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# THE RISE OF THE GEN Y WORKFORCE IN INDIA

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*Technology, education, and demographics make the Indian Gen Y a force to be reckoned with*

By 2020, India will have the world's youngest and largest working population, with one-third of the workforce aged 30 or below. The International Monetary Fund (IMF) estimated in a [2011 paper](#) that the resulting demographic dividend "could add up to two percentage points per annum to India's per capita GDP growth over the next two decades". For an economy that was shackled by bureaucracy from the country's independence in 1947 to the economic liberalisation of 1991, it is a harbinger of great times ahead.

Much of that growth will be built on jobs tailor-made for the bumper crop of young workers in India who have the right skills to capitalise on a globalised job market.

"English is spoken by a large percentage of the population in urban areas thanks to the education system," explains Dr. **Poornima Luthra**, Lecturer of Organisational Behaviour & Human Resources at Singapore Management University (SMU), "which puts Indians at a great advantage globally.

"Also, young people are digital natives. In India, they make up this massive labour pool who is English-educated, highly technologically savvy, as well as having this great hunger for success and moving ahead in the corporate world."

## How to engage India's Gen Y

Professional ambition is a common attribute worldwide among the younger population, often labeled as Gen Y. What sets India's Gen Y apart are the circumstances that put them in their current situation of strength.

"Like other developing countries, India has experienced tremendous amounts of economic growth, since the 1990s when the economy opened up," says Luthra. "This economic growth brought with it an exposure to MNCs and the Western way of life. The MNCs brought with them a huge opportunity for jobs, but it also brought a desire for material objects.

"Also, if you look from a cultural angle, the family structure has widely evolved in India from a traditional, joint family setup to a nuclear family setup. Parents are more self-sufficient as retirement ages have been raised so they are more financially stable. That means that young

people now have the freedom to say, ‘I want to experiment with my career, find a great job, earn money, be independent and buy what I desire.’”

This freedom, together with the demand for the high tech skills from organisations, makes it particularly easy for India’s Gen Y to move between jobs: “Here is a very driven, entrepreneurial, and innovative Gen Y who are willing to start their own businesses. They have good ideas, and will only stay in a company if their ideas are valued. Otherwise they are going to move on to another company or start their own.”

To retain this vocal and ambitious generation at an organisation, older Indian managers “need to understand what values Gen Y Indians hold as important to them,” says Luthra. In a [2011 research project](#), Gen Y Indians were found to be “eager to prove they are not less than their global counterparts”, want instant gratification and earn “lots of money, faster and quicker”. They are also losing Indian culture and values, including deference to seniority and authority – a problem for older managers.

“For Gen X managers to tap into the creativity and energy that the current young generation brings to India, Gen X and Baby Boomer managers need to say to them, ‘I’m willing to listen to you. Talk to me,’” Luthra advises.

## Importance of listening to Gen Y

In a case study with a major Indian corporation (company name withheld due to confidentiality issues), Luthra examined how it ran an internal social media network with the following goals:

1. Allow an open forum for employees to ask questions and get answers;
2. Act as an early warning indicator to identify issues troubling employees;
3. Serve as a channel for immediate feedback on policies or programmes to make sure information has been clearly communicated; and
4. Allow trends to be analysed over the lifetime of an associate to measure impact of programmes, etc.

“By monitoring the pulse on the ground, the company was able to pick up on what concerns were brewing in the company amongst Gen Y,” Luthra says. For example, a concern was career path: where am I going? What opportunities are there for horizontal and vertical movement? These were identified, and specific strategies were implemented to handle that.

In addition to concerns on career paths, comments on the social media network centred on themes such as career opportunities, engagement and the desire for quick feedback and promotion. No doubt this helped Indian Gen X managers keep track of how happy their Gen Y reports are in their jobs. However, the question remains: how can managers use this information to keep Gen Y employees engaged? Are there specific things Indian managers need to do?

“Managers of Gen Y employees in India should embrace a more mentoring or coaching style of leadership that allows Gen Y to feel empowered and have freedom to be creative in the way things are done, while guiding them on critical issues such as adhering to the high ethical standards that are required from this younger generation in India.”