

Shifts in the corporate workplace are afoot as the nearly **70 million young faces of Generation Y** enter the workforce with a sense of empowerment and confidence that cannot be ignored.

# Corporations Should

**T**hey have been referred to as the Millennials, Echoes and Reagan Babies. No, it's not the latest pop music group. Rather, these are a few of the terms describing Generation Y — the youngest generation of employees entering the workforce.

Born between the late 1970s and late 1990s, the first wave of Gen Y is arriving on corporate doorsteps with a host of life experiences already under their belt. Early exposure to such things as the Internet, terrorism, downsizing, and digital and wireless media have helped shape their view and expectations of work and life. Supply management executives must gain an understanding and respect for this new entrant worker — for without that, corporations are losing opportunities for competitive advantage.

Generation Y brings a unique perspective to the work environment that is often misconstrued as laziness, arrogance or selfishness. What influenced this outlook? In many cases, it's baby boomer and Generation X parents who, after experiencing the era of downsizing, warned their children about the realities of new corporate America. Ready or not, the leaders of tomorrow are here, anxious to make their mark. Their sense of urgency is again reshaping how companies function and how employees are managed.

## The Changing Workplace

Today's expectations in the work world are vastly different from those of three decades ago. Prior to the 1980s, many employees assumed that companies were committed to their career for the long term. Leah Reynolds, a specialist and national practice leader for Generational Change and Total Rewards Communication at Deloitte Consulting LLP in Detroit, says the current workforce expects a faster pace and greater rewards. "If I was hiring someone 30 years ago, they could expect 10 or 15 years before moving from box 1 to box 2 on the organizational chart — and that was acceptable," says Reynolds. "What we have today is our younger generations giving voice to the changing expectations occurring over the last 25 years in terms of how they view the work world and the value that they bring."

The recognition is that the world has changed and that the employer and employee relationship is no longer based upon hierarchal power and long-term commitments for long-term benefits, concurs Carolyn A. Martin, Ph.D., a principal for RainmakerThinking, Inc. in Portland, Oregon. She says the acceleration of the world, fierce global competition, technological advancements and the short term replacing the long term helped create a free-agency model that

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Generation X embodied and Generation Y is taking to a new level. “It’s the attitude that if the organization is not going to take care of me, I’m going to take care of myself,” says Martin. “My loyalty has to be to my life, my family and to my career because I don’t know if my job or even the company will be there tomorrow.”

While some companies are still trying to adapt to the notion of flexibility, free agency and short-term outcomes, others are struggling to find ways to motivate and retain talented Generation Y employees. A deeper understanding of this generation may hold solutions to meet the needs of Gen Y-ers and their companies.

## Who Is Generation Y?

To define a generation, one needs to examine their environment. In the case of Generation Y, this can be difficult because of their significant exposure to a vast array of stimuli, and the rapid acceleration of world innovations. Consider the fact that from an early age, technology was a natural and important element in the lives of this generation. As technology advanced, it was second nature for Generation Y to adapt to its changes. The Internet and the progression



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from wired to wireless technology opened a global landscape that Gen Y-ers were eager to explore. As a result, information and communication became instantaneous, as did the reliance on technological tools in their lives. Thus, whether it's a laptop, cell phone, PDA or wireless network, these tools play a significant role in accomplishing work responsibilities.

In terms of work perceptions, parents and educators prove to be an even greater influence on Gen Y. Despite their youth, Reynolds says that Generation Y employees are quite savvy about how the business world works. They don't want to make the same mistake of dedicating their entire life to work, only to potentially suffer the same

fate as their parents or other adults they've witnessed who were downsized out of their jobs. And it is their parents and other boomer adults telling them not to do what they did. “Parents are advising Y-ers to live their life, make sure they have balance, make sure they have meaningful relationships in their lives and not to jeopardize those things at the expense of a job,” says Reynolds. “This creates a clash in a work-centric environment because while Generation Y employees are confident in getting results and doing a good job, they're going to do it on their own terms — and this attitude is often misperceived as laziness.”

Managing their careers on their own terms may also include shorter periods of

employment with companies, but it's not for a lack of loyalty or short attention spans, says Reynolds. Based on joint research between Deloitte Consulting and the Institute for the Future, there are several reasons why Gen Y employees are pessimistic about company longevity. “Gen Y-ers are not averse to the notion of working for one company their entire career; however, they don't fundamentally believe that it could happen,” says Reynolds. “There's the belief that organizations are unlikely to exist throughout their entire career or in the form that first attracted them to the company. More importantly, Gen Y-ers don't believe that companies have the competency to track with them concerning career development opportunities and advancement.”

However, as a generation that's been told by parents, teachers and counselors that it can accomplish anything and that education is the key to success, Generation Y employees often feel entitled to reward and advancement opportunities far beyond what is achievable at the beginning of a career. Martin says that's when hiring agents and managers should step in and offer a reality check. “However, there is such a thing as a healthy sense of entitlement,” she says. “Gen Y-ers are entitled to have the training they need to do the job, to have the feedback to get better and to be rewarded for their contributions in order to keep their motivations high.”

With a greater understanding of the perceptions, values and expectations of Generation Y, executives can focus on management strategies to leverage the talent this generation brings to the workplace.

### Managing Generation Y

As corporations change operationally over time, so do the styles of managing employees. The sink-or-swim mentality of yesterday is being replaced with a more personal, hands-on leadership style of management. The pace of business and level of global competitiveness leaves little room for inefficiencies. Thus, managers cannot wait for things to go wrong before reacting; there must be a proactive

## Gen Y: Raising The Bar

**T**oday, corporate social responsibility (CSR) is an issue that affects not only industry but the consumer, as well. And its principles stretch beyond the boardroom and into the classrooms of schools and universities. As a generation that understood and participated in environmental efforts early in their lives, it's not surprising that Generation Y's passion is volunteerism and community involvement. While this means that the focus of CSR will not disappear along with baby boomers and Generation X, it does raise the bar for corporations to expand their efforts in CSR initiatives.

Carolyn A. Martin, Ph.D., a principal for RainmakerThinking, Inc. in Portland, Oregon, says Gen Y-ers want to join organizations that are socially responsible. To meet that goal, young people are researching companies through networking, and taking note of their environmental track records. “I believe the greening of America, sustainability and global warming will not only be major issues, but this generation's civil rights movement,” says Martin. “They are also expecting organizations to have a code of ethics that is actually lived out, not just something that is worded beautifully.”

Leah Reynolds, a specialist and national practice leader for Generational Change and Total Rewards Communication at Deloitte Consulting LLP in Detroit, agrees, and says based on results of Deloitte's 2007 Volunteer IMPACT survey, companies are not exploiting nearly enough regarding what they're doing in the community and with the environment to appeal to Gen Y-ers. “Many do not understand how much of an impact that can make in terms of attraction and retention of Y-ers in the workplace, particularly those companies that truly support community and environmental involvement once Generation Y employees are employed.”

And by getting involved, Gen Y employees are not only benefiting the community, they're learning leadership skills, communicating with a variety of age groups and ethnicities, and enhancing their problem-solving abilities, says Martin. “These young people are learning skills that are core competencies in the workplace,” she says. “And the creative energy and excitement of contributing has a positive impact in the work environment, as well.”

approach — which translates into managers becoming good leaders.

To be an effective leader, possessing soft skills is critical, says Martin. She believes that the majority of corporate problems can be traced back to a lack of management. “It’s a sacred responsibility to be a manager,” says Martin. “You’re there to ensure that things go right. And when they go wrong, you’re there to intervene and provide people the direction, guidance and support they need.”

For supply management executives, the hands-on, leadership approach enables them to identify and leverage the talent of all staff, including Generation Y. In fact, because Gen Y-ers are committed to learning new skills

a relationship where the manager, as a good coach, knows the team, identifies with the strengths and skill gaps, puts people in proper roles, develops the bench strength, lays out the game plan and gives feedback constantly and consistently for improvement. “The best relationship with Generation Y is one where you’re getting to know them and their capabilities, letting them know where they have opportunities for creativity and flexibility, and what issues are nonnegotiable,” says Martin.

**Communicate the ultimate outcome.** As employees, Gen Y is focused on the ultimate outcome of what takes place in a company, says Reynolds. “They want

hand there’s the impatience of youth to get things done, but on the other they’re here to solve problems, be innovative, and build learning relationships and marketable skills as they’re contributing to the organization,” she says.

And companies sometimes lack creativity in how they leverage young employees in projects and initiatives to where there’s a feeling of learning, being challenged, developing as an employee and receiving meaningful feedback, says Reynolds. “You have to balance their need for mentoring and guidance by still acknowledging who they are and respecting them as individuals. The mentality of ‘you

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in a variety of areas, supply management is an ideal setting for sustaining a challenging and motivating career environment. And while organizational silos may be vertically blocked by today’s baby boomers, there are lateral opportunities in supply management for Gen Y employees to strive toward. Recognizing how to effectively lead the younger workforce pays dividends in attracting and retaining the generation’s value.

**Be a mentor and coach.** As new college graduates enter the workforce, companies’ best managers should be assigned as mentors, says Ellen Ernst Kossek, Ph.D., professor of human resources management and organizational behavior in the graduate school of labor and industrial relations at Michigan State University in East Lansing, Michigan. “The first boss is so important, and I think that companies have forgotten about that,” says Kossek. “Gen Y-ers need to be socialized about the work ethic and culture of the organization, and be given recognition for a job well done.”

Martin agrees, and says it’s imperative that there be a teaching relationship,

to know the purpose for what I’m doing and how does that roll up into the ultimate goal? I don’t believe that managers often understand that’s how this group views the organization,” she says. This also carries through when Gen Y evaluates a potential employer, Reynolds explains. Gen Y-ers consider a multitude of issues, such as the future of the industry, the path of the company going forward, whether they align with the company’s path, the global impact of the company in the marketplace and ethical views of the company and industry (see the sidebar on page 22). “It’s a much more sophisticated perspective than when other generations entered the workforce.”

**Allow for a meaningful contribution.** While they may start at a lower level in a company, Gen Y employees want the opportunity to demonstrate their value and make a meaningful contribution to the organization. Martin says the challenge for managers is how to harness the energy of young employees and not misinterpret their self-confidence as arrogance. “On the one

can’t make a meaningful contribution until you’ve been here 10 or 15 years’ is ineffective with a Gen Y-er.”

To make this new management model successful, it’s going to require a retooling on the part of many organizations. While most corporations will embrace this new dynamic that is Generation Y, others will be resistant to change. Reynolds says that resistant organizations will avoid Gen Y-ers by extending the employment of their boomers, as well as going to other parts of the world with the perception that overseas workers will understand and respect established processes. “Generation Y is really voicing what organizations must do to be in line with how people work or should work moving forward,” says Reynolds. “Many corporations will realize that it’s the right message, and that much of what younger workers are asking for is valued by all ages in our workplace.” **ISM**

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