

Generation Hype¹

These young kids are different – right? Sure, they like tats and Shakira. No – they're, like, really different. Meaning they have different career strategies? Sure, they really get this new networked world. Does that mean they have different values and personal drivers?

How profound are the differences? Should organisations be investing in attracting and retaining Gen Y people? Will your business have to change its motivational environment to get results from the coming generation? These are significant, and potentially expensive business issues. There are consultants telling you that you need help (if you're over 28). Where is the evidence that we are dealing with anything more than a trivial change in fashion sense?

The Australasian research suggests that there is nothing seriously different between people who were born in different age cohorts. Hudson sponsored a small study of different generation's views of leadership. This was run by Excelerator at the University of Auckland Business School last year. Based on these results, Dr Lester Levy, Chief Executive of Excelerator, considers 'the belief that generations are inherently different is not supported by scientific evidence.'

A large and wide-ranging 2002 Australian study by Dr Peter Hart of Insight-SRC compared 20 to 37 years olds (a mix of X and Y generations) and Boomer (38 to 58 years old) workers. He found no differences in attitudes to leadership and career mobility. Importantly, there was also no difference in their organisational commitment. This is the dimension that indicates employee's emotional connection with their employers. It is a driver of work effort, and indeed tendency to stay with their employer.

But how does this research evidence fit with the view that Gen Y employees (or potential employees) are different, with unique needs? Some of (the many) unique attributes that have been touted – that Gen Y workers prefer inspirational leadership, people-sensitive work culture, work/life balance, flexible benefits and performance-based rewards, opportunities for accelerated development including cross-functional training and overseas travel. And if they don't get them, they'll go elsewhere.

Dr Keith Macky of Massey University has actually done the research with NZ employees – to identify the drivers of commitment and performance. With sample sizes of over 1,000 workers Macky has identified the six dimensions of the 'high performance work system'. Here they are expressed in terms of employee's views of their workplace:

¹ This article originally appeared in The Business, 24 July 2006

Promotion process is fair
Few status differences
Performance appraisals are accurate
Receive regular & constructive feedback on performance
Management keeps me well informed
Employees involved in decision making on things that matter

Creating such a system lifts job satisfaction, commitment, trust in leadership and ultimately performance. Is there any difference between what works for employees generally (the Macky results) and what is suggested as meeting uniquely Gen Y needs?

Making changes to lift supervisor's leadership skills (making accurate appraisals, and giving good feedback), ensuring the right people (not just those from a particular age group) get promoted, and involving staff more is likely to help, not just get results from Gen Y people, but all your employees. The champions of Gen Y themed initiatives may be right for the wrong reasons - since all workers will not only appreciate these organisational characteristics, but perform better as a result.

There are some real risks in picking approaches for just the Gen Ys:

- o You pick things that sound credible, but don't deliver the results (such as irrelevant cross-functional training). A waste of money.
- o You decide that since Gen Y people are fickle, you won't invest in them anyway. Your prophecy comes true. They go where there is a clear career path and appropriate support for development. You lose people before getting a pay-back on your investment in them.
- o You spend more hiring Gen Y people. They cost more to hire than other possibilities because they are a scarce resource. More money wasted.
- o You burn off other employees who see your initiatives as iniquitous. You face the expense of replacing your 'non-Gen Y' people and their institutional knowledge.

Is there any more substance than the repackaging of some truisms in the current surge of interest in generational issues? Clearly there are two major trends.

The first is demographic. New Zealand parents' tendency since the 70's to have smaller families means there are fewer young entrants to the job market. For businesses that hire younger people (for example manufacturers looking for apprentices, professional service firms looking for graduates) that means more competition for talent. In a market hungry for rare skills, potential employers need to have a proposition that is attractive, unique and real. I would suggest

that most employers would be successful, at least in terms of the first criteria (being attractive to all potential staff) – if they worked from Macky’s list of system components.

The second major trend is the changing world of work. Organisations competing on the basis of innovation need to organise around teams, encourage connecting and the sharing of knowledge, and provide their (generally well-educated) workers with autonomy and productivity tools. They also need to motivate their employees to maintain their competence. Because of the different structure of work, competence includes not just the technical stuff, but also the ability to make a contribution in a team.

It is easy to make the leap from these requirements to supposing that someone who has grown up with a keyboard, who plays in MySpace, and has established a wide (though virtual) network is half-way there already. That is to confuse appearance with substance. The primary requirements for success in a networked world are vocational skills, as well as being ‘agreeable’. This is one of the fundamental ‘Big 5’ of personality. Agreeableness contributes to effective team-work and building constructive and long-term relationships. This is a trait that is difficult to train, unlike keyboard skills.

Yesterday’s answer of focusing hiring on (relatively) cheap young people is not going to work so well for tomorrow’s knowledge-based businesses. It is very human to just keep trying harder in such a situation. Fewer young candidates – we’ll have to hold out particularly cool features to get them. Creating different approaches to business problems is hard work. But such creativity will give significant advantage in the present and future labour market.

Box – What’s real with the Generations?

Real:

- o The hunger for skills will continue. You need to have a clear and attractive employment proposition. Make sure that it’s also real. What would your people tell their friends about your EP?
- o Empowerment and accountability delivers performance and results from knowledge workers in organisations that compete on innovation.
- o Employees appreciate (and deliver) when they have good leaders. The quality of New Zealand’s leaders varies dramatically – providing some businesses with a significant competitive advantage.
- o Young people (less than 30) are more likely to be developing their vocational interests; they change jobs as a part of learning from experience what works for them.

Hype:

- o People are different because of the era of their birth. The real generational differences (such as fashion preferences) are trivial. People differ meaningfully (in terms of work performance) as a function of their skills, knowledge, abilities and personality, no matter what their generation.

Stewart Forsyth, FX Consultants

Stewart is Director of FX Consultants — go to <http://www.fxc.co.nz/survey/survey> to participate in a survey assessing generational views of employment.