

Welcoming Y

Generation Y is just beginning to impact the workforce in a profound way. To effectively manage this group, changes will be needed in corporate offerings, corporate culture and management style.

By Paula Allen

They're coming. More than 70 million in North America alone. A huge demographic bulge made up of the children of the baby boomers and dubbed the 'Echo Generation' or 'Generation Y'. Swelled by immigration, this coming generation—defined as those born between 1980 and 1999—may not be quite as large as the boomers (those born between 1947 and 1966). But as their numbers increase in the workforce over the next 20 years, they'll still make an enormous impression on the business world. And employers would be wise to prepare themselves.

With Generation Y just now starting to hit the labour market, we are seeing, for the first time in history, a workforce containing four distinct generations, each with its own set of values, view of authority, work and communication style, and expectation of leadership and work environment. The primary challenge for businesses will be managing these four very different generational groups.

THE VETERANS

Born before 1945, this is the generation that grew up during the Second World War. They've experienced scarcity and hardship, tend to be disciplined and respectful of law and order and prefer consistency. The group, known as "Veterans" are used to the top-down style of management that disseminates information on a "need-to-know" basis and they get satisfaction from knowing a job is well done.

They often stay with one company for their entire career. While there are comparatively few of these individuals left in the workplace, their wisdom and experience will be greatly valued by Generation Y, more so than by the other two generations.



“Every fourth generation seems to repeat itself and, as a result, we're seeing a return to more conservative values in Generation Y,” says Lynn Lancaster, co-author of *When Generations Collide: Who They Are. Why They Clash. How to Solve the Generational Puzzle at Work*. “They share the views of their grandparents, wanting marriage, a home and a family. And the aftermath of 9/11 has seen a rise in patriotism in the young and a willingness to fight for freedom. There'll be a mutual respect and connection between the World War Two generation and Gen Yers, and we'll see that in the workplace.”

David Foot, professor of economics at the University of Toronto and author of the best-selling book, *Boom, Bust & Echo*, agrees—to a point.

“The 'Echo' workers will be respectful of the older worker's knowledge, but disdainful of their lack of technological expertise,” he says.

BABY BOOMERS

The last generation to force great changes on society, Baby boomers grew up in relative prosperity and safety. Terrorism, pollution, child abductions and pessimism were not part of their vocabulary. They came of age in the optimistic sixties and seventies and believe in growth, change and expansion.

The boomers tend to pursue promotion by working long hours and demonstrating loyalty and for some,

according to Lancaster, a degree of ruthlessness. “Their vast numbers made boomers competitive in every aspect of their lives, although they’re mellowing as they enter their 50s.” They believe anything is possible and want the corner office, fancy title and big salary and many do not plan to retire in full, she says. While respecting authority, boomers prefer to be viewed and treated as equals.

GENERATION X

Foot refers to Generation X as the “baby bust” because so few children were born between 1967 and 1979. The older boomers may well have entered their prime child-bearing years during this time, but the birth control pill and women delaying childbearing until their 30s caused a dramatic drop in the birth rate. This small generation finds itself wedged between two huge demographic bulges but its lack of numbers has worked in its favour in many aspects of life.

“The baby-busters have done pretty well so far,” says Foot. “They had no difficulty finding part-time jobs in high school. During the 1990s, university entry standards fell, making it easier for busters to get into the school of their choice.”

These are the children of workaholic parents, the child-care generation who grew up to be self-reliant, individualistic and determined to maintain a work-life balance. They’ve seen their parents work long hours and devote themselves to one company only to be downsized.

As a result, says Foot, Gen Xers are mistrustful of corporations and are not loyal to any one company. If their job isn’t taking them where they want to go, they’ll move on. On the plus side, they embrace change, particularly with respect to technology—they are the stars of both the volatile dot-com companies and the more stable Silicon Valley start-ups. Generation X likes to live on the edge and is outcome-focused, expecting specific constructive feedback on their performance.

GENERATION Y

Foot prefers the term ‘Echo Generation’, because these are the children of the boomers and echo their impact on society. The years between 1980 and 1995 are when the great majority of baby boomers finally settled down and turned their attention to creating their own mini-boom. Gen Y’s world has included computers, the Internet, CDs, DVDs, cellular phones and digital cameras. Data from the Programme for International Student Assessment show that today, seven out of 10 young Canadians have access to the Internet at home, more than a 20% increase in just four years.

Neil Howe and William Strauss, authors of *Millennials Rising, The Next Great Generation*, contend that Generation Y is more affluent, more technologically-savvy, better educated and more ethnically diverse than any previous generation.

“Younger workers will seek employers who will further their development as professionals,” says David Craig, vice-president and managing consultant of Drake Beam Morin, an international outplacement and career transition firm based in New York. “They’re thirsty for skills and intellectual challenge, have a need to succeed and will measure their own success, in part, as what they’ve learned and how they’ve developed.”

And Generation Y will want to make a difference. According to a study by RainmakerThinking Inc., a U.S. research and consulting firm in New Haven, CT, specializing in the working styles of young people, the top three job requirements for Gen Y are:

1. Meaningful work that makes a difference to the world;
2. Working with committed co-workers who share their values;
3. Meeting their personal goals.

“Because the values of Generation Y mirror those of the ‘Veterans,’ both possess a high level of sociability, morality and civic duty, making a huge salary is not as important as what they actually do with their lives,” says Lancaster. “Their contribution to society, their devotion to parenting and their determination to enjoy a full and satisfying personal life are more important considerations.”

While Generation Y will wield a great deal of power, in part due to its sheer numbers, organizations must still be careful to retain and motivate their older employees. The fact is that despite the approximately 5.6 million ‘Echoes’ about to flood Canada’s job market, there are still not enough of them to fill the void left by those boomers and ‘Veterans’ leaving the workforce. To effectively manage all four groups, changes are needed in corporate offerings, corporate culture and management style.

Unfortunately, one size does not fit all, and that includes benefits packages. Veterans and baby boomers are interested in retirement options, salaries and bonuses, stock options, investments and medical coverage. A 2000 survey by Transamerica Life Companies found that 79% of boomers plan to retire before the age of 65 if they can manage it financially.

Generation X and Y are more interested in child and elder care, as well as career development volunteer opportunities and any chance to learn new technologies.

“Younger workers don’t want to make the same mistakes their parents made, working long hours, neglecting family, friends and personal pursuits,” says Craig. “As with all of us, money is important to them, but so is living a work-life balance.” Attaining that balance is what drives Gen Y and, when the time comes, they’ll spend more time with their children—especially the fathers.

“Not only will young Gen Y working women expect their partners to be equally active parents, but those partners will want a more active role,” says Lancaster. “Like the ‘Veterans,’ family will come first, unlike boomers and

Gen Xers who often put career first.”

In order to please employees of all ages, organizations and service providers should offer a cafeteria-style benefits package that allows for flexibility as well as a say in how individual contributions are spent. For example, a young single person might not be interested in family benefits but wants a say regarding where his or her share of money spent on family benefits should be reinvested.

The technologically-savvy young have always been able to access information immediately and directly at any time of the day or night. They'll expect the same from their benefits, wanting 24-hour online access, a convenience benefit providers everywhere have either already initiated or are working to establish. The role of the Internet in managing benefits programs will become a requirement, not an option.

Companies would be wise to initiate programs geared toward improving the general health of Generation Y if the rising rates of diabetes and other diseases related to obesity and a sedentary lifestyle are to be slowed. If organizations ignore these health issues, they'll feel the financial pinch in years to come when benefits costs and disability rates go through the roof.

As it is, disability leaves will increase, especially stress-related leaves. According to the American Institute of Stress, the number of U.S. employees calling in sick because of stress

tripled between 1996 to 2000 and that number is still rising. To help stem the tide of stress-related leaves, organizations must establish comfortable work environments, flexible work hours and ensure that jobs fit the personality of Gen Yers by being flexible, challenging, creative and empowering.

MANAGEMENT STYLE

Finding a balance between providing a work environment that accesses the genius of Generation X and Y, yet doesn't alienate current staff who enjoy the existing work environment will remain a test for managers. The one-size-fits-all approach to management may have worked for 'Veterans' and boomers who both understand structure, hierarchy, corporate loyalty and respect for those in senior positions. Those days are, however, long gone. A move from function-based work to project-centred work will be desired by tomorrow's workers.

So get ready. The first Gen Y wave is just now graduating from university and entering the workforce. It won't be long before they'll be calling on employers to develop new ways of attracting, retaining and supporting this millennium's employees. **BC**

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