



Your Employee and Family Assistance Program is a support service that can help you take the first step toward change.

Your changing workforce: why focus on employee engagement?

For the last 40 years, Baby Boomers (those born between 1947 and 1965), have dominated the Western workforce. Behind them is a smaller demographic, called Generation X (those born between 1966 and 1981). During the 70's, 80's and 90's,



this abundance of highly educated, ambitious and competitive workers proved extremely advantageous for companies around the world. But now this vast group, making up the majority of senior positions everywhere, is either retiring or planning to retire – and there are fewer qualified employees available to replace them. As a result, many organizations may bear the loss of skills, experience and industry knowledge as the largest generation in history begins to walk out the door.

Leadership in the workplace: motivating and engaging multiple generations

To combat the growing skills shortage in certain sectors, many organizations are doing what they can to retain older, highly-skilled workers and attract qualified Gen Xers, who often have other companies competing for their talents. The core values for each of these generations varies; [workaholic Baby Boomers](#) tend to “live to work” while [entrepreneurial Gen Xers](#) tend to “work to live”. Boomers appreciate motivating messages such as “You’re important to our success!” and value money, title and recognition. Xers are motivated by statements such as “Do it your way!” and usually believe that freedom is the ultimate reward. Managers need to keep these generational friction points in mind when addressing employee recruitment, retention and engagement.

The Millennial Generation: managing younger employees’ engagement

Generation Y (those born between 1982 and 1995) currently make up approximately 25% of the workforce, but [that percentage will increase to about 40% by 2020](#), when the majority of Boomers will have retired. Though still too young to assume those rapidly vacating senior roles, Gen Yers, like the Boomers before them, have a unique set of skills and demands that will change the way we do business. They are multi-tasking, technology natives who work best in continuous learning environments that offer meaningful work. Filled with confidence and self-esteem, this generation demands honesty, integrity and corporate responsibility from their employer, and if they don’t see those qualities in action, they’ll leave.

On the flip side, employers that can cater to this generation's unique needs will have a competitive edge. [Research](#) suggests that perks that promote a healthy and active lifestyle – alternative therapies, gym memberships, wellness programs or paramedicals – are appreciated by Gen Yers, whereas Boomers sooner value prescription drug coverage, disability and long-term care. Work/life balance is also of primary importance to Gen Yers, who may appreciate the flexibility to buy vacation days. Consider discussing these compensation strategies with your Human Resources team, to help develop a better overall engagement strategy. Motivating Millennials and the generations before them takes the right mix of engagement and compensation strategies, which will differ depending on your industry and unique team dynamics.

Why is employee engagement important?

Regardless of their age, employees will not only stay, but work with passion and dedication if they are engaged in their jobs, thus making employee engagement a business imperative. In fact, [28 research studies](#) show that engagement correlates with service, quality, safety, retention, sales, profit and total shareholder returns! With statistics that suggest [engaged employees are 57 percent more effective and 87 percent less likely to leave an organization](#), businesses with high engagement clearly outperform those with lower engagement scores. This proves true in the opposite scenario: when disengagement leads to employees leaving a company, the cost of training new replacements can represent [48 to 61 percent](#) of the position's salary – and that's just the beginning. This amount can be *three times* the salary if those individuals are in revenue-producing roles!

At the end of the day, engagement comes back to the pillars of satisfaction, commitment, pride, and advocacy. Organizations with highly engaged people achieve [twice the annual net income](#) (pro-rated by the number of employees) of organizations whose people lag behind on engagement. Given these statistics, it is clear that workplace engagement is critical for any corporation looking to stop losing great employees and start fostering employee growth and development. Increasing employee engagement takes commitment and focus – but it's worth it. Engaged employees are fully committed to, and enthusiastic about, their work. They take pride in what they do and care about the success of the company for which they work. They are willing to go above and beyond the call of duty to their manager and their department, and thus the organization as a whole succeeds.

© 2025 Morneau Shepell Ltd. Your program may not include all services described on this website, please refer to your benefit material for more information. For immediate assistance, call 1.844.880.9137.