



Gen Y — or Gen Whine?

Do Gen Y workers really deserve more of your attention, or is it better to let them just grow up?

Until recently, companies all over the world have been wrestling with the challenge of attracting, managing, and retaining the next generation of workers. Members of Gen Y have an incredible amount of talent — but they also have incredibly high expectations about their work environment, growth opportunities, and rate of advancement. To some extent, the recession has pushed this issue out of the spotlight as companies shift their focus to downsizing. But has the issue really gone away? Although there might be a near-term surplus of labor, good talent is always in short supply — and in the future, more and more of that talent will come from Generation Y. Should companies step up their focus on Gen Y workers — and cater to their needs? Or should they dismiss the issue as just another generation gap that will eventually fade away?

	Point	Counterpoint
Embrace Gen Y <i>“Make it a top priority to attract and retain Gen Y workers, and to harness their full potential.”</i>	<p>Gen Y is too big to ignore. As a group, they are nearly as large as the Baby Boomer generation. As such, Gen Y will make up an increasing part of your workforce. You need to learn how to attract and retain them — and how to capture their full value.</p>	<p>Gen Y may be the future, but right now older generations are the bulk of the workforce and need to be the main focus.</p>
	<p>Gen Y has a lot to offer. They are confident. Connected. Optimistic. Entrepreneurial. Tech savvy. And they see the world as truly global. These are qualities that businesses will need to be successful.</p>	<p>As usual, the talk about how much the world is changing is mostly hype. In reality, the bedrock of every major business consists of experienced people with traditional work values who are conservative and steady.</p>
	<p>Gen Y is a growing part of your customer base and increasingly influential. In fact, they are already the primary trend setters in technology and other key markets. You need Gen Y workers to help design and deliver compelling products and services.</p>	<p>In terms of current revenue, Gen Y is not the top priority. It's important to consider their needs, but they are just part of the equation.</p>
	<p>Technology is increasingly critical to business success. The younger workers understand it.</p>	<p>Gen Xers and Baby Boomers can be tech savvy too. Also, technology only goes so far. A lot of the most important business activities revolve around human relationships and interaction — and always will. Technology often just gets in the way.</p>

	Point	Counterpoint
<p>Dismiss Gen Y</p> <p><i>“Ignore the problem. These kinds of issues always work themselves out.”</i></p>	<p>This isn't actually a problem. Every generation of young people thinks they know everything, and their elders know nothing. Eventually, they grow up and learn what's reasonable.</p>	<p>You don't want young workers to learn what's reasonable. They were raised to believe they could do great things. So let them. Otherwise, they may end up doing great things for someone else.</p>
	<p>Gen Y workers expect too much, too soon. They need to pay their dues.</p>	<p>It's not about fairness. It's about doing what's best for the business. If older workers get upset, that's a separate problem that needs to be addressed. You can't let it stop you from doing what needs to be done.</p>
	<p>Who died and made them king?</p>	<p>You did. These are your generation's offspring, and they grew up with constant positive reinforcement, had everything served to them on a silver platter, and were taught to believe they are special.</p>
	<p>They don't know enough about the business. They've never faced adversity, and don't understand the real world.</p>	<p>In some ways, that's a good thing. Their thinking isn't limited by the <i>status quo</i>.</p>
	<p>Why cater to them when they'll just leave in a year or two anyway?</p>	<p>Ideally, you can find ways to retain Gen Y workers for more than a couple of years. But if that's not possible, you need to establish a talent model that taps their full value for as long as they stick around. Also, on a positive note, you don't need to offer them job security or a pension – just interesting and rewarding experiences.</p>
	<p>Given the current economy, this is a low priority.</p>	<p>Although you might be facing a labor surplus in the near term, good talent is always a scarce and precious resource. Whether you are hiring new people, laying off staff, or standing pat, you need a clear and consistent talent strategy and Gen Y-friendly talent “brand” that positions the business for long-term success.</p>

My take



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Figuring out how to attract, manage, and retain the next generation of workers is a difficult challenge. But it's a challenge that companies simply can't afford to ignore. Gen Y is nearly as large as the Baby Boomer generation, and is expected to have nearly as big an impact on business and society.

Gen Yers are already entering the workforce, and their numbers will increase over time. Companies that don't figure out how to harness this growing resource are likely to find themselves at a distinct disadvantage, not only in the talent market, but in the broader market as well. After all, Gen Yers aren't just the next generation of workers; they are also the next generation of consumers, and as such will ultimately determine whether future businesses succeed or fail. Here are some specific things companies can do today to make the most of this critical resource.

Acknowledge the problem. This isn't just a passing fad. Today's young workers have fundamentally different expectations than previous generations, and this isn't likely to change. If you don't meet their needs, another company will — and will capture all of the benefits.

Make smart cuts. In the face of the current economic crisis, you will probably be forced to cut staff. But how do you decide who to let go? At many companies, the winnowing process is stacked against Gen Yers, who lack seniority and may not be top performers based on traditional yardsticks such as putting in face time in the office, or being an obedient follower. To fix the problem, be sure to consider qualities such as innovation, tech savvy, and a willingness to take risks.

Keep an open mind. The biggest barriers to solving the problem are all in the mind. Focus on finding the best solutions, without being constrained by the way things have always been done.

Don't be afraid to ruffle some feathers. Older workers may not be happy that these young upstarts are getting great opportunities without paying their dues, but that's too bad. You need to do what's right for the business. One way to smooth things over is to assign older workers as mentors for younger staff. Despite Gen Yers' reputations for being brash, our studies and experience show they keenly understand the value of experience. They also excel at working in teams. Pairing them with more experienced workers enables the older worker to feel valued and respected, while at the same time satisfying the younger workers desire to rocket up the learning curve.

Love them like your own kids. You might find yourself resenting Gen Yers in the workplace, but what if they were your own kids? Wouldn't you want them to have immediate opportunities to strut their stuff, instead of being stuck in a dead-end job waiting for someone to retire so they could take over as Assistant Junior Vice President of Administrivia? Another thing to keep in mind is that like your own kids, these young people may ultimately be supporting you in your old age. Their success will fund your company's pension plan and keep Social Security solvent after you retire, so it's in your best interest to help them succeed.

Stand and deliver. A lot of companies talk about the importance of Gen Y and how the company has created a Gen Y friendly environment. But behind all the PR and Marketing, most companies don't have the capabilities to deliver on even a fraction of their promises. In an age when blogs and instant messages give young people the ability to communicate with their peers on a global basis in real time, promising more than you can deliver can destroy your credibility in the blink of an IM.

Whatever you decide to do, it's important to start now. Gen Y is the future, and you won't be able to survive without them, so you might as well figure out how to harness their capabilities. The sooner you start, the sooner you'll see the benefits — and the bigger your lead over the competition.

A view from the consumer products sector

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The impact of Gen Y on consumer products (CP) manufacturers is perhaps less obvious than other industries but just as important. With aging workers, depleted middle management, and increasingly global markets, CP companies need an infusion of energy and innovation. Gen Yers are an important source of talent to help fill the gap.

Consumer Products companies were once the most coveted destinations for top undergraduate and MBA students. Over the last decade, however, technology companies, consulting firms, and financial institutions have replaced CP companies as top employers for graduates.

Deloitte recently looked at data from one of the nation's top Marketing MBA programs, The Kellogg School of Management at Northwestern University. In 1991, 17 percent of their graduates accepted positions with CP companies. In 2006, only 11 percent chose CP companies. We believe this decline was in large part driven by Gen Y's unique sensibilities, likely determining other employers may offer quicker opportunities for advancement and greater opportunities for entrepreneurship, and may better embody the values that Gen Yers seek.

Gen Yers are leading the movement for social responsibility. Their consumption choices and activism will influence the formulation, production, and marketing of consumer products for years to come. Whether the issue is sustainable supply chain practices or reformulated snack foods to reduce juvenile obesity, CP companies will be looking to Gen Y as a bellwether. What better way to tackle such issues than to have Gen Yers working on them from the inside?

A view from the retail sector

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In the retail industry, it is impossible to ignore the rise of Generation Y. They not only represent an ever-growing share of retail purchases, but also are the primary source of retail workers at the point of sale.

Gen Yers grew up with cell phones, PDAs, and the Internet, which means they are used to being constantly connected and having an infinite amount of information at their fingertips. To manage these young workers effectively, retailers must be responsive to the unique cultural expectations that this new generation brings to the workforce.

Smart retailers have begun to leverage the technology that is second nature to Gen Yers. They have put in place: recruiting kiosks and Internet applications that can pre-screen candidates; health and benefits portals that reduce costs and give quick access to personal benefit information; computer-based learning systems that allow individuals to improve their knowledge whenever they have access to a computer; and innovation blogs that enable employees to share ideas up the chain of command.

In addition to technology, Gen Yers value career progression, accelerated learning, a work culture that matches their values, and the opportunity to be heard. Because of this, many retailers have started to take what they know about Gen Yers as consumers, and apply that knowledge to create a Gen Y friendly work environment. In that sense, “branding” not only affects how a retailer is perceived by potential customers, but also by potential employees.

A view from the technology sector

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Although the technology industry continues to face a long-term talent crisis, the current downturn has raised the priority of getting more value from fewer resources. Ironically, one of the keys to success in both the short term and long term is figuring out how to harness the full potential of Gen Y. Here are four reasons Gen Y is so important.

Gen Y thrives on change. Technology companies need employees that can handle the breakneck pace of technology development. Gen Yers are accustomed to dealing with rapid change. Also, they have grown up with technology and are completely comfortable with it. To them, technology and change are second nature.

Gen Y works hard. Today’s young workers demand work/life balance, but they don’t mind working hard. They just want to do it on their terms. That might mean working late into the night, but doing it while plugged in from home or the local coffee shop. Creating a flexible and innovative work environment can boost performance and productivity.

Gen Y cares. These days, workers aren’t as interested as they once were in hefty compensation packages and fancy retirement plans. What they really want is challenging work that aligns with their skills and interests. Programs such as Mass Career Customization can inspire Gen Y workers to do their best, while improving loyalty and retention.

Gen Y sets the trend. Gen Yers live and breathe technology, which makes them key trendsetters. They don’t just *understand* the technology market — they *are* the market. Having Gen Y employees on staff can help companies design and market products and services that are more compelling.

In order to survive the current downturn — and thrive when the economy bounces back — technology companies must learn how to harness the full power of Gen Y. Those that don’t are likely to find themselves quickly losing ground to their competitors.

For more information, please visit: www.deloitte.com/us/debates/GenY.

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