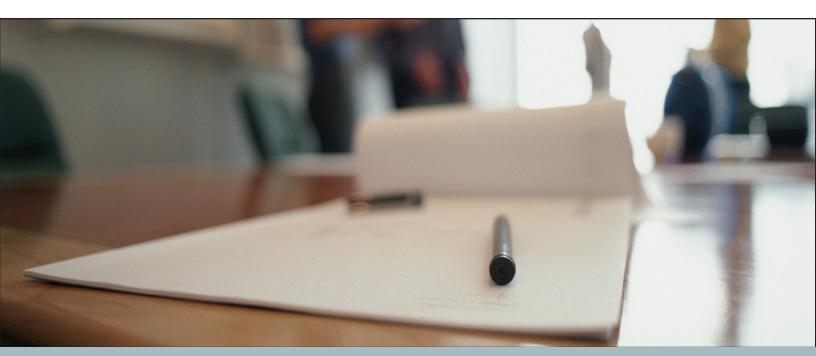




Understanding Generation Y

What You Need to Know About the Millennials

In collaboration with Buddy Hobart, Solutions 21





oday, there are an unprecedented four generational groups coexisting in the work-place. This demographic diversity poses a challenge for employers, in terms of creating and managing harmonious workplaces, where each generation's unique values and office expectations mesh. The newest group to enter the workforce, Generation Y, poses a particular challenge for organizations. Generation Y is not only different from past generations, but also misconstrued in many ways.

This white paper examines the current multigenerational workforce, focusing specifically on Generation Y. In doing so, this paper debunks many of the myths associated with this demographic and explains how Generation Y can be a tremendous workplace asset.

Defining the Multigenerational Workforce

To better understand Generation Y, it is necessary to first examine the generational groups making up today's workforce. Their characteristics, values and workplace expectations are explored below.

Veterans/Traditionalists

Those born between 1922 and 1945 are known as Veterans/Traditionalists. There are approximately 50 million members of this group. It consists of individuals who are 60-plus and have either retired or are re-entering the workforce, due to monetary constraints.

Veterans grew up during an era of multiple hardships, including the Great Depression, Pearl Harbor and the beginning of World War II. This generation worked hard to overcome the barriers that were set before it. As a result, most Veterans believe in "duty before pleasure" and strive to work hard and put in their time. It was common for Veterans to go off to war and, upon

returning home, work to achieve the American Dream. Veterans carried over their military practices to the workplace, which is why this group is known for its discipline, conformity and respect for authority. This generation is also considered to be very loyal; so, it was typical for Veterans to stay with one company for their entire careers. Additionally, Veterans place a strong importance on family values and good manners, which is no surprise since this demographic is known for "playing by the rules."

This generation is highlighted by many notable innovations, including radio and the silver screen. Veterans also experienced the cultural shift that occurred when women first entered the work-place.

In a career setting, Veterans strongly desire to be rewarded for their hard "Because of their years of experience and solid work habits, Veterans make great mentors for Gen Xers and Gen Yers."

work through increased compensation and the opportunity to move into leadership positions. The members of this generation like to be recognized for their accomplishments publicly, so as to gain respect from peers. Veterans typically seek to take on more responsibility to show their ability to handle important tasks and be leaders. Additionally, Veterans highly value consistency and uniformity. Because of their years of experience and solid work habits, Veterans make great mentors for Gen Xers and Gen Yers.

Baby Boomers

Those born between 1946 and 1964 are known as Baby Boomers. This group consists of just under 80 million members. The majority of this demographic is preparing to retire, which has spurred talk of a future talent shortage.



As children of Veterans, Baby Boomers grew up in a relatively prosperous and safe environment. This generation lived through the era of Woodstock, Watergate, the Vietnam War and the Cuban missile crisis. Baby Boomers are well-educated and have been called the "workaholic generation," as they are known to work long, hard hours in an attempt to get ahead. Baby Boomers can be characterized by their competitive nature and strong work ethic. Many members of this generation now hold prominent leadership positions within current government and business entities. Baby Boomers have been described as relationship and results-oriented and diplomatic. This generation believes strongly in the idea of personal development and growing into a more "whole" person. As a result, Baby Boomers are very involved in a variety of activities both in and outside of the workplace in an effort to become well-rounded.

Veterans and Baby Boomers have similar ideals about the workplace. Both generations value money, the opportunity for advancement and public recognition. Additionally, Baby Boomers are like their parents, in that they are loyal to their companies and value title and rank. Because of their competitive nature, Baby Boomers desire work environments where they are challenged and can continually grow. They also like working in teams and see the advantages of working with others to accomplish a common goal. Baby Boomers work best with managers whose leadership style is similar to coaching. They like rules facilitated, not dictated. Known as the "sandwich generation," Baby Boomers are responsible for the care of their children, as well as their aging parents. Consequently, this group seeks employers who offer flexible work schedules to accommodate its dual roles.

Generation X

The members of Generation X are defined as having been born between 1965 and the late 1970s. Bounded by two large generational groups, Generation X is one of the smallest, numbering approximately 50 million. The oldest

members of this generation have entered into management roles in the workforce and more will do so in the coming years, as increasing numbers of Baby Boomers retire.

Generation X witnessed the collapse of the Soviet Union. the fall of the Berlin Wall and the diagnosis of AIDS. Gen Xers' employment expectations are influenced by what they saw their Baby **Boomer** parents experience. Some may have seen a parent laid-off or lose a pension, after a lifetime of service to one company.

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Thus, members of this generation tend not to have job security expectations and are not as loyal to companies as their parents were. Gen Xers also saw their parents spend long hours at work, climbing the corporate ladder. This, in turn, shaped Generation X's desire for a healthier work/life balance. As a group, Generation X is apt to question authority and is cynical and independent. The group's sense of independence is partially attributed to many Gen Xers spending their childhoods as "latchkey kids," fending for themselves, while both parents worked.

Within the office, Gen Xers are attracted to flexibility, in terms of when and where they work. Due to Generation X having come of age with the personal computer, its members are familiar with technology and learn new technologies faster and more easily than prior generations. This skill makes Generation X's members important assets in the workplace. Other Generation X characteristics include the group's adaptability and ability to multi-task effectively. Gen Xers look for multiple tasks to keep them interested and engaged in the office. They also desire



training and development opportunities to keep them challenged and stimulated.

Generation Y

Generation Y members, also known as Millennials, were born between the late 1970s and the late 1990s. The group's total number is similar in size to the Baby Boomer generation, at approximately 80 million individuals. This is the

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newest group to enter the workforce, with many of its members holding entry-level positions.

This generation is defined by the Internet and an increasingly globally connected world. As children, Gen Yers were protected by their parents and are characterized as having grown up with inflated self-esteems, a sense of entitlement and the belief that anything is possible. They

are optimistic, social and have high expectations for themselves and others. As a whole, this generation is the most educated and tech savvy of all generational groups. Gen Yers are looking for meaningful and challenging work and may take longer finding a job than members of previous generations. This delayed entrance to the real world is frequently supported by their parents, who are more open to offering their Generation Y children support, often in the form of free room and board.

Within the workplace, like Generation X, Gen Yers are looking for flexibility, in terms of when and where they work. A structured, 60-hour work week and corporate ladder climb is less appealing to this group of employees. Work/life balance is extremely important to Generation Y's members and a relaxed office environment is

also desirable. Generation Y looks for the "why" behind the tasks they are asked to perform and can lose interest in menial responsibilities. They want diverse and meaningful office tasks and are happy with lateral moves within their companies, as long as they are able to gain new experiences. Along this line, being provided with workplace mentors, training opportunities and job performance plans is important to this demographic. Finally, this generation is known to possess an entrepreneurial spirit. Gen Yers like to find new, better and faster ways to do things, which is an attractive attribute in today's office environment.

Generation Y's Top Five Myths

Generation Y's reputation is not always positive. This can be attributed largely to myths associated with the demographic. To better comprehend the group, it is important to recognize and examine these myths.

Myth 1: Generation Y is Lazy

The first myth about Generation Y is that it is lazy. Though Gen Yers place a high value on family, friends and leisure, they also possess a good work ethic.

According to a monsterTRAK® survey of 2004 graduates entering the workforce, one of the top goals of Generation Y was to "work faster and better than their coworkers." This shows Generation Y's desire to excel and make a contribution at work. A national survey was conducted by Solutions 21 asking generational group members what qualities make someone successful. The top virtue chosen by Baby Boomers was "hardworking." This is not unexpected considering Baby Boomers' outstanding work ethic. Surprisingly, Generation Y members also selected "hardworking" as their number one quality. which demonstrates that the group understands the direct connection between hard work and success.

Though Gen Yers are hard workers, they do re-



guire that their work be meaningful and interesting. Many managers read into this and assume that all Generation Y employees want easy, fun and exciting work. Instead, Gen Yers would like their assignments linked to a more important goal.

Put another way, Generation Y wants to know why they are doing work and how it contributes. By taking just a few minutes to explain the bigger picture, a leader will not only experience a more productive result, but also keep the employee engaged and motivated.

Another adjustment management needs to make is to be open to suggestions about the tasks they assign. As Generation Y members tackle new tasks, they are constantly thinking about how to do them better and faster. Generation Y is not locked into the mentality of "it has always been done this way." If there is a more productive solution, Gen Yers will find it and expect to both share their findings and help implement the improvement. Leaders must make time to

> listen to these suggestions.

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Additionally, managers should learn about Generation Y's values and personal goals and then incorporate them into assignments. Leadership needs to offer this group challenges, teach it new and faster.)) skills and enlist its fresh perspectives.

Myth 2: Generation Y Needs Instant Gratification

The second myth is that Generation Y employees want everything now and do not want to pay their dues in the workplace. Certainly, Generation Y has grown up in a world where fast is not only a virtue, but also a way of life. From fast

food and AOL® Instant Messenger™ to highspeed Internet and fast-forward, Generation Y is used to things happening quickly. Its members use e-mail, not "snail mail." They do not drive to the mall and visit multiple stores in order to comparison shop. They go online, visit multiple Web sites and often make purchases in the time it takes to back the car out of the garage. They have information instantly at their fingertips via the Internet. Cable and satellite television have made hundreds of television stations available. Cell phones have connected them instantly to an array of friends. Technology has made Generation Y accustomed to getting what it needs quickly and easily.

As a result, organizations need to operate more quickly than they might be used to. Typically, companies have used a performance management plan that has a 30-day, 90-day and oneyear review point for new employees. After a year has passed, a single review per year is standard. These timelines can be too infrequent for Gen Yers, as they desire more immediate feedback.

Managers should not wait for the one-year anniversary to evaluate Generation Y members, give them a raise or ask for their input. This group wants feedback sooner. Gen Yers believe they should receive feedback regularly and be financially rewarded for their contributions.

Gen Yers want to progress as quickly as they deserve and be given clear goals to reach the next level. The standard performance management program, in many ways, creates an artificial and arbitrary time constraint. Leaders must challenge the performance management status quo and make time for regular feedback.

If leadership is not willing to assess Gen Yers, these employees may just put in their time until they find a better situation. They are willing to quit and go back to school, spend months traveling or live at home for awhile. These group members are not motivated to work just for the



sake of working. They want to be in a "good" situation.

Management must also challenge the traditional idea that compensation is linked to tenure. Annual raises, based upon simply surviving for another year versus making significant contributions along the way, must be examined. Generation Y wants to be recognized for its contributions, not its tenure.

Myth 3: Generation Y is Disloyal

Generation Y has a reputation for leaving jobs after one or two years. Generation Y members have the freedom to move from job to job, because they are delaying the responsibilities of marriage and parenting and have a strong financial safety net, in the form of parental support. They are also keenly aware of their other options.

According to a monsterTRAK® survey, 74 percent of graduating college seniors felt that having a "relevant work experience" was the most important part of a job. Accordingly, if the

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work is relevant, Gen Yers will not leave their jobs. As discussed above, these employees want to care about their work, have frequent communication from management and experience job progression. When these requirements are met, Gen Yers can be loyal, longterm employees.

Generation Y makes workforce leaders face the fact that loyalty is not given; it has to be earned. Workers from previous generations have given companies the benefit of the doubt and have been more willing to just put in their time. Generation Y, on the other hand, is willing to be loyal and work hard, but its members expect to learn new skills, be part of something worthwhile and be appreciated.

Managers should give Gen Yers interesting work, lots of feedback, chances to advance and rewards for good performance. In doing so, they can become a company's best and most loyal employees.

Myth 4: Generation Y is Selfish

Certainly some members of Generation Y have been convinced by their parents, schools and friends that they are the center of the universe. However, the majority of Generation Y is not as selfish as it has been portrayed. In actuality, its members place a high priority on family and friends. The Families and Work Institute describes Generation Y as more "family-centric" or "dual-centric" (with equal priorities on both career and family) and less "work-centric" than other generations. Gen Yers support and believe in social causes and want their employers to, as well. In a 2006 Solutions 21 survey, 79 percent of full-time Generation Y employees who were interviewed said that they wanted to work for a company that cared about how it affected or contributed to society.

Gen Yers are not simply looking for their employers to show they care. They are "walking the walk" and volunteering at record rates. The trends are overwhelming; since Gen Yers were teenagers, the rate of volunteerism has increased significantly and has doubled in the 16 to 19 and 20 to 24 demographics. Generation Y's goal is not to simply earn money. Its members want to contribute at work, in the community and in the world at large.

As for being self-centered, Solutions 21's research reveals that the majority of this generation wants good relationships with coworkers and employers. Gen Yers want to be part of a team. In fact, 61 percent of the research respondents preferred to work in teams. They felt a better work product is produced through



collaboration. The following sample comment from the survey highlights the point that Generation Y is focused on results, not just its own, self-centered needs: "As a team, you have to compromise, which I am not always a fan of, but you also build off one another's ideas. Generally you come up with something better together than either one of you would have come up with separately."

All of these traits do not add up to self-centered individuals, but to people who actually care about others. Again, it is up to management to motivate Gen Yers, give them ownership of their jobs, communicate frequently with them and help them buy into what their companies are all about.

Myth 5: Generation Y is Spoiled

In some ways, middle and upper class members of Generation Y really were pampered. They had Baby Boomer parents who indulged them and catered to their every want and need, from fixing traffic tickets to completing college applications. According to EmploymentReview.com, Gen Yers' parents spent more time with them and were more hands-on with them than any prior generation. Naturally, some Generation Y members are spoiled. However, the majority of Gen Yers are not. They simply have different priorities and view the world in a different way. They grew up knowing they were valued and have high self-esteem.

According to the Families and Work Institute, Gen Yers sometimes have pampered reputations, because they tend to put more emphasis on the non-work areas of their lives, such as family and leisure. However, these group members work just as many hours, and in some cases more, than Baby Boomers did when they were a similar age. Gen Yers are also perceived as spoiled, because they are not reluctant to live at home or take money from their parents. Suffice it to say, Generation Y members simply view accepting help from their families as the logical use of available resources and a way to save money. To

them, they are not pampered, but prudent and practical.

Dealing With These Myths

Generation Y has been unfairly stereotyped. It is crucial that these stereotypes do not exist in your organization or in the hearts and minds of your employees. Of course the ironic thing is that the very individuals who may resent Gen Yers at work are often raising them at home.

Organizations need to set a clear policy from the top down, or they can forget about attracting and keeping this

new generation of employees. Prejudices and stereotypes about Generation Y latent in an organization cannot be eliminated until management first confronts them. Now is the time to shed prejudices and negative feelings about Generation Y, as its members are the workers of the present and future. Due to the mass retirement of Baby Boom-

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ers and the coming talent shortage, companies will ultimately need Gen Yers more than ever before. As such, it is imperative that management sets the tone unequivocally and welcomes Generation Y with open arms.

Putting aside unfounded prejudices with respect to Generation Y does not mean leaving behind good judgment, common sense or standards. Gen Yers in the workplace who lack skills, integrity or other required intangibles should not be pampered or coddled. Like any other generation, Generation Y has its flaws. Leaders must



be able to look beyond stereotypes to see the talent and potential within Generation Y, yet still hold its members to the standards set for all employees. It is important that management does not mistake Gen Yers' legitimate desires to progress, their need for communication or their insistence on meaningful work as self-centeredness or disloyalty.

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Generation Y's Top Five Attributes

Now that the myths about Generation Y have been dispelled, companies can realize the variety of attributes the group offers the workplace.

In prior generations, new employees did not bring advanced skills to the job. Much time and money had to be spent training them to do basic, job-related tasks. They did not know more than their future employers or come equipped with instantly applicable expertise.

None of that is the case with Generation Y. For the first time in history, a generation is entering the workforce with skills in certain areas - particularly technology - superior to its bosses and current coworkers. One of the major challenges leaders will face is accepting this reality.

Though Generation Y brings certain superior skills to the job, its members are not necessarily bringing all of the wisdom and life experience needed to apply these skills productively.

Leaders must fully understand the implications of this new paradigm and provide support for both new and current employees. Leaders must mentor and guide new employees using wisdom gained throughout the years and make certain

that new Generation Y talent is not dismissed or overlooked. Furthermore, they must find ways to spread Generation Y's skills to older employees.

Generation Y is Tech Savvy

Generation Y is highly educated and many of its members will bring advanced degrees with them to the workplace. Generation Y is also extremely tech savvy and, for the most part, will be far ahead of existing office employees when it comes to the latest technology. Gen Yers are perfectly comfortable with computers, iPods™, Wi-Fi™, etc. They already know how to use Excel™ and PowerPoint™, create spreadsheets, perform mail merges and scan documents.

Managers generally recognize Generation Y's technology skills. Recognition of the talent is not the issue. Managers too often dismiss Generation Y's technology skills as a given, thereby dismissing and trivializing the skill set. In doing so, leaders set the wrong management tone. First, it shows a lack of appreciation for Generation Y's technology skills. Secondly, it communicates, however unintentionally, the organization's willingness to accept outdated skill sets in older managers. Finally, and again unintentionally, it sends a message that the company is not a learning organization.

Generation Y has technological knowledge and proficiency, which should be used as a resource. Generation Y members will not mind sharing their knowledge, as long as it is not dismissed or taken for granted.

Generation Y is Diverse

According to the U.S. Census Bureau, Generation Y is the most ethnically diverse generation in history, with only 61 percent of its members identifying themselves as "Caucasian." This generation's social circles are also the most diverse with respect to religion and race. Only seven percent of Gen Yers say that all of their friends are of the same race or religion.

Diversity has been demonstrated to be a desir-



able and healthy workplace component. Generation Y members are open-minded and accepting of those different from themselves. Working and interacting with people outside of their own ethnic group is the norm. Not only are Gen Yers comfortable with the increasingly diverse workforce and client base, but also make others feel comfortable, which greatly benefits organizations

Generation Y Understands and Has Life Experience in the Global Marketplace

From the moment Gen Yers could interact with a computer, they learned about the World Wide Web. At no point in their lives have Generation Y members been without access to information from around the world. Thus, their worlds are surprisingly integrated and, in many ways, Gen Yers cannot comprehend an environment that is not global.

In American colleges and universities, it would be nearly impossible for a Generation Y student not to interact with someone from another country, religion, race or culture. Classmates, professors and alumni are a constant reminder to nearly every college student in America that we are living in a global community.

One of Gen Yers' more subtle attributes is their experience in the global marketplace. As lifelong consumers, they have been making buying decisions since they were toddlers, choosing between Burger King™ and McDonalds™ and Nike™ and Reebok™. Their parents have allowed Gen Yers to make purchasing decisions to a greater degree than any other generation. This real world experience as a customer can be very valuable to a company.

Because Generation Y members have been lifelong consumers, they have developed an expectation and understanding regarding customer service. This is a desirable workplace asset, as the group understands how someone should be treated as a client.

Generation Y Has Good Self-esteem and is Independent

Generation Y has strong self-esteem, because its members have enjoyed parental support and involvement like no other generation. Gen Yers often grew up as the center of their parents' lives, with a sense that they were special and could do anything. This demographic's members are eager to take on responsibility and believe they can accomplish anything. Because their parents have treated them as winners, they believe that they can win at work too. As such, Gen Yers have a positive, can-do attitude, which can be a great organizational asset.

Generation Y is also very independent. Its members grew up in non-traditional settings that taught them to be autonomous. They spent time in daycare or time at home alone. One in four comes from a single-parent household and

three in four have working mothers. This background makes Generation Y comfortable and confident when taking on independent projects and assuming individual responsibility.

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Generation Y Has a Sense of Security and is Ambitious

Because of the support they enjoyed from their Baby Boomer parents, Gen Yers know they are loved and cared for. They have a deep-down sense of self-worth that is healthy. This secure feeling makes the members of Generation Y believe in themselves and feel optimistic about the future. They are less afraid than other generations to ask questions and try new things. They have figured out that it is better and less time-consuming to ask questions than to waste time trying to figure things out. Gen Yers like to learn and are willing to do things differently.



Additionally, Generation Y is ambitious. Its members can envision a good quality of life, which is something they aspire to. This makes Gen Yers hard-driving and motivated when they accept and believe in a goal. They look forward to challenges, which make them motivated and confident workers.

Conclusion

Generation Y brings advanced degrees, technical skills, diversity, experience as a consumer and an appreciation of the world market to the workplace. Its members are ambitious, competitive and have high self-esteem. These attributes make them highly motivated, independent and optimistic workers.

Generation Y presents a unique and exciting leadership challenge. Gen Yers are indisputably bright and talented, yet they think differently, have unique needs and require new management styles. Leadership will have less room for error, as Generation Y has more freedom and job options than any other group in history.

Organizations able to see beyond the sometimes negative hype surrounding Generation Y should be excited to tap into the many talents this group can offer the workplace today and in the future.

About Buddy Hobart

John W. "Buddy" Hobart is the president and founder of Solutions 21, a business management consulting firm based in Pittsburgh, Pennsylvania. Founded in 1994 with an initial focus on sales consulting and training, the firm's expertise has grown to incorporate four primary practice areas: Client Development, Enterprise Learning/Human Capital Management, Strategic Planning and Process Improvement.

Solutions 21 has successfully completed consulting engagements and implemented customized training and organizational development

programs for a diverse client base, ranging from starts-ups to Fortune 500 companies, and including local, national and international assignments. Hobart and Solutions 21 regularly conduct seminars and customized training programs on such topics as leadership, consultative selling, assessing personal behavioral styles and many others. A sampling of Solutions 21's past and current client list includes such companies as Pfizer, Cisco Systems, Hormel Foods, Tyco, Bayer and Heinz.

Hobart has been quoted in The Wall Street Journal, USA Today and Chief Learning Officer, as well as many other business publications, on such topics as communicating across cultures, selling techniques/styles and Generation Y. He is a frequent speaker at universities, business forums and conventions, and has been a guest lecturer at Carnegie Mellon University, Robert Morris University, the University of Oklahoma, West Virginia University and Arizona State University. Hobart has personally presented programs on four separate continents with participants representing more than 20 different countries.

He is the author of Hire Education, a book designed to teach college students how to successfully present and market themselves as they enter the work world. In addition, he has co-authored Celebrate Selling, a compilation of works for the sales professional. He is looking forward to his upcoming book on recruiting and retention strategies for Generation Y.

A graduate of Carnegie Mellon University, Hobart has been active in numerous community and professional organizations. He is currently on the board of directors of Kids Voice, is a past president of the Carnegie Mellon Greater Pittsburgh Alumni Association and has served on Carnegie Mellon University's Executive Alumni Board. Additionally, Hobart previously served as president of the board of directors of the Foundation of the Community College of Allegheny County, was a member of the board of directors of the Three Rivers Center for Independent



Living (TRCIL) and is the past president of the Freewheelers board of directors.

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