Generation Y Impact on Strategy

Ready, Willing and Able.

WHITE PAPER
Unchartered Territory

Never before has one generation wielded so much influence on a total labour market and future organisational strategy. Organisations and economies will be substantially affected by Generation Y’s collective behaviour with broad implications in both the economic and social arenas. Despite the challenges faced organisations have an opportunity to proactively harness this colossal force by embracing new ways of thinking. Pierre Sane, Assistant Director General for Social and Human Sciences for UNESCO has stipulated that we need innovative approaches to build tomorrow’s world. This can only be accomplished by giving Generation Y a seat in forums to shape it.

The question then becomes obvious what motivates Generation Y employees and what do organisations need in future to harness this Generation and to drive strategy?

In response to critical market needs a pilot study was commissioned by the HR Coach Research Institute. It sought to profile and examine a cross section of Generation Y employees and other generations, to develop a greater understanding of what it is that motivates these employees when making decisions relating to employment.

The research data pool included Generation Y and also perspectives of other Generations.

The results provided an interesting insight. What other Generations assume about Generation Y is very different to their own self-perception. Which raises the question – are we judging them without understanding them? The answer is; yes
Generational Push for Change

Whilst exploring international workforce flexibility trends, the HR Coach Research Institute identified the motivations and mobility of Generation Y in Australia was a key driver for organisational strategy to provide more flexible work arrangements. This strain on organisational change, together with the oversupply of businesses and undersupply of employees is forcing organisations to rethink their employee management and retentions strategies.

Of high importance in attracting and retaining Generation Y is providing a flexible work arrangement, where lifestyle is high on the agenda.

Businesses unprepared for Change

It is estimated that there will be a shortfall of 195,000 people within the Workforce over the next 3 years. This is placing unprecedented pressure on the business market. With an oversupply of businesses and an undersupply of potential employees, it is inevitable that some businesses will not survive.

A 5 year research project commenced in 2006 by the HR Coach Research Institute is identifying that businesses are unprepared for change. For those organisations that employ between 2 and 100 are under pressure when competing with the corporate market – especially for Generation Y.

As the war for talent intensifies and hits the Business sector, the harsh reality is that some businesses will be forced out due to the inability to attract and retain Generation Y. However, business owners who proactively address their people and process issues stand a fighting chance and can even flourish in difficult times.

The question is how? The answer is Y.
Productivity – More with Less

With less people in the labour market, businesses will be required to do more with less. It is a fact that different and even difficult times, creates different and better solutions.

So how do we do more with less with a generation that we know little about? It is well documented that Generation Y are not loyal, tend not to stay long in positions and are mercenary in relation to money. Enough is being said about them and yet little is talked about them!

Doring states ‘following the feedback, I just want to extend an olive branch to our greying friends and broker a lasting peace between the generations. In the fabled words of a great philosopher; why can’t people just get along?’

It seems to be a growing trend that Gen Y is being chastised for all that is wrong in the world and quite frankly Generation Y are growing tired of it. Y has become a dirty letter and they are not going to stand for it.

The HR Coach Research Institute lead by Generation Y researcher Udo Doring wanted to find out more. As Udo Doring identified with comments received from participants;

‘Despite popular rumour Gen Y isn’t to blame for third world debt, rising interest rates and the epidemic that is child obesity! We are not slaughtering whales, lopping trees in the Amazon or sabotaging peace talks with North Korea. What we are doing is trying to make it in this big bad world and all this bad press isn’t helping!’

So why aren’t businesses getting the best out of Generation Y? It is simple – we are talking about them and not with them!
Generation Y an Opportunity or Threat

The results from the pilot study on Generation Y has been very interesting indeed. Are they misunderstood? Well not completely but there are certainly grey areas.

What drives them, how do you get the best out of them and what will engage them have been questions that business owners constantly ask.

The HR Coach Research Institute identified that Generation Y is very misunderstood in this area and the results have been surprising.

Yes Generation Y is a threat to businesses if they are misunderstood, not engaged and underpaid. Are they an opportunity – absolutely! If they are involved asked what they think and provided an environment of flexibility. This is good news for the business sector in competing with the corporate market in attracting and retaining Generation Y. Following International flexibility research it clearly identifies that the business sector which employs less than 200 employees has a competitive advantage for employees as they can provide more flexible job opportunities.

Interestingly why Generation Y stay in their job and why they leave are two very different things. This places pressure on businesses to constantly second guess the motivations of their people. Businesses that focus on retention will be a step ahead in capturing the heads, hearts and pockets of this generation.
Are Generation Y Ready, Willing and Able

Businesses may be asking at this moment so if it is all about them what about my business? This is a valid argument and one that has been explored. Where the answer lies is identifying your young leaders today who are ready to take the challenge. The HR Coach Research pilot identified that 14% Generation Y are very interested in involvement in decision making and the bottom line of business.

Of critical importance is that 52% of the same sample group are ready to be groomed as future leaders. This is a positive sign for businesses specifically to compete with the corporate sector for future talent.

In a nutshell Generation Y is seeking an environment of mutual success. Business owners must respond through genuine communication that their personal success must then create success for business.

Feedback direct from Generation Y on this issue is that they want to be engaged and communicated with – not about.

An interesting response received from Generation Y in a focus group evaluating the result was 'well it just makes common sense; I want to be connected with my employer. I mean who wants to work with a dud!'
Measurement – the starting point

Measuring the motivation, satisfaction and fit for Generation Y in business is critical if that connection is to work. Developing a communication process around measurement is the starting point.

HR Coach as a result of this research has developed a program which encompasses strategic business needs and employee satisfaction. In May 2008 it launched the STAR Workplace Programme where businesses engage with their employees. It is also designed to build their brand as an employer which assists in connecting to a Brand Savvy Generation Y Market.

About the STAR Workplace Programme

Look for the sign. Businesses who enter into the STAR Workplace Programme have taken a proactive approach to attract and retain their people and connect them with their strategy.

Feedback from Generation Y on the Programme has been outstanding.

The STAR Workplace Programme enables businesses to assess their own workplace.

Gone are the days where a consultant judges and assesses what you do. What is important is the satisfaction of the business owner and the satisfaction of the people working within the business. When we measure this we can see how you create mutual success together.

Australian workplaces are not all the same. What matters is how we link people to profit in a way that staff are happy in contributing to business goals. The STAR Benchmarking tools have developed to understand what really drives strategy.

The four components that are evaluated include;

- Strategy Fulfilment
- Team Satisfaction
- Actions and Processes to Retain Employees
- Results of Performance
By benchmarking your own performance enables teams to gain a better understanding of what makes your business tick. From there, you are in control to develop a plan for Generation Y and other Generations in a way that is right for your business and your staffs individual needs.

Accredited STAR Workplace facilitators who are members of the HR Coach Network review the results with businesses and help prioritise actions and review options for the next six and twelve months.

**Future Research**

Preliminary findings from HR Coach Research Institute is discovering broad implications to business in relation to Generation Y. We would like to know your thoughts. Log on to; www.hrcoach.com.au

The more data we have the more we create a real understanding. Currently the HR Coach Research Institute is undertaking further research in Generation Y from an international and cross cultural perspective. So watch this space.

**Researcher Profile**

Udo Doring a Generation Y, has recently returned from the United Kingdom where he on behalf of the Queensland Governments Department of Premier and Cabinet and HR Coach, piloted an International Labour study producing the UK HR Index.

He has worked throughout Australia ans Asia specialising in process reengineering and change management.

**Help Professionals Help Businesses**

Look for a qualified HR Coach who understands the method of measurement and communication strategies within a proven methodology. We strongly suggest to not develop a HR Plan without measuring your current business in terms of Strategy, Process, Talent Productivity and Satisfaction. Only then will you know which strategies will help you get connected with Generation Y.
About the HR Coach Research Institute

Human Resource and business practice constantly evolve to keep pace with emerging issues and trends. At the HR Coach Research Institute we understand that it is important to identify these changes as they happen and to identify pending trends before they take effect in order to best deal and benefit from them.

Our collaborative approach to research brings together senior executives, advisors, human resource professionals, special interest groups and expert matter specialists to make a difference to our understanding and application of knowledge for organisations now and in the future.

Our research is:
- Collaborative – to maximise research resources
- About understanding through knowledge
- Challenging to conventional or assumed thinking
- Practical – our research is directly linked to application to improve work practice and social wellbeing for employers and employees.

Key research outcomes have included:
- Identification of key behaviour matrix of managers and employees – 2002
- Innovation patent for measurement of organisational capability – 2003
- Strategic Action Model – 2004
- Business benchmark series for employer and employee engagement connectivity – 2008
- Career Monitor Model for Retention – 2013
- Succession Planning, stages for external and internal planning – 2014

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About the HR Coach Group

The HR Coach Group is backed by the HR Coach Research Institute and includes the Training Academy, Employee Services and Industrial Relations and 56 Network Offices across Australia, New Zealand and Papua New Guinea. For more Information on HR Coach and the HR Coach network visit: www.hrcoach.com.au