The “Just Do It” Generation: Engage & Retain Generation Y

White Paper

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Engaging & Retaining Generation Y Employees

Prevailing demographic forces are underway that power a generational shift causing a workplace revolution. Young workers who show little to no attachment to time-honored career paths and work patterns are redefining workplace values and norms. This generation brings to work unique traits and expectations, and leaders will need to adapt to new ways of working and relating in order to attract, motivate, and retain them.

Who are these young workers powering the generational shift?

Born after 1981, we call them “Gen Y.” They are described as bright, energetic, and eager to make their mark. While they are generally thought of as high performers, they are just as often described as “high maintenance.” Born in a time of significant emphasis on childhood development, they were repeatedly told they were exceptional and capable of anything, igniting their widely known sense of “entitlement.”

The traits of each generation are influenced by the social, political, environmental, and economic world in which they are raised. And Gen Y is no different.

Here are just a few of those traits:

- **Energetic and results-oriented.** Gen Y is adaptable, task-focused, and has a keen eye for “getting things done smarter and quicker.”
- **Highly-expectant.** While somewhat demanding and sometimes even impractical about a career path, an encouraging characteristic of this generation is their determination.
- **“Fueled” by frequent input and praise.** Gen Y relies on regular guidance, “instant” feedback, and frequent contact with leaders.
- **Question rules.** They challenge norms and expect exceptions to be made in their favor or for the “greater good.”
- **Don’t “automatically” revere authority.** Gen Y on the whole respects “street cred,” talent, and “virtue” rather than rank or seniority.
- **Value development.** Gen Y is highly aware that learning and growth opportunities lead to advancement.
What Can Employers Do To Engage and Retain Gen Y Talent in the Workplace?

Experts at TalentKeepers, a global leader in employee engagement research and products, set out to find out. This question is becoming increasingly important as the largest generation in history begins entering the workforce. In fact, in the next few years, Gen Y will constitute about 40% of all employees. It is estimated that over 20 million U.S. workers fit this definition, 70 million world-wide.

In a comprehensive study focused on employee engagement and retention, over 500 organizations, representing nearly every industry (healthcare, retail, government, finance, and many others), participated in the TalentKeepers study and provided valuable insight into the employee engagement and retention challenges they face and how they combat these challenges.

Based on their findings, TalentKeepers has identified three critical leadership skills required to engage and retain Gen Y’s best and brightest. They are:

- Being Flexible
- Communicating Effectively
- Coaching and Development

Once leaders understand these traits and how they impact job-related expectations and work styles, they can begin to adapt to new ways of working and communicating with this emerging workforce to bring out their best.
Being Flexible

Gen Y employees are dedicated to their work and willingly to put in the long hours...as long as it fits in their schedule. They want to work, but they don’t want work to be their lives. Don’t be surprised if a Gen Y employee declares, “I can’t work on Tuesdays anymore.” They expect to be able to leave in the middle of the day for “personal obligations,” which could range anywhere from taking grandma to her dialysis appointment to a yoga class.

If you want a young worker to seek employment elsewhere, ask them to work a traditional 9 to 5 day in the office. While this may be a bit of an exaggeration, what is true is that Gen-Y demands flexibility. Work/life balance is serious business to them.

In equal proportions, they want to maintain their career, spend time with family and friends, and contribute to society. They look for a culture that supports their life outside of work. And if an employer leaves no room for compromise, these workers have no problem packing up and moving on.

According to this recent TalentKeepers’ 2015 study, nearly 30% of front line employees who leave their jobs cite “leader issues” as their #1 reason for leaving – issues that largely involve trust and loyalty contributors. Yet, in a separate study, when asked how effective is the organization at attacking job issues such as a flexible schedule or workload, only 9% of the organizations reported being “highly effective,” with 16% reporting as ineffective.

Given this perspective and what we know about Gen Y’s expectations on this topic, it is important to consider the role of being flexible in retaining young talent and explore measures to improve job issues that impact employee engagement and retention.

Flex-space is one tactic to try. Gen Y was born with technology at their fingertips, so leverage new technologies that enable telecommuting or virtual work. Gen Y workers might be the lion’s share of this remote worker population because they are technologically savvy and prefer to choose where they work. As global organizations
ramp up implementations of remote access and mobility technology, industry experts have predicted that this mobile worker population will be on the rise. Employers should be looking to Best-in-Class organizations, 76% of which considers themselves at least moderately effective at engaging virtual employees.

In line with their special workplace expectations, Gen Y tends to question standard practices. They ask “why?” on impulse and dismiss following proper channels. And because they’ve never had to, they don’t readily respond to top-down orders. After all, since they could speak, they’ve been “negotiating” bedtime and curfew with parents, and grades and deadlines with teachers.

There are a few options for addressing this generation’s inclination to repel rules. One, get them to comply. How? Give them the reasons behind rules and requests. Never say because “I” or “it” says so. Persuade on terms that matter to them -- safety, equity, fairness, global benefit, etc. The other option, often not as feasible, is to change a rule. Maybe it’s time to revisit “the way things are done” to attract, engage and retain multiple generations of workers. Can the dress code be relaxed? Through the research conducted at TalentKeepers, over 37% of the responding organizations acknowledge that “casual dress” is a current retention initiative.
TalentKeepers’ Leadership Strategies for Being Flexible:

- Allow for flexible work time and space.
- Balance concern for the individual with job expectations.
- Show respect for work/life balance.
- Help with “life’s lessons” when customizing work conditions just isn’t practical.
- Consider the tendency to ask “why” a natural curiosity and explain “the why.”
- Adjust work schedules when possible to accommodate “life stuff” without sacrificing business standards and requirements, or impacting others.
- View their challenging nature as an opportunity to reinforce as well as to reconsider the “way things are done.”
- When it comes to non-flexible business standards and requirements, be “right” without making them “wrong.”

Communicating Effectively

Gen-Y thrives in an environment where there is an open flow of communication. Invited to speak out in school and asked for input in family decisions (i.e., *what should we have for dinner? Where should we go on vacation? What kind of car should we buy?*), this generation
expects a seat at the table. Engagement-focused leaders recognize that communication leads to innovation, increased trust, and higher performance so they create an environment where Gen Y are encouraged and rewarded for speaking up regarding ideas and concerns. They know that to remain engaged these workers need to feel connected to the organization.

TalentKeepers recognizes that vital to understanding engagement and retention issues is having a full understanding of the various points in the employee life cycle when employees are at the highest risk of leaving.

Of the organizations that track attrition by tenure, over 19% of organizations indicated that employees tend to leave within the first 90 days, and another 16% reported their highest turnover to occur in the first six months. Although early attrition is on a slow decline compared to the last two years, it is still important to understand just how much of this is caused by ineffective communication. Are organizations or leaders failing to either share critical information upfront or make employees feel connected or valued? Communication about how the company works and how individual roles support business goals is particularly important to Gen Y employees who want to contribute on Day One.

Gen Y has a low tolerance for political bureaucracy and don’t by nature revere the “chain of command.” Because they believe in open and honest communication, transparency is key. Leaders who tell these workers what’s going on and where they stand see higher levels of engagement, productivity, and retention.
Besides communicating openly, retaining Gen Y also calls for frequent and “on the spot” input. With technology integrated in nearly every facet of their lives, they have a need for immediacy. Accustomed to instant access to information, downloadable music, and overnight shipping, etc., they expect responses to questions in nano-seconds. Leaders can address this by committing to more frequent interaction. Many leaders leverage these employees’ habitual online availability to optimize daily output by sending important reminders through text or instant messaging. And they don’t shy away from LinkedIn or other social media as a means of soliciting ideas or updates on projects.

Finally, leaders should take caution to ensure that communication with Gen Y workers is realistic and clear, especially when it comes to their sometimes unrealistic expectations about career growth. This generation is extremely creative and bright and thinks highly of themselves. They expect rapid advancement based on talent rather than tenure, and hold little tolerance for “paying dues.”

In our study, 28% of companies indicate that attrition occurs at 12 months of tenure. At this time, it’s fair to assume that employees understand what the job entails, yet this milestone is also the time when many workers, Gen Y in particular, expect to be moving up and paid more. With this knowledge in hand, leaders can combat against one-year attrition by being very clear and straightforward about advancement opportunities and checking in with Gen Y workers frequently on progress. Watch for boredom at this one-year point as well: keep them engaged and constantly challenged.

**TalentKeepers’ Leadership Strategies for Communicating Effectively:**

- Communicate often and openly.
- Welcome new ideas and let them know what happens to their ideas.
- Leverage technology and alternative communication approaches.
- Give them the information they ask for, then the autonomy to figure things out.
- Learn “their” language; communicate in terms that connect them to the preferred outcome.
- When it comes to important communication, be willing to tell which information is most important and why.
- Give them the “inside scoop” when appropriate.
- Avoid vague statements and analogies.
- Use straight talk, avoiding “manager-speak.”
- Be upfront and clear about a realistic growth track.
Coaching and Development

With talents such as multi-tasking, teamwork, and more, this generation has much to offer in the workplace. And they like to hear this. Fueled by feedback – preferably frequent and affirmative -- Gen Y workers demand attention from their leaders. What might appear as “needy” is “normal” for a population that spent their childhood receiving gratuitous praise or ice-cream for every victory, large or small.

Through TalentKeepers research, we know that as leaders develop strong relationships with their team members, employees are not only willing to stay longer, but they work harder and are more apt to overlook their issues with things like work schedules.

Of the participating organizations, 29% indicated that leader issues (trust, coaching, etc.) were the most frequent reason employees leave. In the overall retention equation, leaders play the most influential role. Given this perspective, the results when we asked organizations how effective they are at attacking turnover through leader issues such as good communication and coaching become more intriguing. Armed with this information, employers of Gen Y workers need to tap into this valuable retention resource – leaders as coaches.

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Research tells us, however, that this age group does respond well to constructive feedback. This should make a leader’s role as “coach” a whole lot easier. The challenge for leaders becomes providing feedback that develops and improves as much as it acknowledges and rewards. One opportunity lies in giving them help structuring their workday. Gen Y employees tend to flounder a bit without clear direction. Address this by developing short and tight deadlines with frequent check-ins. When it comes to an evaluation, the traditional annual review isn’t enough. They want to know how they’re doing weekly, if not daily.

Gen Y is keen to prove themselves and often assume that lack of management contact means they aren’t appreciated. Unlike their Gen X colleagues who prefer hands-off management, to Gen Y, no news is bad news. To overcome this anxiety, leaders must commit to regular interaction and to acknowledge steady effort. They can balance this high need for attention with other operational duties by doing drive-by coaching.

The good news is that Gen Y will put in the extra effort if they believe they’ll be rewarded as opposed to because it’s expected. In terms of rewards, employers need to look beyond the paycheck. Though salary and benefits are important, the opportunity for growth and advancement rank closely for this age group. Gen-Y needs to hear that their work makes a difference and why it’s of value to the company. Retention (and engagement) will be influenced by the level of opportunity a company provides.

**TalentKeepers’ Leadership Strategies for Coaching:**
- Give the frequent praise Gen Y wants without “lowering your standards.”
- Welcome “drop-by” requests for help.
- Don’t miss a chance to give them the affirmation they need.
- Leave tones of power and authority out of the picture.
- Allow for exposure to other areas of the company in which they are interested.
- Discuss how their unique talents and goals fit into the big picture. Map the path for getting there.
- Work with them on a career path that considers individual talents, interests, and business needs. Check in often.
- Set aside hierarchies and leverage mentors and peer coaching.
Conclusion

Gen Y is a critical resource of today and the leaders of tomorrow. Does this mean that the entire working world should make decisions based on the preferences of Gen Y? Of course not. However, engagement-focused organizations and leaders will find a way to refine Gen Y's talents and quirks and help them grow into successful professionals who add great value to the organization.

The key to engaging and retaining good employees, especially Gen Y, comes down to the relationship with their immediate leaders. Adapting new ways of coaching and communicating will allow leaders to harness the unique talents of Gen Y and build high performing teams.
Talent Management Solutions

TalentKeepers® is celebrating 15 years of providing award-winning employee engagement and retention solutions to help companies around the globe increase their performance. We’re a recognized leader in innovative onboarding tools, employee engagement surveys that drive growth and accountability, HRCI and SHRM certified training for HR professionals, unique eLearning leadership programs, teambuilding tools and much more. Twice we have won HR Executive Magazine’s Product of the Year award. Re-energize your efforts and expect more from your engagement and retention partner. Contact us today at solutions@talentkeepers.com.

Leadership Training Programs
All of TalentKeepers training and development programs are built around critical competencies and designed to give leaders the skills they need to be increasingly effective in their careers. Leaders learn talents including Trust Builder, Flexibility Expert, Talent Developer & Coach and High Performance Builder in a total, blended learning approach including e-learning modules, reinforcement workshops and off-line practice activities.

Employee Engagement Solutions
Retaining and actively engaging high-performing employees builds strength in an organization’s culture and improves overall performance. TalentKeepers offers several tools proven to increase commitment and positively impact engagement and productivity.

Surveys/Assessments
TalentKeepers’ surveys and assessments can help you measure and report the impact of critical factors that contribute to engagement and the degree of influence those factors have on employees’ decisions to join, stay or leave your organization.

For details on our Talent Management Solutions or to get more information on TalentKeepers’ full range of products and services:

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