

What Do Gen Xers Want?

Here's how some of FORTUNE's 100 Best Companies to Work For keep young up-and-comers happy.

By Anne Fisher, FORTUNE senior writer
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(FORTUNE) - If you're a manager with people reporting to you who were born between 1964 and 1977 - or if you belong to that cohort yourself -- you probably already know all too well that Generation X, as it's often called, just doesn't respond to the same carrots and sticks that motivate its elders.

For one thing, this group as a whole (of course there are always exceptions) isn't big on loyalty for loyalty's sake: The average employee in his or her late twenties, for instance, has already switched jobs five or six times.

As for the old-fangled idea of paying one's dues in a dull job before moving up to something sexier, forget it: 77% of Gen Xers say they'd quit in a minute if offered "increased intellectual stimulation" at a different company. And they're intent on managing their own time: 51% would jump ship for the chance to telecommute, and 61% of Gen X women would leave their current jobs if they were offered more flexible hours elsewhere.

These daunting statistics come from a nationwide survey by a mother-and-daughter team of researchers, Charlotte and Laura Shelton. (Laura, at 31, is an Xer herself.)

The pair have co-written a fascinating book, *The NeXt Revolution* (Davies-Black, \$24.95), in whose pages many of FORTUNE's [100 Best Companies to Work For](#) turn up as paragons of Gen X retention. The Sheltons' poll asked 1,200 Gen X employees to rank, in order of importance, 15 job characteristics.

"The top three things they want in a job, we found, are positive relationships with colleagues, interesting work, and continuous opportunities for learning," says Charlotte Shelton, a management consultant at a firm called WiseWork (<http://www.wisework.com>) who teaches graduate courses at Rockhurst University's Helzberg School of Management in Kansas City.

"Recognition scored very low, and power and prestige ranked dead last. Salary, a major preoccupation for boomers, came in third from the bottom." She adds: "It's interesting, because most employee-motivation efforts in companies are designed by boomers, who tend to build the programs around what motivates them. But this generation is different."

For sure. Among employers who have learned how to keep Gen Xers satisfied --or keep them, period -- the Sheltons identified two common traits. First, these companies' structures are extremely egalitarian. And second, they're super-supportive of employees' desire to get a life outside of work.

On the first point, notes Shelton, "Gen Xers are suspicious of hierarchies. Rank and seniority mean nothing to them. They want to participate as equals."

So chemical maker W.L. Gore ([No. 5 on the list](#)) retains bright young engineers and technical-salespeople in part because of what the company calls its "lattice" (versus ladder-like) organization chart, which has no top or bottom. Instead, it's an interlinking web of relationships, with no job titles. (And no bosses: Authority gets passed around via a system of rotating team leaders.)

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Likewise, Whole Foods Markets ([No. 15](#)) organizes its people into self-managed work teams, and employees take turns leading. At Intuit ([No. 43](#)), workers at all levels, from the mailroom to the CEO's office, are encouraged to take part in new-product development.

"This is something Gen Xers love, because it plays into that need to participate and to build relationships," says Shelton. "And it's smart, because so many of a software company's customers are in their 20s and 30s."

She adds that Starbucks ([No. 29](#)) also has "a very empowered culture. Store employees get to do a lot of decision-making without having to call someone at headquarters."

But the least hierarchical among the Best Companies to Work For may well be Dallas-based engineering and construction company TD Industries ([No. 36](#)), which has put its money where its mouth is: The firm's policy is that its highest paid employee can earn no more than 10 times the salary of its lowest-paid employee.

When it comes to encouraging employees to lead balanced lives, the Sheltons found that at least four Best Companies are true standouts.

Consider accounting firm Plante & Moran ([No. 12](#)), in Southfield, Mich. Every new employee starts off with four weeks' annual vacation. A "PTA" committee -- for "Personal Tightrope Action" -- teaches new parents how to cut back on their work hours (yes, that's right, how to underschedule themselves at the office) in order to spend more time with their families.

American Century Investments ([No. 22](#)), in Kansas City, offers "tangible support for work-life balance," Shelton says, by offering up to \$10,000 in reimbursements per year for adoption expenses. Every employee is also eligible for a one-month sabbatical after seven years of service.

At SAS Institute ([No. 30](#)), the standard workweek is just 35 hours. The software developer has an on-site day care center, offers employees \$300 a month in child care benefits, and encourages job-sharing and flexible schedules.

Another software maker, Autodesk ([No. 81](#)), similarly defies the Silicon Valley norm of workaholicism: The company gives its employees paid time off every month to do volunteer work -- "Gen Xers love this, because they want to make a difference," notes Shelton -- and six-week sabbaticals every four years.

Autodesk's biggest appeal for Xers, she adds, may be its policy of no set work hours: "There's no absenteeism policy, and no one keeps track of sick days. The philosophy is, these are all capable people, so let's assume they can behave like adults. Employees respond to that with an unusually high level of commitment."

In fact, according to *The NeXt Revolution*, all these employers inspire young go-getters to stick around. Their Gen X turnover is far lower than their competitors'.

"Boomer managers worry that work-life balance initiatives in particular will be too costly," says Shelton. "But the innovators we studied are all highly profitable companies." Not only that, but high turnover is costly too -- and, as hordes of boomers retire, is only likely to get more so.