



Managing Generation Y in the Workplace

Recruiting, Training and Retaining in Web 2.0



HRwisdom

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Introduction

Welcome to your HRwisdom report on managing Generation Y in the era of web 2.0.

In this report we'll go step by step through the process of:

- Identifying what makes Generation Y job seekers different
- How employers are recruiting in this new age
- How training has evolved to accommodate this generation
- How employers are working to retain these employees.

How Are Gen Y Different?



How are Generation Y job seekers different? What makes them worthy of all the attention they get? Why can't we just continue on, business as usual?

Generation Y is known by several different names including the Millennials, The Millennium Generation and the Net Generation. It's pretty easy to understand why. This generation has grown up at the computer, surrounded by technology. This makes them ideal for skilled jobs and makes them prime candidates for advanced job training.

This is not a generation easily ignored. They account for 4.2 million Australians, which is 20.5% of the population.

Early Generation Y has been in the workforce for several years, making a name for themselves and moving quickly through the corporate hierarchy with a 90% labour force participation rate. They are saturating the market in entry-level and midlevel positions but will soon be in the upper levels of management, making real changes. Some already are.

Later Generation Y is just finishing high school and getting ready to move on to bigger, better things. This is the generation to pay attention to. They'll soon be entering TAFE colleges, universities and other centres of learning to build on the skills they've learned in high school and make themselves into a valuable, employable force, with your help.

Generation Y is technologically savvy. They haven't just learned how to use technology for their jobs. They have immersed themselves in it as a means to communicate with the world around them and live their lives. Ninety-one percent of Generation Y is on the internet. It's no longer simply a tool for work or a means to find recreation. It's a way to live.

What does this mean for employers? Generation Y offers them workers who are hungry for the latest, greatest thing in technology. Employers don't have to worry about them balking at the thought of needing to learn a new piece of software or hardware. This generation is eager for the challenge that a new skill might bring.

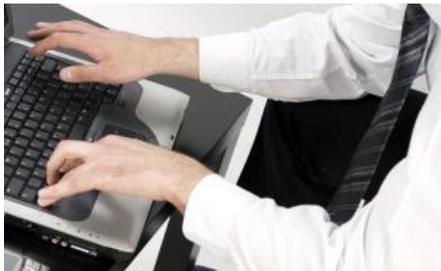
Best of all, their background makes it easy for them to pick up new concepts and ideas. They are flexible, adaptable and willing to go with the flow in this ever-changing marketplace.

This, of course, has led to a renewed interest in higher education and vocational training. Generation Y is the most formally educated generation yet. High school completion rates are at an all-time high. Generation Y doesn't expect to go right into a job after high school. They recognize the need for higher education.

They want to know what you can offer them and how quickly you can deliver the skills they need. They have grown up in the age of instant gratification with the expectation that their current skills may no longer apply in just a few years, or even a few months. Evolving technology doesn't faze them as it might have generations before them.



Most employers now understand the need to keep their employees' skill sets updated with the latest technology. Not only do employers see the value in ongoing education, but Generation Y workers are motivated to take the initiative to get this training themselves. They are interested in what you have to offer.



State of the art training has never been so important or so expected. When asked whether career development through additional training was important to them, 78.9% of Generation Y workers stated that this was very important. Even more interesting for employers, 89.6% said that an employer who offered ongoing training would be far more likely to convince them to stay with the company.

Education is no longer limited to increasing their knowledge or skills in their chosen field. Generation Y doesn't expect to stay in a single corporation, or even a single industry, for their entire working life. It's not unusual to see older students in TAFE or university learning a new career. They might have two, three, four or even five careers before retirement.

Only one in four Generation Y workers would consider staying with an employer for five years, and they expect a promotion in no more than two years. All of this contributes to an increased demand for job training. In fact, most Generation Y workers would rather walk away from a job that doesn't meet their expectations than stay in a position where they aren't happy, regardless of their paycheque.

All of this technology has allowed Generation Y workers to expect more from their careers. Flexible schedules and telecommuting are more popular than ever. They're looking for new, exciting opportunities, not just a paycheque.

Even though an established, well-regarded company is considered a plus, what they're really looking for is a work environment where they fit in. They want co-workers with similar interests, a fun atmosphere where they feel like part of

a team, not just another worker and a place where they can really expand and explore new opportunities.

Generation Y is looking to do everything bigger and better than previous generations. They are not looking for a corporation where all of the workers mill around, doing their little jobs, while the big boss keeps watch. They view their bosses as mentors rather than authority figures. They expect to know their goals and their place within the company and within the “big picture.”

Forty-two percent of Generation Y workers listed “relationship with peers” as one of their top-three reasons for keeping a job. If that connection doesn’t stick around, neither will they.

New Strategies Required By Employers

Employers now need a drastically different strategy for finding Generation Y workers... and they face a challenge that never was an issue with previous generations... namely, convincing them to take the job.

What do we know so far?

- Generation Y is on the internet more than ever before
- Money is no longer as much of a motivating factor as it was for previous generations
- Generation Y wants a fun, exciting work environment
- They want a mentor, not a boss
- They want a sense of belonging

So, what can an employer do to fulfil these needs? First, almost ditch the newspaper ads. Subscription rates for newspapers have declined drastically over the years. Generation Y isn’t looking in the classified ads.

They’re turning to online job postings. But it’s not enough for a company to list their position. They need a powerful, engaging website that will draw new



employees in.

A little while ago, Mark Gray, head of specialist HR recruitment and technology company, Graylink, said, “While older generations may prefer printed job advertisements, Generation Y increasingly consumes media online. The baby boomers scoured the newspapers for vacancies and trusted corporate marketing for research about a company, but the Google Generation is doing all this online, researching a new job as they would research a consumer product before buying it.”

This is a whole new world for employers. Generation Y expects to find an organisation’s website quickly and easily, both for research and to apply. Don’t expect them to search through pages and pages or scroll through a Site Map to find information on recruitment and available positions. A company’s site must be able to pass the 3-Click Test. If a potential applicant can’t find what they’re looking for in three clicks or less, they’re out of there.

Many proactive organisations have been re-doing their websites to achieve these aims. At HRwisdom, we continually emphasise the need to use the careers section as a marketing tool for future employees. Organisations should always be answering the jobseeker’s constant question: “What’s In It for Me?” Far too many organisations waste this opportunity.

By the way, for a fantastic and very funny explanation of how to answer What’s In It For Me when dealing with Generation Y, check out the one of the first few episodes of The Hollowmen, the TV show developed by the makers of the classic Australian movie, The Castle. One of the episodes has the Prime Minister’s office developing a TV commercial to entice Gen Y people to join the army. The most successful version of the ad features young people lounging about on gorgeous beaches and generally having a ball – not a tank or a gun in site. Do take a look.

How Does Gen Y Find Jobs?



So, how does Generation Y find out about available job postings?

Job search websites such as CareerOne Australia, Jobsearch.com.au and obviously SEEK. Most organisations recognize that online job postings open up positions to a much wider audience than traditional newspaper postings and regularly include this as part of their recruitment efforts.

Social media websites, such as Facebook, Twitter and LinkedIn are gaining popularity in leaps and bounds. It is interesting to note some of the overseas trends regarding employer use of the social media websites. Many companies have set up Facebook and MySpace pages to attract loyal customers and a few have done this to attract potential employees. So far though, more employers are using social media websites for screening candidates rather than luring them in. A recent survey of employers in the UK showed that 7.5% of them were using sites like Facebook and MySpace as an informal part of the referencing process. Another survey in the United States put the figure at 44%. We saw nearly saw an Australian Gold Medal swimmer kicked out of the team before she got to the Beijing Olympics due to her Facebook page so this has implications for employees and employers alike.

There are employers setting up recruitment pages on the social media pages like Facebook because they know that Generation Y wants to know about the social environment of the company, not just drab statistics about corporate growth and superannuation details. However, the jury is still out on the success and staying power of this recruitment stream.

Gen Y people also hear about jobs via online forums and blogs. Never underestimate the power of word of mouth. Are employees happy? Many Generation Y people have personal blogs where they discuss the ups and downs of their day, including work. Their words reflect on the company's

image. A happy employee can lead their blog readers to search for the company and apply. Again, conversely, poorly thought-out use of such blog postings can have negative impact on individual employees and job seekers. One manager we know still smiles when she thinks about one overseas employee who emailed her several days after a deadline saying he'd lost his internet connection. Unfortunately for him, he'd continued to post his personal internet blog to the world during this alleged internet downtime.

The Power of Social Networking

Social networking has hit the mainstream in a big way. Generation Y is on social networking sites in force. In marketing, companies know that a happy customer will tell an average of three people, and an unhappy customer will tell an average of 10 people about their experience. That doesn't take into account the power of the internet and social networking.

How Does Social Networking Work?



An employee gets home from work and sits down in front of their computer. Posts are generally short and may only take a few minutes, or even a few seconds on some sites, to type.

Instantly, that post is available to all of their friends to read and comment on. If they mention a company name, it's a pretty sure bet that at least a few of their friends will google the company. If it's a favourable post about the working environment, the company just might see some applications come in.

On average, women have 62 "friends" while men have 57 "friends." Many sites have larger "communities" of users comprised of many users who share a

common interest even though they may not know each other directly. A single post could potentially be seen by hundreds or even thousands of people.

Many corporations are creating their own company profiles on sites, such as Facebook and Twitter, to better relate to and attract both customers and potential new employees. Employees are looking for companies they can relate to and feel a connection with. They want to see the corporation as a community of people working toward a common purpose, not a hierarchy of people forced to do the same thing, day in and day out.

LinkedIn helps you...

 **Re-connect**
Connect and stay in touch with colleagues, classmates, & clients.

 **Power your career**
Discover **inside connections** when you're looking for a job or new business opportunity.

 **Get Answers**
Your network is full of industry experts willing to **share advice**. Have a question? Just ask.

LinkedIn has made a name for itself in the corporate world. Unlike other social media sites, LinkedIn specializes in helping professionals connect with each other. It offers professionals, from entry level workers to CEOs and entrepreneurs, the chance to share ideas and resources in an environment geared toward business.

One feature of LinkedIn that employers are just starting to take advantage of is the Job Posting Board where employers can list their available positions or search through candidates who have made their resumes available.

The truly unique thing about LinkedIn that no other method of job posting can give you is accountability. LinkedIn is all about the links between individuals. Employers can see if the potential candidate has a connection to any of their current employees, and in some cases, view public endorsements from their former co-workers. That takes the concept of asking for references to a whole new level.

At the same time, employees know that their former co-workers and bosses can view their LinkedIn profiles and post comments. If they are thinking about misrepresenting themselves, it makes them think twice because someone out there knows the real story. One work experience student a company took on recently posted himself on this particular site claiming to be a rather VIP (very

important person) in the company. It was nice to see they valued the company's name but the company still had to ask him to change his claim to fame.

The Job Posting Board isn't the only place to find potential employees. A number of Generation Y workers have found new positions through their LinkedIn contacts. It's the online equivalent of being in the "right place at the right time."

People often say, "It's not what you know. It's who you know." Nowhere is that more true than online. Many companies are realizing the power of passive job seekers. These are people who aren't actively looking for a new position but are feeling unsatisfied with their current position. They're not quite ready to make that leap to leaving the company yet, but they're open to potential opportunities.

Remember, Generation Y workers can have as many as five careers before retirement. They're quick to leave a job where they feel they don't fit in, there just isn't enough opportunity for advancement or they aren't challenged enough. That makes passive job seekers extremely valuable.

Employers may chat casually with them for months, getting to know each other, before the right position opens up in their own company. Sometimes it's as simple as mentioning, "This position just opened up. Maybe you should apply. You'd be perfect for it."

This extra connection can help employers gain a greater insight into new employees even before they apply, which can lead to better hires and better retention rates. Companies such as Microsoft and eBay have found new employees on LinkedIn.

LinkedIn also helps employers to view their current employees as a valuable resource to find new employees. While many employee referral programs are ignored or fail due to lack of interest, LinkedIn allows employees to refer their friends with very little effort.

When they first create a LinkedIn profile, the site asks if they would like to search for former co-workers, colleagues and employers to connect with. Sometimes they can reunite with friends they worked with years ago. If they're happy at their company, their friends may decide to join them.

Training Gen Y



Generation Y understands that technology changes at an amazing pace. Moore's Law, invented by Gordon Moore of Intel, states that the number of transistors on a computer processing chip will double every two years. Basically, what you know today about technology today will change dramatically just two years from now.

This doesn't apply to just the computer industry. Technology in every industry is changing and evolving. This has contributed heavily to the "generation gap," especially in the workforce. While many companies view this as a problem to overcome, some companies are using it to their advantage.

The multinationals like Procter & Gamble and Siemens have begun using a technique called Reverse Mentoring. By pairing entry-level employees straight out of the university to upper managers and executives, they allow Generation Y to help their executives navigate the internet while their executives form a bond with younger employees which can lead to long-term mentoring.

Jack Welch of General Electric fame says "e-business knowledge is usually inversely proportional to age and rank." In a reverse mentoring program, General Electric paired up 1,000 managers with 1,000 brand new employees. The new employees generally had a much better grasp of technology than the managers.

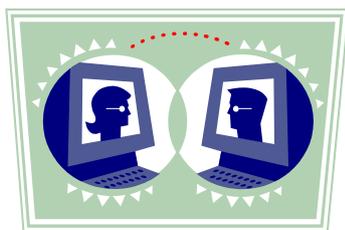
This worked wonders for both sides. The managers gained new knowledge and skills to keep them up to date with technology while at the same time bringing them down on a personal level to interact with new employees.

In a survey by Fast Company, 68% of mentors and mentees in these types of programs said they were either satisfied or very satisfied with the results they achieved.

With the increasing popularity of the internet has come more and more ways to train employees online. Sites like Brainbench.com allow employers to not only train but to screen their employees without bringing on any additional personnel.

Before hiring, Brainbench provides a variety of assessment tools to make sure potential hires have the right skills and are the right fit for the company. It is vital that all of the employees in a company gel into one cohesive unit, working together. Often it only takes one employee who doesn't quite fit in to throw an entire work group or department out of whack, which leads to lower productivity and lower satisfaction with the company as a whole.

Once an employee is hired, it's important to bring them up to speed in the most time efficient method possible so they can become a productive, valuable asset. Employers can make customized training modules and resources available 24/7 from home or the office. They also provide a variety of assessments and training resources from their partners.



Generation Y isn't always content to sit back and wait for their potential or current employers to take the initiative. Many proactive Generation Y job seekers are looking for ways to make themselves stand out right from the moment they hand over their resume.

Sites like Brainbench.com offer individual certification in job skills ranging from basic office skills to industry-specific assessments in healthcare, financial services and management, just to name a few.

This can allow entry level workers to rise above the crowd. Imagine if two employees each handed you a resume. They have equal job experience and skills. However, one applicant can offer proof of their skills in the form of a

recent assessment. Which applicant is more likely to advance to that second interview or hire?

Many employers are looking for a solution that combines the ease of use and assessment that Brainbench provides with the personal touch of a one-on-one trainer. Web conferencing fulfils this need.

Due to their upbringing and environment Generation Y is typically kinaesthetic and visual learners, which makes web conferencing ideal as a learning platform.

With web conferencing sites and software, employers can train off site no matter how large of a distance separates them but still give them that personal connection through audio and sometimes video right on their screens.

One of the main providers of this is one we use call WebEx. For a low monthly fee, employers can log onto the site and create a virtual meeting space for their employees in a one-on-one training or group training.

They can share documents and diagrams in real time as well as allow employees to share their desktops so they can see any new software being used, which is far more effective than saying, "Now if you look on Page 9 of the manual, you'll see how to pull up the next menu."

Trainers can use Voice Over IP to easily answer any questions and give instructions instantly without needing to type into a chat room or instant messaging software. Services like these add the personal touch to internet communication that Generation Y is looking for. In practice, it really can work very well. HRwisdom have run classes using this internet technology. One business we know was recently helping a business in Indonesia to train people via the internet across various remote locations. Web learning can be an excellent supplement to face-to-face learning and can keep the momentum of learning going when the reality of everyday life means you just can't get those people back into a room with you once the training has finished.

Retaining Gen Y

Generation Y has brought with it a variety of new challenges for employers, including retaining Generation Y employees.

Previous generations were known for their stability in the workforce. It was common practice to see an employee stay with a corporation for 10, 20 or 30 years. Finding a well-established company and staying there from entry level to retirement was considered a worthwhile goal.

In contrast, Generation Y workers have an average tenure of only four years. They are looking for fast promotions. Some leave their positions not because there is something wrong or because they're dissatisfied with their job but simply because they can't think of any reason to stay. In short, they become bored and want to move on.

This creates a difficult situation for employers who simply aren't prepared to deal with this casual attitude toward employment. The reason the passive job seeker is so valuable to employers now is because it's increasingly easy to entice workers away from their current employers.



One might think, “If it’s so easy to find new employees, why not just get new ones?” The cost of finding and training a new employee to the point where they can become a productive member of the company can range anywhere from their first month’s pay to their first year’s pay, depending on the company and industry. It makes much more sense from an economic standpoint for an employer to focus their efforts on identifying their key employees and making sure those key employees cannot be lured away to the competition.

What are Generation Y employees looking for?

- Opportunity for advancement. Don’t think in terms of simply moving up the ranks. That was the goal of previous generations. Generation Y is looking up and to the sides. Remember, they often will change not only

jobs but careers. Linda in IT might have an interest in making a move to HR next year. Employers need to make sure their employees understand that those options are available.

- Feeling like part of a family. Generation Y has grown up with a much wider world view thanks in large part to the internet. However, personal connections with their own families have often fallen through the cracks. They feel a need to become part of a family and frequently turn to their workplace as a way of fulfilling that need. They want to feel like an important part of the whole.
- Mentors and connections. A survey conducted by TAFE showed that Generation Y workers want managers who “walk the talk” and “get to know” workers on a personal level. A rigid supervisor who insists on strict boundaries between work and personal life and refuses to listen to suggestions will find that retaining Generation Y employees simply isn’t possible in their department.
- Real Feedback. Generation Y wants to know when they’re doing their jobs correctly and when they’re not. A manager who refuses to give honest feedback for fear of offending while secretly disappointed with their work will drive Generation Y away. They want open, honest feedback, and not just in a formal review. Managers need to feel free to discuss problems as they occur, not only once per quarter or at a yearly evaluation. At the same time, managers need to give honest positive feedback when it’s warranted.

Mind you, our experience at HRwisdom is that this need for real feedback is not limited to Gen Y people – they can be, perhaps, a little more forward in seeking such feedback. The fascinating Australian social demographer Bernard Salt once gave a simple example of this when he described a situation where the CEO of a mega company steps into the lift with a Baby Boomer. The Baby Boomer apparently hides in the corner desperately trying to discover something fascinating about the carpet. In contrast, the Gen Y person steps forward, shakes the CEO’s

hand and then spends the rest of the journey patiently explaining to the CEO what they're doing wrong and what they need to do to fix the company.

How are employers retaining Generation Y?

The Personal Touch



In this age of the internet and digital everything, many employers have turned to email as a means to communicate with employees. While this may be fine for day-to-day communications, a quick email often doesn't cut it for acknowledgements and congratulations.

Owens & Minor, a multinational healthcare products supplier, has put into place a recognition system where managers can acknowledge employees for a job well done using a tracked points system. Co-workers can also recognize each other for excellent performance.

This can lead to a personal note from one of the top managers. Since implementing this program, turnover has declined from 29% when the program started 10 years ago to 10% to 11% today. Employee satisfaction is also up. There are many organisations doing this sort of thing across Australia but nowhere near enough organisations practice positive recognition on a regular or systematic basis – and it's so easy to do.

Hire an assistant for your assistant

Life is hectic. Employees often need to blur the line between business and personal life to get everything done. Most employees have spent company time making personal phone calls, and not just to friends or family. Employees often need to call to schedule dry cleaning and home repairs which can't be done after work hours.

It's not only phone time that can be affected. They may need to run a personal errand during their lunch break, which can lead to a late return time.



Some employers have come up with an innovative solution to these little problems in the form of concierge service or having a handyman on staff. These support employees will often pick up dry cleaning, schedule appointments, arrange for tickets to sporting events or wait for furniture or package deliveries which frees up other employees to actually work.

The corporate handyman make minor household repairs for free to the employees or wait for a professional to arrive at the home rather than requiring an employee to take an entire day off work.

While this might seem unusual to some employers, others who have tried it have found that hiring these support employees actually saves them money because it allows their key employees to focus on their jobs instead of outside distractions.



Tuition Reimbursement

Generation Y is already interested in furthering their skills, so many employers are actively encouraging their employees to pursue ongoing education. This doesn't have to be for just tuition. Many employees will jump at the chance to attend seminars, workshops and one-day intensive trainings. This has huge potential for Generation Y. Instead of attending a course every day for several months, a year or more, they can attend a quick workshop to gain new skills right now and implement them immediately in their jobs.

Partner with other businesses for benefits

Some companies are partnering up to offer employees benefits they wouldn't be able to provide on their own. A computer company might partner up with a bank to give its employees access to lower interest rates on mortgages or loans and the bank employees access to discounted rates on home computers or

software. Other popular partnerships are with health clubs or insurance companies.

Unexpected Rewards

Generation Y wants to feel connected and wants to feel like their employers care about them a person. One way to do this is through unexpected rewards.

If an employee has recently had a baby, send a card along with a cheque toward s their baby's care or education.

Give employees their birthday, their spouse's birthday or even their children's birthdays off work as paid holidays.



One left-field trend growing in offices overseas is allowing employees to bring their pets to work. Studies have shown this to have a positive affect on employee health and satisfaction. Imagine working while your cat sleeps on your lap or your dog is curled around your feet.

Not only can this reduce blood pressure and stress levels, but it encourages employees to work longer hours and take fewer days off because they're not worried about their pets at home alone.

Some small businesses have adopted an office mascot that all of the employees help to care for. For employees who cannot have their own pet due to time constraints or living situations, this can encourage them to spend more time in the office or at least feel more comfortable there and want to stay with the employer.



Part Ways As Friends

Don't assume that that employee walking out the door today will never be seen again. With how frequently Generation Y employees change positions, they might be back in a few years. Employers are just starting to realize the potential in remaining friends with former employees. By being

supportive and understanding when an employee moves on to another corporation, the company leaves the door open to them coming back a few years down the line with more job experience and skills to offer.

Conclusion

Hopefully you've picked up some useful tips from this special HRwisdom report and have gained a better insight into the unique traits and challenges that Generation Y presents to the workplace. We're sure you've noticed some of these issues yourselves just from observing your own employees from this generation.

Let's go over briefly what we've discussed.

Recruiting

- Generation Y is searching on the internet, not in the newspaper, for jobs
- A job posting has to make it clear that the company provides a fun, challenging environment to attract new Generation Y employees
- Use social networking sites as a way to find and connect with potential new employees whether the company is currently hiring or not. Passive job seekers are an extremely valuable resource.

Training

- Training new employees online is cost effective and very desirable to a Generation Y hire.
- Use pre-made assessments and training materials online to track an employee's skills and keep them up to date.

- Add web conferencing to train employees personally online. Web conferencing brings you and the trainee into the same room even if hundreds of kilometres separate you.

Retaining

- Think outside the box. Money isn't the main motivating factor to retain Generation Y employees. They want more than just a pay cheque.
- Create a family environment where every employee feels connected and valued for their contributions.
- Acknowledge milestones in employees' lives so they know that managers and the company as a whole care about them, not just the revenue they bring into the company.
- Maintain relationships with past valuable employees to increase the chances that they may return to the company in the future.

Special Resources

Here are some of the resources we've shared with you today in case you missed them:

Job Search Sites

- CareerOne Australia - www.CareerOne.com.au
- Jobsearch.com.au
- SEEK - www.SEEK.com.au

Social Networking Sites

- Facebook - www.Facebook.com

- Twitter - www.Twitter.com
- LinkedIn - www.Linkedin.com

Online Training Sites

- Brainbench - www.Brainbench.com
- WebEx - www.WebEx.com

You may also want to google the demographer Bernard Salt and go to one of his presentations as he really is a fascinating guy to listen to.

Further Information

Of course, you can also learn much more about human resources topics geared toward anyone involved in staff management at the HR resources site HRwisdom.com.au. There is a wide range of high quality reports, presentations and more (most of them for free) that you can access online to help you deal with staff management issues and workplace issues that we all face from time to time.

You'll get access to some great videos and reports that talk about:

- What big employers are doing to take advantage of the financial meltdown and how you can too.
- How clever planning can give you the edge over 63% of competing employers.
- Special strategies for increasing the number (and quality) of applicants for job vacancies.
- The key principle for finding and keeping good staff.
- How to make sure new employees want to stay.
- How to use raise performance standards to stand out from the crowd.

We've only been able to cover the tip of the iceberg here today.

If these topics interest you, you'll definitely want to check out more at HRwisdom.com.au

