



Generation Y: Tap this generation's technology skills and call to service in support of your agency's mission

Workforce strategies for attracting and retaining young professionals in state government

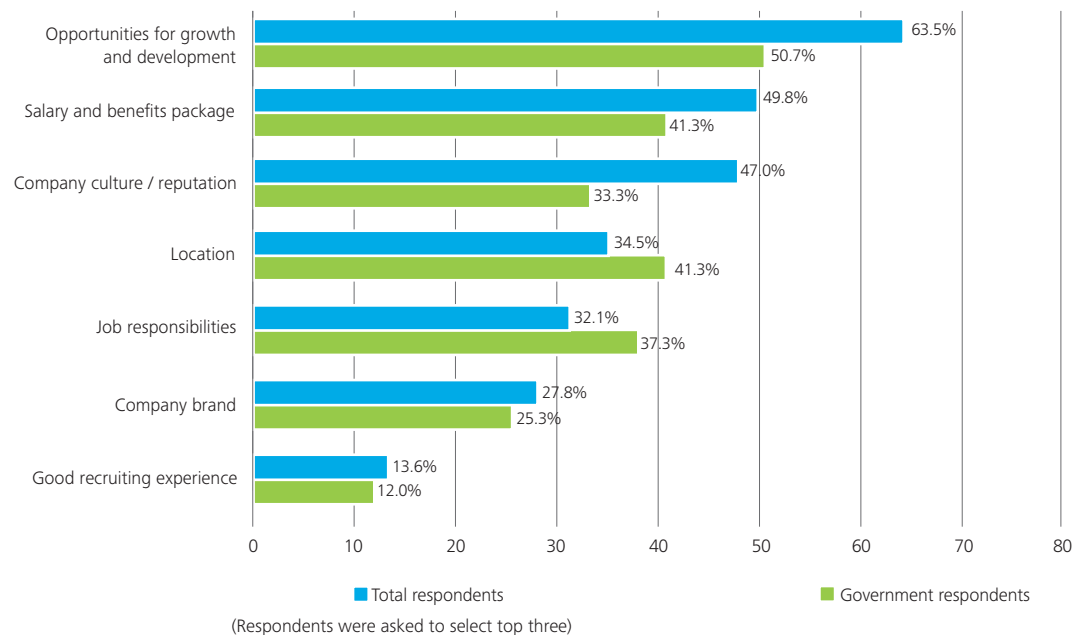


# More Gen Yers are seeking government jobs – but it’s important to understand why

In many ways, Gen Yers in state governments are like their counterparts in the private sector. They are enthusiastic, engaged, and eager to make a meaningful contribution. However, the respondents to our survey who currently work in the public sector<sup>2</sup> are very different from their peers in other important respects:

- **Different factors influence their choice of employers.** When asked about the top three factors that influenced their decision to work for their current employers, Gen Yers in government and the private sector both favored “Opportunities for growth and development” (64% of private sector respondents versus 51% of those in the public sector) and “Salary and benefits package” (50% versus 41%)<sup>3</sup>. However, Gen Yers in government also indicated that “Location” at 41% versus 35% of non-government respondents and “Job responsibilities” at 37% versus 32% were key factors. Based on anecdotal evidence from our conversations with government clients, we believe the stronger emphasis on non-monetary factors, especially location, could be a sign of Gen Yers’ well-documented sense of social responsibility – their call to service. We know of many Gen Yers who want to be involved in their local communities in a way we haven’t seen in several decades. Even with fewer Baby Boomers exiting the work force than expected, this trend still presents an opportunity for state governments to fill gaps in their ranks, both in terms of skill sets and, potentially, quality of candidates. At the same time, it presents perhaps an opportunity for state agencies to leverage Gen Yers – because of their technology prowess and, as discussed below, gravitation toward non-monetary rewards – to support technology transformation initiatives aimed at improving service delivery and cost-effectiveness.

What factors influenced your decision to work for your current employer?



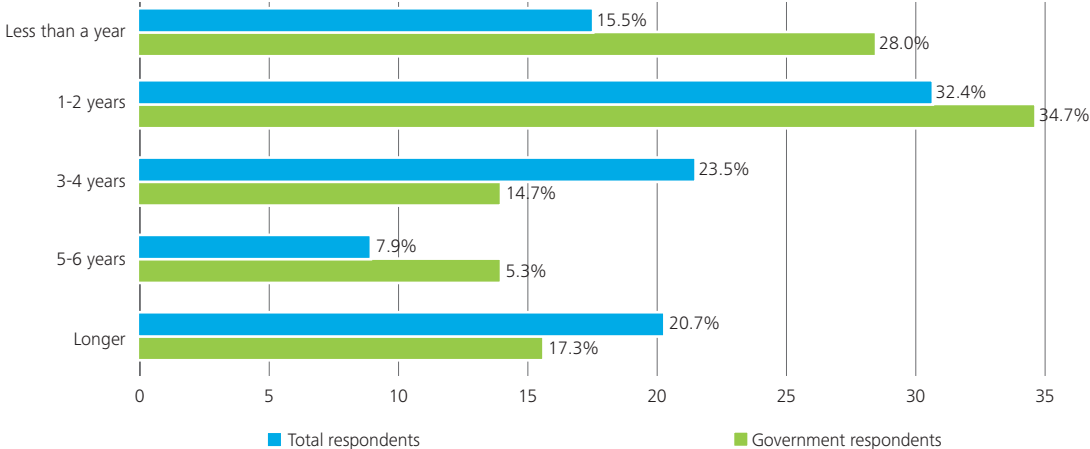
Data represents 75 respondents working in government agencies. These responses are from a total analysis of the views of 860 Gen Y employees (age 19-27) of Fortune 500 companies and government agencies, across 20 industry sectors, who responded to an online survey distributed by Zoomerang and by Deloitte between November 12, 2008 – January 7, 2009. No Deloitte employees participated in this survey.

<sup>2</sup> Survey responses are not broken out between federal, state, and other government workers – respondents reported working for the broad category of “Government.”

<sup>3</sup> Because they could choose from seven different factors, the numbers total more than 100 percent.

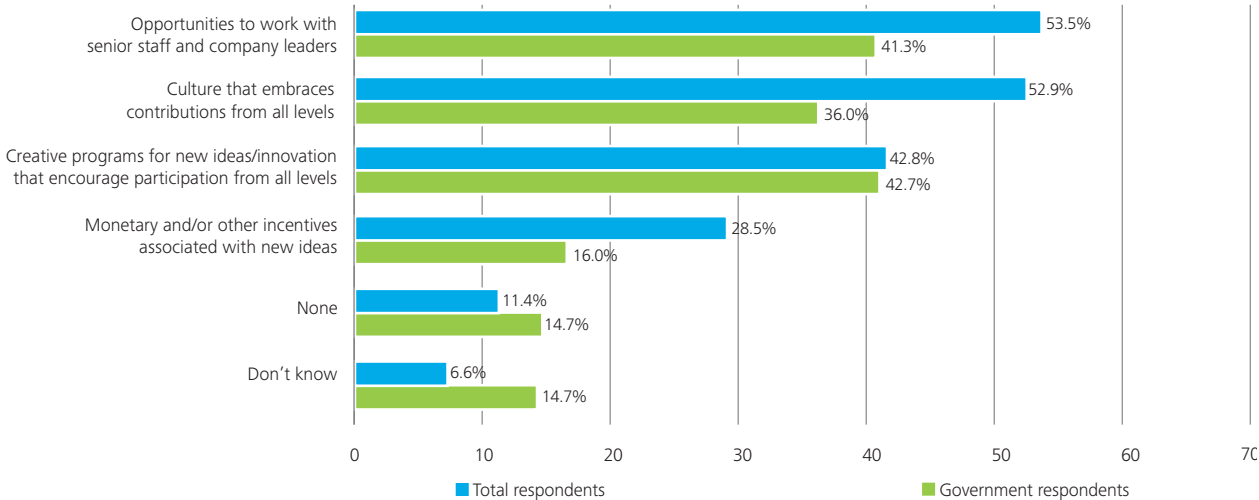
- They don't stand still for long.*** When asked how much longer they intend to stay with their current employer, 63% of Gen Yers in government indicated two years or less, as compared with only 48% of their peers in other industries. Gen Yers in government were also less satisfied with their current career paths. Only 48% of government Gen Yers indicated that they were "Very satisfied" or "Somewhat satisfied," compared with 61% of their private sector peers. We think this is partly because in state agencies, Gen Yers can quickly learn that options for upward mobility are limited due to the number of older, more senior-level employees who are staying around. Yet it also presents an opportunity. Our government clients tell us that Gen Yers in their agencies are very concerned with developing marketable skills that will help them move into the types of agencies and jobs that excite them. If, during the relatively short time you have them, you can exploit their strengths and help them develop their areas of interest, you may be able to push ahead your transformation initiatives faster.

**How much longer do you intend to stay with your current employer?**



- Money isn't the only motivation for them.** We asked respondents to select their top three choices from 11 actions that employers can take to retain them. After "Increase your salary and/or bonus," which all respondents noted as desirable, more Gen Yers in government chose "Provide appropriate recognition for contributions" (36%), "Offer flexible work hours" (31%), and "Promote a better work/life balance" (25%) than did their private sector counterparts (30%, 23%, and 21%, respectively). Interestingly, when we asked "What key enablers encourage you to participate in innovation efforts or initiate new ideas for your employer?" Gen Yers in government placed "Monetary and/or other incentives associated with new ideas" (16%) at the bottom of their list, distantly behind other choices that involved working with senior staff and acceptance of creative contributions from all levels of the organization. We believe that these results again point to Gen Yers' gravitation toward the non-monetary benefits of employment, including tuition reimbursement and training programs, as well as the perceived stability of government jobs in today's economy. Especially when you consider how many Baby Boomers are now planning to delay retirement for several more years, this also presents an opportunity for state governments to pair up Gen Yers with older workers in a way that leverages the knowledge capital of the more experienced employees while tapping the energy and technology capabilities of the Gen Yers – both of which are needed to carry out technology transformation initiatives.

**What key enablers encourage you to participate in innovative efforts or initiate new ideas for your employer?**



(Respondents were asked to select all that apply)

# State employers can capitalize on these findings

Given the findings cited above, especially when blended with insights provided to Deloitte by our government clients, we believe state governments have a unique opportunity in the midst of the current recession to strategically enhance their workforces – especially the Gen Y segment. Those agencies that do should be able to make significant strides in their transformation and modernization initiatives, which could ultimately lead to improved execution of their missions.

What specific actions should you consider taking to achieve these outcomes? Here are a few ideas:

**Consider Gen Y in your service-delivery modernization initiatives.** Many state agencies are in the process of transforming their service delivery capabilities, almost always based on updates to technology, to deliver greater value to their constituents while using fewer resources. In our experience, older workers in state agencies generally are not willing to learn these new technologies. Meanwhile, straight out of college, Gen Yers are highly familiar with the latest technologies, especially everything Web-based and mobile. So you should leverage this innovative resource to supplement and extend your legacy intellectual capital and technology capabilities. Likewise, as you analyze the composition of your workforce of the future – especially the skill sets, job structures, and competencies you'll need – consider the role Gen Yers will have in mission support and execution. Baby Boomers may be staying on longer today, but they still will retire. When they do, be ready with a well-prepared and highly motivated group of workers to fill their shoes.

**Reinforce your “brand” – both externally and internally.** Improving and promoting your image as an agency in which Gen Yers can fulfill their call to service while at the same time enjoying the desired level of work/life balance is critical. This starts with improving your recruiting and on-boarding capabilities and carries through to the types of job and career track opportunities you make available to Gen Yers. State agencies may even have an advantage over some federal agencies in doing this because your transformation initiatives are hotbeds for technology development and the provision of health-care and social services. As such, state agencies may be able to engage younger workers by aggressively exploring technology-based initiatives, such as telecommuting and social networking, which appeal to the work and leisure preferences of Gen Yers. These types of activities can set you apart in your recruiting and retention efforts.

**Use talent management strategies to develop multiple generations of employees.** Developing effective talent management strategies is a three-step process that includes aligning your talent strategy with your mission strategies, using analytical data to understand talent needs versus the available talent supply both inside and outside your organization, and differentiating your workplace by offering talent management solutions and career paths that appeal to the unique needs of an increasingly diverse workforce. Certainly, budgets for these activities are tight today, even scarce. Yet the right talent management approach can help state agencies cost-effectively distinguish themselves from competing employers, both in the public and private sectors. Such an approach can also help encourage higher performance from more experienced employees while reinforcing the culture and strengthening engagement across generations.

**Embrace diversity of thought.** It may be difficult to harness the full potential of your workforce, especially the youngest members, unless you offer opportunities for growth and development, and to contribute to the way your agency executes its mission. Evidence of the potential of this concept is in the pivotal roles Gen Yers played in the 2008 presidential election through their skilled use of communications and social networking technology to engage the electorate and, ultimately, attract more voters to the polls on election day. Government agencies can tap these capabilities by engaging Gen Yers in technology and operations decisions, making sure their voices are heard in meaningful enough ways that they really have an impact. The beauty of this approach is that it doesn't require costly transformation. Instead, it relies on refinements to your existing organizational structure, recognition and, possibly, rewards programs, and your emphasis on training and development.

# A win-win scenario

Whatever your approach to Gen Y, it's important to start now, especially during the economic downturn. Government agencies currently have important advantages when it comes to attracting and retaining top talent – both from the commercial sector and straight out of college. Yet who knows how long this advantage may last? Those state employers that use their advantage to strategically select existing Gen Y talent and position themselves to attract new groups of Gen Yers as they come to the market are likely to achieve significant strides in executing on their missions, both in the near term and the future.



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