Employee retention is one of the single largest factors affecting today’s business climate. This concern about acquiring and retaining talented employees is the result of the one-two punch created by the rate at which baby boomers (those born between 1946 and 1964) will retire over the next decade, and the perception that the youngest, newest members of the workforce—the group variously known as Generation Y, Generation Next or the Millennials (those born between 1982 and 2000)—are less loyal to their employers than their predecessors were.

Finding talented individuals to replace those leaving the top rungs of the ladder while trying to keep the entry-level crew engaged and employed is costly, time-consuming and even exhausting. It is also crucial to corporate success. The retirement of experienced workers is inevitable, so companies must create ways to keep those with less experience in-house, and help them grow with the company so they can assume management roles in the future.

According to a 2007 report on employee loyalty from Walker Information, 36 percent of American employees say they plan to leave their current organization within the next year. The members of Generation Y do not tend to be the silent type. They have ideas and they want to voice them, plus they want to know the rationale behind thoughts and decisions.

Youth Movement

More so than previous generations, Generation Y seeks work that is fulfilling and enables them to make a difference. Here’s how to get them plugged into your organization

by Dianne Durkin

The members of Generation Y do not tend to be the silent type. They have ideas and they want to voice them, plus they want to know the rationale behind thoughts and decisions.
age of change

The best questions managers can ask

Gen Y employees are what the company is doing wrong, what it could do better and if they have any ideas for improvements.

next two years, a spike of 5 percentage points from 2005. Almost a quarter more say they feel trapped in their jobs. The report also found that four in 10 Gen Yers, those twenty-somethings who represent the future, are at high risk of leaving their companies.

One of the most common reasons younger workers leave their jobs is because they are not fully engaged. The youngest generation in the workforce possesses an insatiable appetite for growth and job success. Anecdotal and researched reports show they believe strongly in their own ability to contribute to the company's success and growth. As a result, they will leave one position for another to fulfill their potential, grow personally and professionally, and achieve career success.

A study conducted last year by The Wall Street Journal found that 97 percent of the 40 companies surveyed said they needed stronger plans to retain top talent across generations. In other words, most managers feel that they are unprepared to deal with this high-turnover trend.

Assuming employee satisfaction leads to commitment and loyalty, the Journal report verifies the need for corporate executives and HR managers to understand the younger generations' value systems, priorities and unique needs if they want them to stick around.

Generation Y is committed to work they believe can make a real difference in the world. When these individuals are connected to the vision and purpose of the organization, and they clearly see how their individual efforts contribute to moving that purpose forward, they become committed and loyal. In fact, this is not only true of younger employees—it is true of all employees. We all want to feel like we are part of something greater than ourselves, and we want to know our contributions matter. The difference between the younger generation and those who have been employed for decades is that, from the very beginning of their careers, they have been more direct and straightforward about wanting their work to provide personal fulfillment.

Another recent survey, this one conducted by BusinessWeek, determined that the companies with the highest retention rates got them by making themselves more transparent, flexible, responsive and even nurturing. In short, they wisely play to the needs of the younger generation.

The BusinessWeek article ranked Deloitte & Touche, PricewaterhouseCoopers and Ernst & Young, all accounting firms, as the top three, and the first companies to rethink how to recruit and retain new college graduates. The accounting firms, which as a group are not known for providing engaging or inspiring work, transformed their recruiting and employee retention programs because they had no choice, the article argued. The need for gaining new talent was critical.

Determined to make a difference

Gen Yers have lofty goals and dreams. They truly believe they can achieve them, and are very accustomed to getting what they want and what they work for. They are optimistic about the future and realistic about the present. Because their time has been scheduled and planned by parents and teachers all of their lives, they tend to follow directions well. In the work environment, industry experts say they require structure, guidance and direction from their bosses while also needing to work in a flexible environment in order for them to get the job done.

They differ from Gen Xers, who are known for their fiercely independent work style, are apt to take everything on themselves, need little direction and want to work on their own terms, in their own time. Unlike baby boomers, Gen Yers will not be lured by promises of climbing ladders, paying dues or cashing out at retirement. Customized training, mentoring, incentives and responsibility will be necessary to retain this generation.

Gen Yers do not tend to be the silent type. They have ideas and they want to voice them, plus they want to know the rationale behind thoughts and decisions. Two-way, open communication is therefore critical. Asking for their ideas, intently listening to their suggestions for improvement and then explaining why or why not certain suggestions can be implemented will show they are respected and appreciated.

A Pew Research Center Study on Generation Y outlined many of these ideas. Asked about their top goals in life, 81 percent said being famous and getting rich is their

about the author

Dianne Durkin is the president and founder of Loyalty Factor LLC, a training and consulting firm that specializes in change management and employee loyalty and customer loyalty programs. She is the author of The Loyalty Advantage (AMACOM, 2005).
generation’s most important life goal. The desire to be famous and rich may sound shallow, but the reason why is rooted firmly in reality: The Pew Study said this is a generation that is hyper-aware of what it takes to keep pace with the costs of housing, insurance and education, all of which are considerably higher than they were when their parents were growing up.

So how can managers convert the innately mobile into seasoned, long-term employees, who will stay with the organization and become valuable, productive managers of the future? They can start by listening and understanding their value systems. Because getting ahead is so important, employers can keep them engaged by continually educating and training them, making them feel important are also key to turning Generation Y employees to foster learning, productivity and longevity of employment.

- **Put it in writing:** This generation is tech savvy. Brought up using computers as learning tools, most do not remember life before e-mail. Thus, their learning and communication styles are electronically based—they are used to being able to see their “conversations” unfold electronically, and then keep track of them, save them and refer to them in the future. Instructions, requirements and responsibilities are best provided orally as well as electronically, in a file that can be saved on their computers.
- **Create outlines and agendas:** Organization of thoughts and instructions is very important to Gen Y. Outlines are very familiar to them, and agendas are very beneficial if meetings are to be productive. Goal-oriented and results-driven, Gen Yers say they want to know what to anticipate, the goals of the meetings and what will be expected of them. Providing agendas prior to meetings, and not just at the meeting’s start, will help them come prepared to produce and feel secure about their presence in the group.
- **Be direct and straightforward:** Gen Yers are used to being directed. They want to be told what to do, what is expected of them and how to achieve. Younger employees thrive under deadlines and when given clear instructions for task-oriented projects.
- **Make them accountable:** By giving Gen Yers lists of tasks to accomplish, they can feel accountable for their work. The accountability that comes from being given and then completing a project is extremely rewarding and is a good way to foster self-esteem and professional confidence.
- **Keep conversation casual:** Everyone wants to feel like their ideas matter, and the younger generation is no different. They want to have their manager’s attention, and they want to be heard. Conducting casual conversations at a coffee shop is a great way to engage Gen Yers and make them feel like part of the team. Set up “Juice with Jim” sessions or “Munchies with Margo” to enable a culture in which Gen Yers feel welcomed and important.
- **Tell them why:** As much as the younger generation wants to be directed, they also want to know why they are being told to do what they are being told to do. They want to know why certain decisions were made and why particular rules were established. Gen Yers don’t bow to authority just for authority’s sake. They need to know who’s making the rules, how they got into the rule-making position and the principles behind the rules being established.
- **Ask their opinion:** The best questions managers can ask Gen Y employees are what the company is doing wrong, what it could do better and if they have any ideas for improvements. Not only will this line of questioning help them feel important to the team and the process, and thus loyal to the company, but managers might be surprised by the good advice they receive. In business, you never know from where the next brilliant idea will hail.

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**strategies for working with gen y**

To achieve loyalty and commitment with Generation Y employees:

- Help meld their personal goals with the company’s goals. For example, companies can give their employees paid time off to volunteer or encourage them to incorporate their outside interests into the workplace.
- Ensure they are continually growing personally and professionally.
- Treat individuals equally, forgetting traditional gender roles.
- Establish mentoring programs—younger generations want to learn from various individuals.
- Respect their intelligence, energy and optimism.
- Establish team-oriented projects.

—D.D.