6-2014

Managing Gen Y at the workplace

Singapore Management University

Managing Gen Y at the workplace

Gen Y employees are not necessarily spoilt and unrealistic; you just need the right HR policies to get the best out of them

In a 2013 Ernst & Young online survey about managing a multi-generation workforce, Gen Y (ages 18-32) managers were more likely to be perceived as having the following characteristics vis-à-vis Gen X (ages 33-48) and Baby Boomer managers (ages 49-67): tech savvy; adaptable; and a social media opportunist. On the other hand, Gen Y was also more likely to be viewed as being "entitled and concerned primarily about individual promotion" and were the least hardworking.

"There's this perception that Gen Y wants to be managers as soon as possible," explains Dr. Poornima Luthra, Lecturer of Organisational Behaviour & Human Resources at Singapore Management University (SMU). "While that is true, they are also concerned with gaining experience, so they appreciate lateral moves that would give them broader experience.

"For a lot of Gen Y, they view their job as giving them opportunities to progress, learn, and develop. Coaching and mentoring is important, as is the opportunity for job rotation."

How HR policy adjustments can help retain Gen Y employees

While workplace perception of Gen Y verges on being stereotypes, one fact about the youngest members of the workforce stands out: they stay in one job between 18 months to two years on average, after which they move on in search of career advancement. New hires need to be trained, costing the organisation money that could have been spent more strategically. Luthra points out a few things Human Resource directors can do to engage Gen Y workers, and keep them at an organisation:

Creating a bond

"Gen Y desires having a bond with the organisation. It could be a bond with the boss, it could be a bond with the job itself, or it could be a bond with the organisation. For many of Gen Y, it's a bond with the boss. Gen Y needs the sense of belonging.

"HR needs to help create that sense of belonging. This is where the values of the company come into the picture. If Gen Y identifies with the values, and sees that what they are doing has a direct link to them, they are more likely to stay at the company. For example, doing CSR work is important for a lot of Gen Y. If their work has some impact – however indirect – on their society at large, then they'll identify more with their organisation."

Gen Y-friendly rules

"Gen Y-friendly 'rules' are also important. For example, not having Facebook access at work is hard for Gen Y to reconcile with. Companies that embrace Gen Y's need for connectivity will retain their Gen Y population.

"It's not just Facebook, but also things such as flexible working hours i.e. 'If I take an extra half an hour on my coffee break, I'll put in extra effort later in the day. Give me the benefit of the doubt. At the end of the day, what's important is the result. It's about results-based assessment instead of how many hours I've clocked. Where I'm working and how I'm getting the work done, let's have that be flexible.'"

The big picture

"Gen Y also needs to know the whole picture. Gen X telling them just what they need to do – that doesn't go down well. 'Why am I doing this? How does it tie in with the strategy?' Gen Y will ask. They want to know the complete picture, they want to see where their work is fitting into the overall strategy. Again, it goes back to wanting to feel valued and a part of the organisation. They get that through understanding where they fit in this big puzzle."

Managing the multi-generation workforce

Other ways HR can help retain Gen Y employees is to make the office a fun place because "work and life are not things that are separate" to Gen Y, Luthra tell Perspectives@SMU. That often means "Google-fying" the office by making it more fun via things such as foosball tables, happy hours, open offices, and flattening the organisation structure. While such an office may suit the younger set, it can unsettle older employees who are used to a more rigid hierarchy. However, it also provides a good opportunity to engage both Gen Y and the more experienced employees in an organisation.

> "For a lot of Gen Y, they view their job as giving them opportunities to progress, learn, and develop."

"I think Baby Boomers and Gen X are more concerned about being accorded respect and acknowledgement, so that their seniority is still somewhat maintained," says Luthra about older

workers' concerns about a flatter organisation structure. That can be overcome by "placing them in mentoring positions where they can share their knowledge with younger employees."

She adds, "It helps both sides and you are giving the older workers the status by saying, 'You have a wealth of experience; please share it.' It also creates the culture of sharing that Gen Y looks for. In other words: Don't keep all the knowledge to yourself, Gen X and Baby Boomers; we want to learn."

By combining mentorship and a job rotation policy, organisations can create a win-win situation for everyone in a changing business world where "you need to have leaders who have a good understanding of the entire business," says Luthra. There is but one problem: there are only a finite number of management positions into which Gen Y can be promoted. Frustrated Gen Y employees who have accumulated the necessary experience become prime targets for poaching by competitors; in effect, an organisation would have paid for all the training, only for a competitor to reap all the benefits.

"It's a big risk, of course," Luthra concedes. "The way companies need to look at it is: while they are training these employees, they are also identifying their top talent pool. If they are successful at retaining their top performers, then it's a good investment. The only way to find out who are the top talent is to give them opportunities to showcase their strengths, and then develop them.

"Companies can lose out on employees whom they've put in effort to develop, but hopefully these are not the employees who show the greatest potential within the organisation. You have to take a risk, there is just no running away from it."

The (Gen) X Factor

Luthra says HR directors are increasingly aware of the need to manage the different mindsets and values in a multi-generation office. A big part of that involves "engaging and empathising with the other generations". Gen Y needs constant and specific feedback on what their areas of improvement are, so Gen X and Baby Boomers in mentorship positions can help. Gen X and Baby Boomers need to feel appreciated in an employment market that favours the tech-savvy Gen Y, so long-service awards that recognise their contributions and experience are in order. But the question remains: Is Gen Y simply the current iteration of what Gen X used to be 15 years ago? Would Gen Y simply become what Gen X now is once they get married and have kids?

"That's recently been discussed, in that what we're seeing in Gen Y are perhaps amplified characteristics of what was seen when Gen X first joined the workforce," Luthra says. "Every generation, when they join the workforce, is driven and wants change and flexibility. As responsibilities hit them, would they still behave in the same way?

"This multi-generation workplace research is an evolving field, and we'll soon see if Gen Y now will simply become Gen X in a number of years. Hopefully Gen Y will bring changes to the workplace for the better, and we'll see what Gen Z brings to the table."