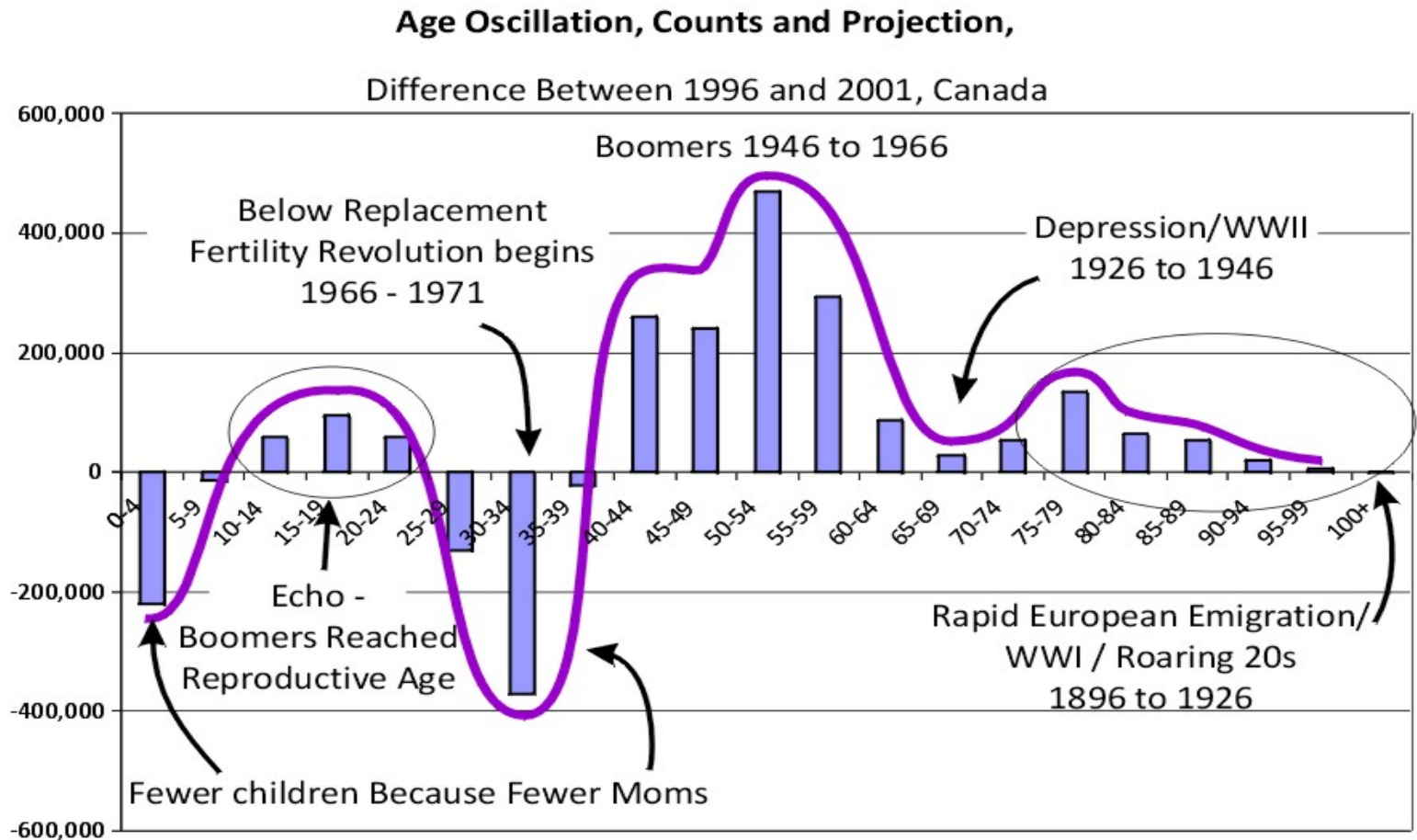
# Boomers on the Wane: Millennial's ascendant

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- With more and more Boomers retiring every year the size of the Boomer cohort will continue to shrink
  - In 2018, youngest Boomer 58
- Millennial workforce still growing though
  - More finishing school and entering market
  - Many immigrants in this group
- Gen X – cohort size peaked in 2016
  - Fewer in the labour force or looking for work than in the population overall

# Gen X are Key for Succession Planning!!!

NOT Gen Y .. Though they are important as well



# Talent Shortage Looms Due to:

(HBR, July, 2, 2014)

- Globalization: “going global” increases need for talent
  - the competition will be heated.
- Shortage of Gen X: The number of potential leaders between 35 and 44 — the sweet-spot for finding up-and-coming talent — is set to decrease by 30%.
- Poor Succession Planning: Companies not doing a good job of developing their own talent pipelines ahead of the impending drought.



# Implications employers

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- The competition for talent will be global
  - Are you competitive with respect to people management practices?
- The talent you want cannot be bought
  - Caution: Talent that can be enticed by money – can be offered more by competitors to leave
- You are only as good in this market as your employees say you are (what do they say?)
- To compete you need to change strategic focus
  - From short term to longer term
  - From finances and ROI to human capital and \$\$\$



All that being said- remember that generation only one lens through which to look at people

“

As soon as we grossly generalize a generation, we will get it wrong at least some of the time.

”

[charityvillage.com](http://charityvillage.com)



**WE NEED TO REMEMBER  
ACROSS GENERATIONS  
THAT THERE IS AS  
MUCH TO LEARN AS  
THERE IS TO TEACH.**

Gloria Steinem





# Conclusion

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“More than anytime in history mankind faces a crossroads. One path leads to despair and utter hopelessness, the other to extinction. Let us pray that we have the wisdom to choose correctly.”

*Woody Allen*