Leaders of Today Are Challenged by Generation X Workforce Retention

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Abstract

Many organizations today are comprised of a culturally diverse workforce. In addition to organizational diversity related to gender, ethnicity, race, or religious beliefs, there are also four different generations working side by side. Today’s workforce includes the Silent Generation, the Baby Boomers, Generation X, and Generation Y. The Silent Generation is known for their lifestyle approach of consistency, uniformity, conformity, law and order, hard work and playing by the rules. Baby Boomers were the first generation to grow up with television; they were the first to have broad access to news, issues, advertising, and a variety of programming. Generation X is inherently independent, self-reliant, resourceful, and comfortable with all manners of change and diversity. Generation X includes “latchkey kids” who would come home from school in the afternoon, let themselves in, and remain alone until mom or dad came home from work. This taught them independence and self-reliance. Generation X views themselves as free agents in the workplace – a marketable commodity. They have a work to live not live to work attitude. Generation Y, the youngest of the four groups, doesn’t remember a time before personal computers, the Internet, microwave ovens and cell phones.

As the Silent Generation and the Baby Boomers move through the workforce into retirement and Generation X becomes more dominant in the core workforce, organizational leaders will be challenged to inspire, motivate, and enlist their allegiance toward the mission of the organization given their “latchkey” independent mentality. This paper explores this leadership dilemma through a transformational leadership frame.
Introduction

Bureau of Labor Statistics for the year 2000 stated that Baby Boomers (age thirty-six through fifty-four) represented fifty percent of the United States labor force while Generation X (age twenty to thirty-five) represented some thirty-three percent, a significant decline in workforce (Cole, Smith Lucas, 2002). This demographic “time bomb” indicates the urgency for many organizations in developed countries to prepare for and cope with the imminent retirement of their aging workforce.

Buahene and Kovary (2003) confirmed we are at a time in American history where recognizing and valuing the diversity of our workforce is essential. Four distinct generations of workers, each with its own attitudes, values, ambitions, mind-sets, worldviews, and ways of communicating are working side by side. Although more than one generation has been present in the workforce in the past, the transition from a manufacturing to an information-centered economy, combined with the flattening of organizational hierarchies, has brought members of the different generations into much closer physical contact than in the past. A leader’s effectiveness depends on their ability to solve complex organizational problems, utilizing a variety of leadership styles that encourage followers to meet organizational goals.

Lockwood (2007) acknowledged that in order for leaders in today’s organizations to be effective, they must develop a wide-ranging repertoire of leadership styles as well as communication skills. Leaders must consistently recognize the individual and cultural differences present in their followers, and determine how best to connect them in ways so as to enable them to reach the common goals of the organization.
Retention is today’s organizational challenge, and it is not limited to retaining talented people, but fully engaging them as well, thus capturing their minds and hearts at each stage of their working lives. Retention among many Generation X workers (Gen Xers) is particularly difficult due to their independence and self-reliance (Bruch, Eden, Voelpel, and Walter, 2006). Transformational leadership might be a vehicle to achieve, retain, and engage this group.

**Problem Statement**

Retention among many Generation X workers is difficult due to their independence and self-reliance. Transformational leadership practices can help leaders retain and engage Generation X workers.
Literature Review

Generational Demographics

DeClerk (2007) considered generations as products of a common history defined by moments as well as economic, social, and sociologic circumstances. This refers to a group of people born during the same general time span, shaped, or molded by the events and conditions prevalent during their youth and adolescence, and their function as a co-culture. Interestingly enough with the rapid expansion of technology, particularly the World Wide Web, some of these common characteristics within generations now cross international boundaries. Marshal McLuhan, the former philosopher and scholar (cited by Spencer, 2009), discussed the instinctive ability youths have in understanding their present surroundings, thus enabling them to adapt easily and distance themselves from other generations as competitors.

The impact of these characteristics results in a truly multi-generational workplace with the diversity of creative and innovative strengths, expertise, and viewpoints embodied within the different groups. Unfortunately, this blending can also lead to conflicts, tension, misunderstandings and decreased productivity. DiRomualdo observed (as cited by Spence, 2009, p. 13) that “the generational groups of older and younger workers do not perceive intergenerational tensions in the same way. The younger workers are more sensitive to these differences both positive and negative.”

For leaders in today’s organizations to be effective they must develop an extensive repertoire of leadership styles, utilizing them in a flowing manner in order to meet the daily demands of given situations. Leaders must consistently recognize the individual and cultural
differences present in their followers, and determine how best to engage them in ways so as to enable them to reach the common goals of the organization (Lockwood, 2007).

**The Silent Generation, Traditionalist, Veterans, the Matures (1925-1945)**

Tom Brokaw (1998) called these individuals ‘the Greatest Generation.’ They were born during a time of war as well as harsh and cruel economic times in the United States. Some will remember the Great Depression, and the bombing of Pearl Harbor filling the ranks of the military in World War II. Heroes of this generation would include such greats as Joe DiMaggio, Franklin Delano Roosevelt, George Patton, and Dwight Eisenhower.

How does one manage this age group? By treating them with respect and being open and honest. DeClerk (2007) found that leaders of these *traditionalists* would likely tell you about workplace feedback, stating such idioms as, well, no news is good news. If I am not yelling at you, you are probably doing fine.

Lancaster and Stillman (as cited in DeClerk, 2007) talked about the top-down, boot-camp style of coaching as a sensible approach to reach veterans who value authority and discipline. The strong, silent types constitute a generation of Traditionalist leaders long on praise—they aren’t even long on words—but when they say something about your performance, they mean you’d better listen up.” (p. 8).

Traditionalists are sometimes so experienced that it is easy to forget how much they still need to hear the occasional word of encouragement. While they may not let on, they still appreciate a quiet, understated compliment recognizing their contributions. Everyone needs a warm fuzzy from time to time. This generation of traditionalists, having been raised in very lean
times is a very conservative group, perhaps still working part time or volunteering for organizations (Buahene & Kovary, 2003).

Working for the same organization their entire working career was the safety and security they expected. This generation entered the workforce of organizations having clear lines of authority, and strict division of labor (DeClerk, 2007).

**Baby Boomers 1946-1963**

Lancaster and Stillman (as cited in DeClerk, 2007) stated that Baby Boomers, people who grew up in the 1960’s should open up and open up they did. This generation, eighty million strong, is in touch with their feelings and in love with communication in all forms during a time of relative peace and economic expansion. The resulting impact of this magnitude of people forced the United States as a country to change its infrastructure to accommodate.

Boomers were post war babies raised by nuclear families. Their parents provided them with the best of everything they could possibly want. While growing up on television, this generation was also fascinated and motivated by the space race, and witnessed the Civil Rights movement (Buahene & Kovary, 2003). Heroes of this generation included John Glenn, Martin Luther King, Jr, the Beatles, John Kennedy, and Gandhi to name a few.

Boomers value their individual freedoms, are first-class team players, and superior at building consensus and relationships. They promoted equality in the workplace, redefined roles, and rules, and sought to overthrow the command-and-control management style of the Traditionalist. They were the first group to include women and minorities as colleagues in the workplace and survived massive layoffs in the 1980’s (Spencer, 2009).
So why did Boomers institute the once-a-year performance appraisal, with lots of written documentation? It forced Traditionalist role mentor bosses, and mentors to sit down with Boomers on a regular basis and let them know where they stood. To make the Traditionalists more comfortable, performance evaluations were conducted and made less subjective via numerical rating systems. Lancaster and Stillman (as cited in DeClerk, 2007, p. 37) stated that, “The process seemed so scientific you would have thought they were trying to calculate the next solution.”

Lancaster & Stillman (as cited in DeClerk, 2007) acclaimed that boomers are busy managing up to four generations of direct reports in their current positions. They are a resilient group of workers able to adapt to changes they make although they may balk, or drag their feet a little. With the disappearance of several layers of management within many organizations, feedback has gotten a little too thin. Boomers are usually providing feedback to dozens of employees without receiving any themselves, which is very difficult for them to understand.

The Boomers continued to work on relationship building throughout their careers, when along came Generation X who felt that friendships were more important, thus creating a potential area of conflict to evolve (DeClerk, 2007).

**Generation X, 1964-1978**

The smallest generation of people born during the most anti-child time in the history of the United States, is Generation X. Known as the “latchkey” kids, they were often left to fend for themselves. Their parents, the “ Boomers,” had the highest divorce rate and the highest number of dual family incomes in history (Spencer, 2007).
People of Generation X are independent. They faced problems on their own as children, and have gained confidence in their ability to make decisions for themselves. With regard to the workplace, this experience translates into a desire to participate in decisions that affect them, and less faith in the institutions that employee them. Generation X expects and often demands a meaningful voice in issues that affect their lives. Success to Generation X includes being able to build their lives and lifestyles on their own terms (Cole, Smith & Lucas, 2002).

These children of younger Traditionalists and Baby Boomers grew up with success being built into their daily lives and lifestyles on their own terms. They look at work as truly fun while surviving and having a good time in the process (Spencer, 2009).

The traits and behaviors of the Generation Xers are described as cautiously maneuvering toward more firm ground by taking ownership of their own career security while remaining resolute in their own self-reliance and abilities. This provides Generation X with a determination to learn, grow, and improve their personal desires, resulting in a safer future for them (Tulgan, 1996).

Cole, Smith, and Lucas (2002) stated that perhaps the single most distinguishing workplace value of Generation X is the relative importance of work to them. It is simply not as important a part of their lives as it had been for boomers and some previous generations. It would be a mistake though to equate a decline in the importance of work with a decrease in their willingness to work hard. They have diminished the role of work in their lives and accompanied it by an increased importance of family and other non-work relationships.
This generation needs positive feedback, just to let them know they are on the right track. Fear and insecurity due to quick promotions alarms them, sending up unwanted red flags. Lancaster and Stillman (2004) stated that the generations also differ in their acceptance of candid critiques. As a leader, it is important that feedback be presented in a carefully diplomatic or frank style, ideally tailored to suit the individuality of different followers.

Generation X followers voiced concerns over not understanding what the older generations were trying to say. Traditionalists and Baby Boomers are so cautious and politically correct that there is a communication breakdown in the dialogue. This behavioral style of the older generations confuses and creates potential escalations points during communication with followers of Generation X (Lancaster and Stillman, 2004).

Research by Bruch, Tekie, Voelpel and Walter (2006), discussed younger employees, differentially, seem less likely to be responsive to transactional leadership, as their social goal points to favoring the pursuit of knowledge-related, long-term, and often ambiguous goals that are beyond the reach of transactional leader. Lancaster and Stillman (2004) stated (as cited in DeClerk, 2007, p. 46) that “Feedback that a Generation Xer thinks is immediate and honest can seem hasty or even inappropriate to older workers however. Boomers are looking for fair and judicious comments. Traditionalists prefer critiques that are instructional as they come from superiors.”

Cole, Smith, and Lucas (2002), talk about key Generation Xers values, including the acceptance of change and diversity in the workplace and the use of technology to process information. A generation conditioned to be materialistic, shopping is an important form of
recreation, and money is a means to acquire the goods. Lancaster and Stillman stated (as cited in DeClerk, 2007) that:

“While Boomers seek feedback, Generation Xers want candid, instantaneous feedback. It is no wonder, considering they were raised on immediate results: instant meals from the microwave, instant cash from the automated teller machine, information from CNN, and instant information from the Web. This is annoying to a Boomer, who is dying to say, ‘I want to provide feedback, but can’t we just talk about it next week at the project review?’ Many Boomer managers we know resorted to keeping their doors locked to prevent the interruptions. The varying expectations can create major generational collisions.” (p. 98).

Traditionalist managers have a hard time with the direct “in your face” approach of Generation X’s. These managers are not accustomed to being approached for feedback by followers, remembering that they came from a generation of respect and knowing your place. Transactional leadership is positive with Transformational leadership having a stronger influence on younger employees’ goal commitment as compared to older employees (Bruch, Tekie, Voelpel & Walter, 2006).

Houlihan has written (as cited in Silva, 2009) that Generation X are moving into management positions very fast, overseeing both Baby Boomers and Generation Y workers. It is a definite leadership transition in corporate America as never seen before due to the contrasting differences between the two dominant generations.
Looking at the contrasts in Generation X and Generation Y values the issue of pessimism versus optimism stands out clearly. As a group, Generation X looks outside the workplace for self-fulfillment and is value-programmed to be pessimistic about the future. They are survivors who do not expect to conquer the world and in the workplace, they accept that ladders to success are probably not in their future. Generation Xers are significantly higher than Millennials on self-reliance based on how they were brought up. Generation Xers had to hit the ground running, growing up as “latch key” kids in double income families of professional parents, whereas Generation Y has been coddled and nurtured by their parents, who provided them a soft landing and a more relaxed environment in which to grow (Spencer, 2009).

**Generation Y, Millennials, Generation NeXt, 1981-2000**

The Millennials also known as the, *multi-cultural generation* ranked second in size comparison to the Boomers at seventy million. In an era of skyrocketing tuition costs, their *Helicopter Parents*, are eager to get their money’s worth and technology now allows this to occur from home. They are realists, comfortable in both virtual and physical space, greatly appreciative of and expecting diversity (Spencer, 2009).

Thriving on instant gratification, these young professionals perform their best when plugged into or active within social networks. They lack critical thinking skills and need lots of structure with specific direction and supervision. They are the most watched over or nurtured generation, growing up with the ‘everyone gets a trophy’ mentality (Lancaster & Stillman, 2004).
Generation Y does not remember a time before personal computers, the Internet, microwave ovens, and cell phones. It is the most technical savvy group. It is also the most ethnically diverse group with more than a third of the generation consisting of minorities. Empirical evidence through research voices that Millennials valued focus, dedication, and optimism more highly than other generations (Spence 2009).

Based on presumed differences between generations, Zemke, Raines, and Filpezak as summarized by Aresnault (cited by Spence, 2009, p. 22) proposed the following leadership styles for each generation:

<table>
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<tr>
<th>Leadership Perception Across Generational Cohorts</th>
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<tbody>
<tr>
<td>Silent Generation</td>
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<tr>
<td>Baby Boomer</td>
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<tr>
<td>Generation X</td>
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<tr>
<td>Generation Y</td>
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(Spencer 2009, p. 22)

Millennial scores were significantly higher though than Generation X on rule consciousness, reasoning, emotional stability, perfectionism, warmth, sensitivity, apprehension, social boldness, and openness to change (Spencer, 2009). DeClerk (2007) found that managers
who use transformational leadership can expect their Generation Y employees to give extra effort, be satisfied and to see their leader as effective.

**What is Leadership?**

“Leaders are pioneers; people that are willing to step into the unknown.” They search for opportunities to innovate, grow, and improve their organization and themselves. They possess a willingness to challenge the system to get new products, processes, services, and systems adopted (Jandaghi, Matin, & Farjami, 2009, p.358).

Kotter (1996) defines a leader as an individual who states what the opportunities should look like, aligns people with that mental picture, and inspires them to make it happen despite the obstacles concerned. Interestingly, Northouse (2007) further defines leadership as a process whereby one individual influences a group of individuals (followers) to accomplish a common purpose. To be an efficient role model, the executive must influence his followers in a positive way to reach the goals of the organization. Leadership is a group of processes that creates organizations in the first place or adapts them to significantly changing circumstances.

Sashkin and Sashkin (2003) found that leaders should be looking for ways to renew their teams, adding fun to everyone’s work and always questioning the status quo. Leaders that are continually searching for opportunities, treating every job as a quest, and seeking meaningful challenges will inspire their followers proactively. Challenging with purpose meaningful tasks or relationships with collaboration and focus on the vision of the organization.

Stanley (2005) stated that, “perhaps the two best-kept secrets of leadership are these: The less you do, the more you accomplish and the less you do, the more you enable others to
accomplish.” (p. 17). This supports Blanchard’s view that empowering others comes from teaching them to do things so they become less dependent on you (1996).

**Managers and Leaders**

“Management is a set of processes that can keep a complicated system of people and technology running smoothly,” (Kotter, 1996, p. 26). Bennis and Nanus (1985) (cited by Northouse, 2007, p. 11), made the distinction very clear in their frequently quoted sentence, “Managers are people who do things right and leaders are people who do the right thing.”

Lockwood (2007) stated that managers who demonstrate these characteristics promote employee engagement:

1) a strong commitment to diversity;
2) responsibility for successes and failures;
3) honesty and integrity;
4) help with finding solutions to problems;
5) respect and care for employees as individuals;
6) set realistic performance expectations;
7) passion for success;
8) defend direct reports.

(Lockwood, 2007, p. 5)

Sashkin and Sashkin (2003) discuss managers as those individuals that need control over their lives, by directing their influence need in a pro-social manner. They use power and influence productively by sharing their power and extending the control to subordinates.
Managers often make the mistake of assuming that because they are the managers, they are also the leaders, and their associates will automatically follow. In reality, position only denotes title, not leadership. Northouse (2007) defines leadership as a process whereby one person influences a group of individuals to attain a common goal.

The Tao Te Ching (as cited by Sashkin and Sashkin, 2007, p.39) stated, “The effective leader is aware of the importance of small actions, as being prerequisite to success.” History supports this when Burns (1978) discussed leaders’ actions as becoming intentional to inspire followers, and top leaders helping to make their followers into leaders. Leaders allowing their followers to utilize personal experience and knowledge as individuals provide the opportunity for true greatness in leadership to be than accomplished.

Kotter (1996) acclaimed that leadership communication style is a particular manner in which a leader communicates and interacts with followers on different levels. Bass and Avolio (1993) acknowledged that leaders who are concerned about business renewal proactively search out to cultivate organizational societies that are open and accepting to creativity, problem solving, risk taking, and experimentation.

“One of the hardest things to receive is acceptance of criticisms as growth area potentials. Regardless of what areas of leadership behavior you are looking at, professional or personal, there are always improvements or polishes that could occur to increase individual effectiveness ,”(Jandaghi, Matin, & Farjami, 2009, p. 357).

Sashkin and Sashkin (2003) explained that the goal of leadership is to enable others to act and to get tasks done; further stating that leaders coach self-confidence through actions, not just
expressions. They accomplish this in three major ways: by providing opportunities for guidance, through traditional instruction and development activities; by carefully structuring what might be called knowledge homework, and by mentoring one-on-one with followers. Stanley (2007) believed the moment a leader steps away from his personal foundation competencies, his effectiveness as a leader diminishes greatly.

Ghoshal and Bartlett (1995) discussed professional and personal strength in leadership as being very diverse when looked at separately. Motivation to continue improvement of listening skills is extremely important as a transformational leader in the market place. Tolerance of ambiguity is strong, while retaining the value and appreciation of direction guided by policy and procedures. House, Wright and Aditya (1997) discussed (as cited by Nyberg, Bernin & Theorell, 2005), that Culture Preference Inventory displayed strengths in both bureaucratic and achievement culture. Team Conflict was no surprise based on behaviors exhibited by both professional and private leadership during collaboration.

**Transactional vs. Transformational Leadership**

According to Lancaster and Stillman (2002) (as cited in DeClerk, 2007), in order to fully understand the benefits of transformational leadership relative to retaining and engaging Generation X, it is helpful to understand transactional leadership, which has been the primary style associated with leaders of the Silent Generation and a portion of the Baby Boomers.
Transactional Leadership

Burns (1978) stated (as cited by Jandaghi, Matin, and Farjami, 2007), transactional leadership is leadership based on an agreement that is reached between leader and follower in such a way that the personal interests of both parties are reached. Believing that, the relationship then between leader and follower becomes profit-oriented and based on exchanging one thing for another.

Bass (1985) took this to the next level and talked (as cited by Bass and Avolio, 1993), about the transactional leader’s approach of following existing rules, procedures, and norms set up by previous administrators within their particular organizational cultures. The approach taken by transformational leaders is to challenge the organization’s culture by first understanding it and then realigning the business environment focus toward a new vision.

Transactional leaders manage well using power and influence to achieve organizational goals through the efforts of others. They define clear tasks and goals and in essence, contract, with their followers as if paying or rewarding them for carrying out tasks to reach defined goals (Sashkin & Sashkin, 2003).

Howell and Avolio (1993) stated (as cited by Webb, 2007) transactional leaders and followers or followers often engage in a give-and-take process of contingent rewards in management where each party strives to meet definite expectations or performs specific actions in order to achieve a desired benefit or return.
Bass and Avolio (1993), stated that essentially, transactional leaders create exchanges or agreements with their followers, pointing out what these followers will receive if they do something correctly as well as incorrectly.

As Burns (1978), explained, the main monitors of transactional leadership are values known as modal values, which can include honesty, responsibility, fairness, and the honoring of commitments. Without these modals as explained by Burns, transactional leadership could not work.

Eagly and Karau (2002) stated (as cited by Silva, 2009) that women tend to rank higher statistically than men when associating contingent reward with transactional leadership.

**Transformational Leadership**

Hall, Johnson, Wysocki, and Kepner (2002) explained (as cited in Northouse, 2007), that transformational leadership is a course of action, which changes and transforms followers. This practice is vital to the manager’s role as it relates to the organization’s process flow. Burns (1978) stated (as cited by Jandaghi, Matin, and Farjami, 2009), that transformational leadership is a method in which leaders and followers support each other in order to attain higher levels of morality and motivation. They inspire their faction to attempt more levels that are challenging. Transformational leaders inspire their followers to think about more than their own aims and interests and to focus on the greater team, organizational, national, and international objective.

Trow and Smith (1983) discussed the findings (as cited by Kark and Van Dijk, 2007) of transformational leadership which explained how leaders hold the values of the followers they lead more strongly thus giving the followers a model on which they can focus.
Research by Hersey, Blanchard, and Dewey (1996) defined (as cited by Jandaghi, Matin, and Farjami, 2009), a transformational leader as one who utilizes the current information regarding his followers or groups to create alternating changes in current conditions and the organizational routine as a whole. “Transformational leaders tend to be contagiously charismatic, include others in their vision, and are concerned about the welfare of their causes and their followers.” (p. 358). Bass (1990) provided examples (as cited by Spencer, 2009), of transformational leaders that included such great names in history as Abraham Lincoln, Mahatma Gandhi, and Dr. Martin Luther King, Jr.

Burns (1978) discussed modal values involving individual conduct more than change, style more than (real change), and does not downplay their significance. Burns (1978) stated that, as both leaders and followers progress through the stages of needs, values, and morality, they discover a broad and deep base from which they can reach out to ever widening social collectives, thereby establishing and embracing upper values and ethics. The influence of transformational leaders based on their capabilities to inspire others through their words, conversation, insight, and initiatives. Transformational leadership occurs when leaders improve their followers’ welfare toward themselves. The leaders create the awareness and acceptance of both the aims and mission of the group (Jandaghi, Matin, & Farjami, 2009).

A highly innovative and satisfying organizational culture, transformational leaders will build on the following assumptions: people are dependable and purposeful; everyone has an individual contribution to make; and complex problems are handled at the lowest level possible. Leaders who build such cultures and articulate them to followers typically exhibit a sense of vision and purpose (Bass & Avolio, 1993).
Ghiselli’s (1968) stated (as cited by Kark and Van Dijk, 2007) that data reviewed in earlier research displayed a consistent relationship between the personal values of the leader and several criteria of effectiveness. Yukl (2008) described (as cited by Yang 2009), a transformational leader as a charismatic individual with whom employees identify emotionally.

Yammarino and Bass (1990) discussed (as cited by Webb, 2007), transformational leaders as having the capacity to intrinsically encourage their workers to perform at higher levels as well as enhancing motivation in the followers toward extra effort when performing tasks. Sashkin and Sashkin (2003) discussed self-confidence as being a key personal characteristic of leaders who encourage followers to grow and essentially transform into self-confident leaders themselves. This process is a significant part of what transformational leadership is all about, a followership to the common goal.

Transformational leadership is pervasive, widespread, and common though its perception is that of being bounded, limited and uncommon. Acts of leadership occur on all levels, from day-to-day goals to the presidency or parliamentary assemblies. The change is collective and can be achieved through a mutual tapping of the motive base of both the leader and his or her direct reports or followers (Burns, 1978). Bass (1985) supports the belief that younger workers may more readily respond to transformational leaders who use charismatic, inspiring, and intellectually stimulating behaviors intrinsically to motivate followers toward higher Levels of Attainment.

Bass and Avolio (1993) regarded culture (as cited by Avolio, Walden, and Yammarino 1991) as the setting in which the vision takes hold. The vision may also define the
characteristics of that organization's culture. Transformational leaders have been characterized by four separate components or characteristics denoted as the four I’s of transformational leadership. Bass and Avolio (1993) stated that these four factors included idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. Transformational leaders integrate creative insight, persistence and energy, intuition and sensitivity to the needs of others to create the strategy culture for their organizations.

Northouse (2007) stated that, “Transformational Leadership is the process whereby a person engages with others and creates a connection that raises the level of motivation and morality in leader and the follower.” (p. 176). Lockwood (2007) referred to the process of transformational leadership in having the ability to get people to want to change, improve, and to be led. It involves assessing associates' motives, satisfying their needs, and valuing them. This type of leadership is important for an organization especially in turbulent times of failures and escalation.

Jung and Avolio (2010) discussed in their experimental study with a student sample (as cited by Fu, Tsui, Liu and Li, 2010), that the findings regarding transformational leadership show that gaining the followers’ trust in the leader and placing importance and value on their work had a direct effect on performance. Transformational leaders were those defined as having the ability to communicate higher expectations to followers and emphasize how achieving these expectations will ultimately advance the collective good.

Sashkin and Sashkin (2003) spoke to the basics or ABC’s of transformational leadership. These letters represent the three central aspects of human nature: A is for affect or emotion and feelings, B is for behavioral intent and the confidence to act, C is for cognition, the basis for
vision. To explain further, affect is derived from the word motive, which has been further derived into the concept of “motivation.” Behavioral intent or orientation toward action is where some leaders only focus on part of the concern or problem. Cognitive ability is crucial for leaders who must understand complicated cause-and-effect interaction.

Bass and Riggio (2006) stated that performing ability is something that a leader should strongly consider when determining an individual follower’s readiness. A direct report’s readiness to grow and advance from their current position directly related to levels of ability and motivation present at that point in time. Transformational leaders are those who motivate and inspire followers intrinsically to achieve beyond expectations and, during this growth process, develop their own leadership aptitude.

The Four “I”s of Transformational Leadership

Bass and Avolio (1993) identified four factors making-up the basis for transformational leadership. These four factors, known as the four “I”s are Idealized Influence, Inspirational Motivation, Intellectual Stimulation, and Individualized Consideration. Each of these factors is discussed in sections below.

Intellectual Stimulation

Intellectual stimulation is when transformational leaders promote creativity among followers and challenge the normal daily behavior of the organization (Bass, 1985; as cited by Jandaghi, Matin, and Farjami, 2009). The leader encourages workers to explore new ways of doing things and new opportunities to learn. Intellectual Stimulation describes managers who
encourage innovation and creativity through challenging the normal beliefs or views of a group (Kerfoot, 2001). Northouse (2007) felt that managers with intellectual stimulation support decisive thinking and problem solving to improve the organization.

Moghali (2002) stated (as cited by Jandaghi, Matin, and Farjami, 2009), that overall intellectual stimulation consists of:

"Reviewing and analyzing basic assumptions and questioning the result
Monitoring for various perspectives when resolving the issues
Requiring others to look at the concern from a different perspective
Promoting a nontraditional thinking approach to address traditional problems
Encouraging revising the ideas that are not questioned yet”

(Jandaghi, Matin, & Farjami, 2009, p. 360)

Bruch, Tekie, Voelpel, and Walter (2006), discussed that intellectual stimulation might have negative effects on older followers as it challenges recognized assumptions and experiences built up over many years and may threaten their established crystallized knowledge abilities. Webb (2007) stated that leaders, whose interests’ center on behaviors associated with magnetism or intellectual stimulation, and who effectively add consideration toward others, are most likely to increase intrinsic motivation of their staff.

Murphy (2005) stated (as cited by DeClerk, 2007) that leaders encourage direct reports to be independent decision makers who can take information, process it, conceive the outcomes by collaborating with others and choosing the most appropriate decision.

**Inspirational Motivation**
Transformational leaders have a clear vision, which they are able to share with workers or followers, examples being the mission of the organization. These leaders are able to assist followers to enlighten by the same passion and motivation to realize the goals related to the organization, known as inspirational motivation (Northouse, 2007). Inspirational motivation is described as managers with the ability to inspire followers, gaining their dedication toward the vision of the organization. Managers exhibiting inspirational motivation will encourage team cohesiveness to reach future goals proactively. This drive either comes from within each individual intrinsically through individual personal traits or is enabled through guidance from a leader extrinsically (Northouse, 2007).

Flauto (1999) discussed the findings (cited by Spencer, 2009), of a clear correlation between three of the dimensions of transformational leadership (charisma, individualized consideration, and intellectual stimulation) and communication competence. Payne (2005) felt (as cited by Spencer, 2009) that transformational leaders must be able to engage followers on more emotional levels.

Yang (2009) stated since transformational leadership motivates employees to perform by encouraging them to collaborate and be a team player, it would ultimately lead to the expectation that transformational leaders can enhance and improve employee attitudes by adopting group interactions and behaviors. Transformational leaders assist group employees to work together cohesively, collectively sharing or collaborating their job-related knowledge, in the complex business environment of today. Conger (1991) stated (as cited by Spencer, 2009) by developing and articulating messages, which inspire and energize intrinsically will encourage followers to achieve shared goal willingly.
Webb (2007) discussed motivation as being created by leaders utilizing specific plans of rewards and creates cultures of affirmation, consideration, and appreciation for the followers’ abilities and appropriate actions. By working with these four leadership behaviors of idealized influence charisma, intellectual stimulation, individual consideration, and contingent reward, leaders can elevate the motivational level and enhance the capacity from the followers of the organization.

**Individualized Consideration**

Transformational leadership also involves offering support and encouragement to individual followers. Individualized consideration fosters supportive relationships; transformational leaders keep lines of communication open so that followers feel free to share ideas and so that leaders can offer direct recognition of each follower’s unique contribution.

Lowe, Kroeck, and Sivasubramoaniam (1998) stated (as cited by Kark and Van Dijk, 2007) that individualized consideration included mentoring, encouragement, and training to followers. Northouse (2007) stated individual consideration described managers who act as coaches and mentors toward the followers. Leaders who display individual consideration behaviors will encourage associates to reach goals that help both the follower and the organization.

Webb (2007) discussed individualized consideration by recognizing followers as individual, considering their individual unique abilities, needs and ambitions.

Jandaghi, Matin, Farjami (2009) discussed that paying attention to followers is an important aspects of transformational leadership, differing from transactional leaders in
diagnosing the needs because that transactional leader tries to meet lower needs by utilizing a payment or reward verses higher needs such as development and maturity.

**Idealized Influence**

Northouse (2007) stated that leadership involved influence: meaning how the leader affects the follower. Remembering that, it is Influence is the *sine qua non* of leadership, without influence to a degree leadership of any kind does not exist. Northouse (2007) stated that idealized influence focuses on the trust and respect of the leader by the followers in transformational leadership; they copy the leader and internalize his or her goals. Idealized influence (charisma) describes leaders who are exemplary role models for followers. These leaders with idealized influence can be trusted, and respected by followers to make good decisions for the organization.

Sashkin and Sashkin (2003) discussed the relationship of leader-follower patterns by talking about self-reliant achievers and managers. Their backers or shareholders are neither transactional nor transformational leaders. Identifying with the leader, followers aim to incorporate the leader’s power within them. This is indeed what has occurred throughout our history across the globe regarding such charismatic leaders as Adolf Hitler, Gandhi, and Jim Jones to name a few.

Burns (1978) stated that leaders mainly combine both ideological and charismatic qualities, while great leaders combine them with inspiration. Charisma is a trait within all leaders; this behavior and how it intrinsically affects each follower in its application becomes critical to the individual’s leadership abilities.
Webb (2007) discussed the independent variable for transformational leadership with regard to idealized influence. Leaders that display conviction, highlighting trust and identifying personal values with an emphasis on purpose, commitment and ethical consequences of those decisions.

Lowe, Kroeck, and Sivasubramoaniam (1996) stated (as cited by Kark and Van Dijk 2007), that behaviors seen by followers which are self sacrificing for the benefit of the group, set an example and demonstrate high ethical examples are known as idealized influence.

**Intrinsic and Extrinsic Motivation**

Wieck, Prydun, and Walsh (2002) discussed intrinsic motivation as something, which comes from within. An example of this type of motivation is the satisfaction you get when you are doing something you enjoy; when the task itself is its own reward. Extrinsic motivation comes from outside. An example of this type of motivation would be plowing forward at a task you do not like all that much because you know there will be a reward at the end.

With regard to intrinsic process motivation, Barbuto and Scholl (1998) stated (as cited in Barbuto, Fritz, & Marx, 2002) if followers perform certain types of work or are engaged in certain types of behavior just for their own personal enjoyment of it, then they are considered intrinsically motivated.

Web (2007) stated that the willingness of a leader to tackle complex organizational problems, express dominance, and exert their personal influence while remaining committed to the social good of the organization. Motivation either intrinsic or extrinsic maybe achieved
when a leader provides specific plan of rewards and create cultures of affirmation, consideration, and appreciation for workers’ abilities and effective actions.

Etzioni (1961) stated (as cited by Barbuto, Fritz & Marx, 2002) that external or extrinsic motivation impacts those followers exhibiting high self-esteem while trying to meet the expectations of others and receive social feedback with regard to their actions.

Reynolds, Bush and Geist (2008) stated (as cited by Spencer, 2009) that Generation X and Generation Y were less concerned with power and status than the Baby Boomers, though they were much more interested in formal recognition for themselves and co-workers. Generation Y values collaboration more as a team.

Culture

Bass (1991) stated (as cited by Bass and Avolio, 1993), an organization’s culture is the glue that holds that particular organization together through its early development, as a source of identity and distinctive competence. When an organization declines in market share, the culture itself than can become a constraint on improvement since its roots are based on accomplishments.

Bass and Avolio (1993) stated that when trying to promote cultural changes the leader should first understand and respect the history of the organization, returning to it for inspiration, directional instruction, and identification of past principles, and strategies maintained. Gardner (1990) stated (cited by Bass and Avolio, 1993), that leaders need to understand and appreciate the interweaving of continuity and change for long-term purposes and values.
Jurkiewiez and Bradley (2002) (as cited by Spencer, 2009) studied executives’ values and found significant differences in operational preferences. Younger generations tend to seek excitement, freedom, pleasure, and the ability to make a difference in the world while working as part of a team. Generation X executives value wisdom, and an understanding of life. Baby Boomers seek a prosperous life, security for their families and personal and professional respect.

Culture affects leadership as much as leadership affects culture. Organizational culture that is strong, with values and internal guides of more autonomy with followers, can influence top administration from increasing its personal power at the expense of middle-level administration. Clearly organizations are likely to have cultures that are characterized by both styles of leadership, ideally that of a pure transactional organizational culture and a pure transformational one (Bass and Avolio, 1993).

Both transactional and transformational leadership relate to employees’ goal commitment, with transformational leadership complimenting the effects of transactional leadership. Transformational leadership contributed to employees’ goal commitment more than the impacts of transactional leadership, while the reverse was not the case (Bruch, Tekie, Voelpel, Walter, 2007).

During their research, discussions of both older and younger generational, unique attributes with regard to their personal and professional culture were completed. Older generations value relationships, wanting to know people before they trust them in their professional domain. Younger generations influenced by after-school television and internet, challenge rules and formal structures. They feel that everyone has an equal chance for
promotions; they work together as a team, and desire success, though not at the expense of their family. (Faber, 2001; Augustine, 2001; as cited by DeClerk, 2004)

**Retention**

Lockwood (2007) discussed that the challenge today is not just retaining talented people, but also fully engaging them, capturing their minds and hearts at each stage of their working lives. Generation X are resilient and self-sufficient from the time they were able to walk.

Bass and Avolio (1993) acknowledged that with regard to transformational culture, one fitting with the model of the four I’s, there is a sense of purpose and a feeling of family or social grouping. With long-term commitments, leaders and followers sharing mutual interests and a sense of shared direction and interdependence, a transformational culture can build on or augment the transactional culture of the organization.

Feedback that travels both up and down the ladder is what Generation X desires which is not what Traditionalists were used to or allowed. Boomers, politically conscious would have thought twice about telling the boss what was wrong with organizational or departmental operations, Traditionalists would never have considered it, and although not always appreciated, Generation X and Millennials seem to have no problems with upfront and in your face conversation (Lancaster and Stillman, 2004).

Through their research, they found transformational leadership style and goal commitment had a more positive effect on younger employees, though this type of relationship was found to have a slightly negative influence for older employees. Interestingly though, age was not found to moderate the relationship between transactional leadership and goal commitment (Bruch, Tekie, Voelpel, & Walter, 2006),
A recent global workforce study considered key success factors of employee engagement, job satisfaction, and high performance. Findings revealed that people tend to stay with organizations that are considered talent-friendly and progressive meaning that the organization has leading-edge work environments including soft people practices (Towers Perrin, 2006; as cited by Lockwood, 2007).

Those by utilizing knowledge of these behaviors, leaders can guide the development of systems, methods, and personal behaviors to create a motivated workforce. Highly motivated and engaged followers also demonstrate a decrease absenteeism rate and an increase in production while on the job (Montana and Charnow, 1993; as cited by Webb, 2007).

Generation Xers cautiously maneuver toward firm ground, affirmed in their self-reliance, determined to learn and advance, develop themselves and personal abilities. In today’s market place of the business world building within themselves, as both leaders and followers, a new form of career security in the work place and a safer future for their generation and the generations to follow (Tulgan, 1996).

According to Tulgan (1996), foremost in our minds is that this generation was raised mostly by Baby Boomer parents who left them to make their own decisions and function independently at an early age. Generation X’s motivation both intrinsically and extrinsically defuse with a leader that micro-manages. These young professionals are in the workforce with a different agenda than that of prior generations, and a focus on four consistent themes: Belonging, Learning, Entrepreneurship, and Security.
Analyzing indicators of Transformational Leadership aspects in successful and less successful companies

<table>
<thead>
<tr>
<th>Aspects</th>
<th>Group</th>
<th>Mean</th>
<th>Median</th>
<th>Standard deviation</th>
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<td>Idealized influence</td>
<td>Successful</td>
<td>3.37</td>
<td>3.44</td>
<td>0.36</td>
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<td></td>
<td>Less Successful</td>
<td>2.58</td>
<td>2.62</td>
<td>0.24</td>
</tr>
<tr>
<td>Intellectual Stimulation</td>
<td>Successful</td>
<td>3.33</td>
<td>3.25</td>
<td>0.4</td>
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<tr>
<td></td>
<td>Less Successful</td>
<td>2.86</td>
<td>2.75</td>
<td>0.42</td>
</tr>
<tr>
<td>Inspiration Motivation</td>
<td>Successful</td>
<td>3.47</td>
<td>3.5</td>
<td>0.46</td>
</tr>
<tr>
<td></td>
<td>Less Successful</td>
<td>3.13</td>
<td>3.25</td>
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<tr>
<td>Individualized Consideration</td>
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<td>3.12</td>
<td>3</td>
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<tr>
<td></td>
<td>Less Successful</td>
<td>2.69</td>
<td>2.75</td>
<td>0.04</td>
</tr>
</tbody>
</table>

(Jandaghi, Matin, & Farjami, 2009, p. 367)

Jandaghi, Matin, and Farjami (2009) created the table above from their study regarding information on the four I’s. Observe the statistical impact of inspirational motivation on both successful and unsuccessful businesses. They concluded that within the organizations studied, the managers knew their subordinates’ motivational issues. Utilizing transformational techniques, they were able to positively answer and satisfy the personnel needs of their subordinates.

Challenged by this, the transformational leader utilizes the boundary areas to create autonomy, a sense of purpose, personal values, and self-image that will assist the follower in reaching the goals as well as learning the roles and organizational structure (Cole, Smith, & Lucas, 2002). Locke, Latham, and Erez (1988) with Locke, and Latham (2002) (as cited in Bruch, Tekie, Voelpel & Walter, 2006) argued that finding ways of enhancing goal commitment
was of crucial importance and a key leadership task, suggesting this being accomplished through strengthening the individuals’ outcome expectancies and self-efficacy. Bass (1985) discussed (as cited by Webb, 2007) that transformational leadership occurs when leaders transform and motivate followers by creating an exciting new direction, encouraging them to move beyond personal self interest for the sake of the organization, and stimulating higher order needs.

Upon further investigation, these researchers found that an employees’ age played a moderating role in the relationship between transformational leadership and goal commitment (Bruch, Tekie, Voelpel, & Walter, 2006). Blanchard, Carlos, and Randolph (1996) quoted by Morrison, Jones and Fuller (1997) that further (cited Wieck, Prydun, and Walsh (2002) discussed empowerment as the key to effective leadership to intrinsically inspire and motivate their followers. Whose responsibility is it to develop these young people into our next generation of leaders this is a critical position in organizations across the country.

The extent to which employees commit to an organization either something or someone, how much passion they place in their work and how long they pursue the course because of that commitment depends on the leadership. Having a working environment enriched with creativity will assist to inspire personal growth of knowledge toward the functionality of a given organization (Lockwood, 2007). Generation X had to learn coping and adapting of all information quickly and efficiently because of the sheer volume of information fired at them since they began learning how to think. This latch key generation just wants respect and to be trusted for the work they perform (Tulgan, 1996).
The interesting impact of transformational leadership as a worker ages is the transition from a positive to a negative effect. The younger employees less than forty-six years old display a strong positive effect from transformational leadership on goal commitment. For older followers however, this relationship has largely disappeared; it even turned slightly negative (Bruch, Tekie, Voelpel, & Walter, 2006).

Lockwood’s (2007) research showed that there is a connection between an employee’s job and organizational strategy. The understanding of how important the job is to the firm’s success, no matter how small or insignificant is the most important driver of employee engagement. Job satisfaction or employee engagement in contrast defined how an employee feels about his or her job, work environment, pay, and benefits.

Cole, Smith, Lucas (2002) discussed the importance of economic security to Generation X, growing up during the times of downsizing and watching their parents lose their jobs or positions. Generation X knows they cannot rely on the federal government or large corporations to provide for their economic security. Lifetime employment and long careers are in the past and not an expectation of theirs. John Heider (1986) quoted (as cited by Sashkin and Sashkin, 2003, p. 167) the Tao Te Ching, “We are all part of the same one world; we may appear separate but it’s an illusion.” What a very powerful statement to mull over in your mind, as our world flattens by globalization of the business organizational structure.

Sashkin and Sashkin (2003) discussed Parsons’ action framework, with the four key issues facing organizations of today. First, how people handle peripheral forces and the need to change; second, the nature of organizational goals, their definition and level of importance; third,
how people collaborate to get the job done; fourth the degree to which people in the organization agree on the important core values and beliefs that should guide their actions toward the common goal.

Blanchard, Carlos, Randolph (1999) focused on the three keys to empowerment: Share accurate information with everyone, create autonomy through boundaries, and replace hierarchical thinking with self-managed teams. The continued monitoring of projects and follow up by a leader will encourage connection and forward progress of the employees’ engagement toward the common goal. Lockwood (2007) maintained that a smart business strategy is the measurement of employee engagement. This provides knowledge that will lead toward proactively improving both productivity and the attainment of business objectives. By tracking progress, or slippage, and determining, what gaps exist in terms of organizational engagement, attendance, and retention, motivation and aspiration can be instilled into the organization.

Specific measures for new-hire engagement might include employees completing a comprehensive orientation process, or completing an entrance interview coached by a friend or mentor (Lockwood, 2007). Maintaining a set standard policy within an organization with new hires reduces misconception and escalation toward conflict with regard to unknown expectations.

Pines (1993) further clarified (as cited by Densten, 2005) the distinction between stress and burnout or disengagement, suggesting that stress is an adaptation to work demands, while burnout occurs during prolonged, unsuccessful attempts by the follower to adapt to or modify the working culture environment.
Bass and Avolio (1993) stated that a culture, which provides a transformational working arena, would benefit from a greater effective organizational and individual performance base. Lockwood (2007) felt that in looking at the task of sustaining employee engagement, absenteeism rates, performance/quality rates, and training hours per employee, ratio of internal to external hires, top-performer voluntary turnover rates, overall voluntary turnover rate, and percentage of employees completing individual development plans. These employee engagement measures provide open opportunities for employees to receive and provide open and honest feedback, thus enriching communication between leader and follower.

Hessen and Lewis (2001) stated in further discussion (as cited by DeClerk, 2007) that these younger workers display a different set of values than their predecessors. Members of Generations X and Y seek a rewarding and challenging workplace, where they can utilize their current skills and learn new ones. With these younger generations, challenges maintained or keeping their minds engaged, as they are not afraid to find a different employer to meet their personal needs. It is important that organizations of today revisit their vision statement and practice the mission of the organization daily. This will enable them to maintain their position in the market place and will speak volumes to both followers and leaders at all levels.

Finally, Bruch, Tekie, Voelpel, Walter, (2006) discussed that adult development theory also suggests younger employees may find transformational leaders’ vision, aspirations and long-term goals more appealing than do the older employees, and as a result more enthusiastically embrace them. This enthusiasm will assist in engaging and encouraging self-growth within the organizations’ construct.
Lancaster and Stillman (2004) stated that their best advice is for each team member to use what works in terms of feedback frequency and format. Leaders must realize not to expect or perceive that one approach will work for each individual generation. Feedback provided primarily during the follower’s formal review process or more frequently in other ways, including in person, by telephone, via e-mail or voice mail, through a written memo, or in meetings. Communication is the key to both leadership and the reduction of escalation.

Discussion

After reviewing the research regarding Generation X or the latchkey kids, three propositions were developed based on the following problem statement: Retention among many Generation X workers is difficult due to their independence and self-reliance. Transformational leadership practices can help leaders retain and engage Generation X workers.

Proposition One: Leaders need to intrinsically motivate Generation X workers with inspirational motivation.

Bass and Avolio (1993) identified four factors, which are the basis for transformational leadership. One of these factors, inspirational motivation, can be helpful in motivating Generation X.

When described by Northouse (2007) leaders’ who possesses the ability to encourage followers by first gaining their commitment toward the common goal of the organization, this is a critical point of reference regarding Generation X. Leaders that possess inspirational motivation will encourage team cohesiveness to reach future goals proactively. Generation X has the inner drive known as intrinsic motivation through his or her personal behavior created by their formative years of self-resilience.
Northouse (2007) discussed transformational leaders as having a clear direction or vision, which they are able to share with workers or followers. Through this, the leaders are able to instill within followers the same passion and motivation toward realizing the goals as they relate to the organization.

Generation X young adults would thrive with transformational leadership that would intrinsically motivate them and enable growth toward the organizational mission. Leaders that work within the organizational structure of the human resources frame will present a more reverent and visible power to the followers that will build a relationship of collaborative effort through collaboration.

Payne (2005) discussed (as cited by Spencer, 2009) transformational leaders as having the ability to engage followers on more emotional levels. Generation Xers want candid, instantaneous feedback that is tactful. Why is this? It is due to the fact they were raised in an environment of instant gratification: microwave ovens, instant meals, instant cash (ATM), and the internet. Research, as discussed below, shows transformation leadership qualities have had a positive impact on this generation.

Yang (2009) stated that since transformational leadership motivates employees to perform by encouraging them to collaborate and be a team player, this would lead to the expectation that transformational leaders can enhance and improve employee attitudes by adopting group interactive behaviors. Transformational leaders assist employees to work together cohesively as a group, collectively sharing and collaborating with job-related knowledge, in the complex business environment of today.
Cole, Smith, and Lucas (2002) stated that perhaps the single most distinguishing workplace value of Generation X is the relative importance of work to them. It is simply not as important a part of their lives as it had been for Boomers and some previous generations. It would however, be a mistake to equate a decline in the importance of work with a decrease in the willingness to work hard. They have diminished the role of work in their lives and accompanied it by an increased importance of family and other non-work relationships.

This generation needs positive feedback, just to let them know they are on the right track. Fear and insecurity due to quick promotions alarms them, sending up unwanted red flags. Lancaster and Stillman (2004) stated (as cited by Spencer, 2009) that the generations also differ in their acceptance of candid critiques. As a leader, it is important that feedback be presented in a carefully diplomatic or frank style, ideally tailored to suit the individuality of different followers.

Followers such as Generation X neither perform at their best nor stick around for very long if their leader makes them feel weak, dependent, or alienated: totally disengaged by micromanagers. Their interest and performance must be maintained by inspiring them through praise and reinforcement when meeting or exceeding expectations. As a leader, demonstrating drive and motivation will promote engagement. When leadership is a relationship founded on trust and confidence, Generation X will take risks, make changes, and keeps the organization mission in the forefront proactively, thus allowing themselves as followers to become leaders.

Conger (1991) explained (as cited by Spencer, 2009) that the key to communicating with Generation X is developing and articulating the message within dialogue that will inspire and
energize intrinsically thus encouraging followers to achieve a shared goal willingly. Tulgan (1996) discusses the traits and behaviors of this generation as moving cautiously and maintaining firm footings. They want to feel comfortable in their own career and be provided with the opportunities to learn, grow, and improve their personal desires for a safer future.

The challenge of today is to keep Generation X followers engaged. Retaining these talented individuals will be a new challenge for the Baby Boomer leaders as they pass the baton. When these Boomers are reaching out to the new young leaders of tomorrow, they must display both wisdom and an understanding of the work/life balance.

Engaging generation x minds and hearts at each stage of their work lives will reinforce positive leadership. Everyone will have an equal chance for promotion while working together as one team for the organization. Providing communication that flows equally up and down the ladder is important to Generation X.

Webb (2007) discussed the concept of leaders creating an element of motivation by utilizing specific plans of rewards, which will result in a culture of affirmation, consideration, and appreciation for the followers’ abilities and efforts.

These leaders inspire followers by placing the organizational breathe of life into their hopes and dreams thus enabling them to see the exciting possibilities the future holds. This type of culture is contagious, sending electrical shock waves through the organization, thus drawing more interest and participation. Sharing with the followers (Generation X) the vision and dreams of what could be will draw them into becoming active participants and keep them engaged. As a transformational leader, it is important to maintain open communication and general
understanding of where the Generation X follower is coming from. As opposed to the Boomers, work to a Generation X has relative importance. It is important in the monetary sense. It would be a mistake to equate a decline in the importance of work to their ethic of hard work. They have diminished the role of work by increasing their attention to family and non-work relationships.

Generation X looks outside the workplace for self-fulfillment with a more pessimistic viewpoint of the future. Survivors of their parents’ layoffs, they accept the fact that ladders to success are probably not in their future. Transformational leaders of these individuals have their work cut out for them especially in the fast-paced “virtual” world of today. The bright and energetic young leaders, of Generation X, who are intrinsically motivated when engaged by inspirational motivation, will capture the organizations vision with proactive synergy.

**Proposition Two: Leaders need to intrinsically motivate Generation X workers with intellectual stimulation.**

Another of the four factors that Bass and Avolio (1993) identified as fundamental to transformational leadership is intellectual stimulation. Intellectual stimulation is a transformational leadership style that confronts the status quo and encourages creativity of thinking among followers.

Kerfoot (2001) stated that the leader encourages workers to explore new ways of doing things and new opportunities to learn. Intellectual stimulation describes managers who encourage innovation and creativity through challenging the normal beliefs or views of a group.
Intellectual stimulation will help Generation X to remain engaged within the organization and stay active in the drive toward both the mission and vision. These “latch key” children are self-sufficient and will survive on small encouragements in a candid and frank style. When leaders encourage direct reports to be more independent in their decision-making, they enable them then to grasp new information, process it, and conceive outcomes through collaboration with others and then arriving at the most appropriate decision (Murphy, 2005; as cited by DeClerk, 2007).

Managers with intellectual stimulation support decisive thinking and problem solving to improve the organization’s capacity. The transformational leader will be challenged to understand and be available to answer questions creatively about complex problems. This will stimulate the Generation X followers intellectually, and engage them toward realization of the company vision. Organizations with leadership that is open to new ways of performing tasks or solving problems will reduce groupthink of Generation X and maintain productivity (Northouse, 2007).

Transformational leaders will intellectually stimulate Generation X by challenging them to continue to grow as individuals within their positions. Keeping them challenged and not overwhelmed will maintain their loyalty toward the organization, remembering that family and non-work relationships are very important to them. Setting up achievable work related goals and timelines would continue to spark them mentally.

When the organization has transformational leaders who focus attention on behaviors associated with intellectual stimulation, and who are considerate of others, they are most likely to
increase motivation toward extra effort among their staff. By challenging them to continue to grow as individuals within their positions and become more independent in their decision-making stimulates them to grow intellectually. Enabling these individuals to grasp new information, process it, and conceive the outcomes by collaboration with others toward a common goal or vision with assist the engagement of Generation X.

**Proposition Three: Leaders need to intrinsically motivate Generation X workers with individual consideration.**

Individualized consideration, according to, Bass and Avolio (1993) is another of four factors making up the basis for transformational leadership. Individualized consideration is leadership that offers individualized encouragement by enabling the follower to learn, grow, and improve their personal desires for a more secure future within the organization.

Fully understanding the Generation X traits and personal behaviors will help guide current leaders in assisting these individuals as they grow into the next level as leaders, thus creating a motivated workforce. By empowering these individuals with intrinsic motivation, Generation X will unleash their creative minds thus opening up opportunities for growth for the organization. The small moments in our lives can make big statements about who we are as individuals within a larger team.

Bruch, Tekie, Voelpel and Walter (2006), stated that younger employees, differentially, seem less likely to be responsive to transactional leadership, as their social point of reference favors the pursuit of knowledge-related, long-term, and often ambiguous goals, which are beyond the reach of a transactional leader. Lancaster and Stillman (2002) discussed how feedback for Generation X is wanted immediately and to be honest it can seem hasty or even
inappropriate to older workers. The behavior style of Traditionalist and Baby Boomers confuses and creates potential escalation points during communication with Generation X.

Transformational leadership also involves offering support and encouragement to individual followers. Individualized consideration fosters supportive relationships; transformational leaders keep lines of communication open so that followers feel free to share ideas and enable leaders to offer direct recognition of each follower’s unique contribution.

Lowe, Kroeck, and Sivasubramoaniam (1998) stated (as cited by Kark and Van Dijk, 2007) individualized consideration included mentoring, encouragement, and training to followers. Generation Xers are individuals who already have power in their knowledge and motivation to grow. Knowing this, a transformational leader must display individual consideration toward them through the balance of work and life. Knowing where each individual is within that balance will assist the leader in encouraging the follower to feel strong and capable of doing more than they ever thought, possible. To retain this top talent, transformational leaders should focus more attention on the ‘soft issues’ such as quality, flexibility, and individual differences of the Generation Xer.

Northouse (2007) stated that individual consideration described managers who act as coaches and mentors toward the followers. Leaders who display individual consideration behaviors will encourage associates to reach goals that help both the follower and the organization. This generation needs positive feedback, just to let them know they are on the right track. Fear and insecurity due to quick promotions alarms them, sending up unwanted red flags. Lancaster and Stillman (2002) talked about (as cited in DeClerk, 2007) the generations also differ in their acceptance of candid critiques. As a leader, it is important that feedback be
Leadership that offers individualized encouragement will be important toward retaining Generation X as a follower. This supportive individual follower approach in the leader-follower relationship will assist in maintaining lines of communication. Having these lines of communication open will enable the individual follower within the environment to feel free to share ideas so that leaders can offer direct recognition of each follower’s unique contribution.

Generations X seeks a rewarding and challenging workplace where their personal skills as individuals utilized and nurtured enabling this growth intellectually being considered. Why are these three “I”s listed in the propositions important to Generation X? The Generation X worker has a different expectation with regard to their work identity; it is a means to an end. Inspirational motivation will intrinsically enable growth of the individual with the task itself acting as its own reward. Intellectual stimulation will encourage creativity among these followers and challenge them to continue to grow as individuals within their positions. By fostering a supportive relationship as their coach and advisor, Individual consideration meets personal and professional needs at the corresponding level.

How will inspirational motivation, intellectual stimulation, and individual consideration retain and engage Generation X? Retention among Generation X is particularly difficult utilizing motivation by itself. In addition to keeping them engaged in the workplace, these self-oriented individuals will require an environment that is tailor made to benefit their individual needs. Today’s new challenge for leadership is one of providing an environment within that
organization which will help retain the Generation X worker, whose loss could be devastating to the overall health and growth of an organization.
Conclusion

Retention among Generation X workers is difficult due to their independence and self-reliance, a result of growing up as the “latchkey” kids. Transformational leadership practices can help leaders retain and engage Generation X workers in their organizations. Leaders need to intrinsically motivate Generation X workers with inspirational motivation, intellectual stimulation, and individual consideration.

Up to now, the biggest challenge for leaders regarding individuals from Generation X has been one of keeping them engaged and motivated in the workplace. With more and more Boomers retiring, and the change or “passing of the baton” taking place within an organization, a more difficult and complex challenge has emerged.

Due to their nature, Generation X individuals are more self-oriented and require a very specific work environment tailored to meet that need. If this does not occur, they are likely to leave that organization, taking their talent, skill sets, and abilities with them. The resulting loss could be devastating to the overall health and growth of an organization. Therefore, today’s new challenge for leadership is one of providing an environment within that organization which will help retain the Generation X worker in the workforce.

Perhaps a logical beginning would be to examine the way education or mentoring is delivered to the followers in order to encourage individual growth. Researchers have clearly stated Generation X followers are indeed searching for a leader who is motivational, a receptive communicator, a team player with good people skills, and one who is approachable and supportive. The bottom line: they want to be led, not managed.
The transformational leadership factors outlined in this paper should provide leaders with the tools needed to retain and engage the Generation X workers.
References


