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# Update

## The Gen Y Retention Challenge

by Laura Schildkraut

As we continue in questionable economic times, many have been wondering how the extended downturn will impact Gen Y retention. (Gen-Yers were born between 1981 and 1999.) As a cohort, Gen-Yers are known for their facile use of technology, their strong interest in social issues, and, often, their delaying “adulthood.” This extended adolescence can often manifest itself in Gen-Yers viewing their early jobs as enrichment opportunities rather than the start of a lifelong career. Additionally, many of them expect that their professional lives will involve a series of parallel employment endeavors where they will have one primary job and several smaller money-making and/or altruistic projects on the side.

For the past three years, Gen-Yers have been encouraged by parents, former faculty, and other advisors to stay in their current/primary jobs, since new jobs have become increasingly difficult to find. Many heeded that advice. Some learned to be content in their jobs and realized that 100% happy is just not a realistic expectation. They embraced their professional setting. Others, even though they may not have been happy in their jobs, stayed, and waited, and waited ... and waited. They waited for their jobs to get better, or for the economy to improve.

Three years is a long time to wait, especially when your professional life may only be four or five years old. I’m hearing rumblings. I’m hearing a generation ready to stop holding its breath. A generation that has been inclined to have many job changes, especially early on, is now ready to exhale. Over the past several months, I have had more and more conversations with Gen-Yers who have basically told me, “My job has not gotten better, my manager has no opportunities for me, and I just

can’t hold on anymore. Even if I can’t get another job, I’m leaving. I’ve got friends who are starting projects and businesses. Even if they can’t pay me, I’m going to work with them for a while. I’m done waiting.”

So, managers of Gen Y talent, even as we wonder whether or not we are heading for a double-dip recession that will take still longer to recover from, your Gen-Yers are ready to move anyway. If you look closely, I’m sure you can see it in their eyes. You know who you’re at risk of losing, and you also know which losses will impact you the most. For those Gen Y employees who are vital to your business, this *Executive Update* provides six ways you can encourage them to stay and, perhaps, make them glad they stayed.

### 1. CURRENT TECHNOLOGY AND VIEWS OF TECHNOLOGY

One of the most frustrating things for Gen Y employees is that they often have more efficient and effective productivity tools in their personal lives than they do in their professional lives. For IT organizations, outdated technology will pose a double whammy. Not only will this impact the retention of their Gen Y employees, but it will also impact Gen Y retention across the organization. Even if you don’t have the luxury of (or a defensible need for) updating all your systems, leverage your Gen-Yers’ love of technology by asking them to do one or more of the following:

1. Propose ways to use the existing technology more effectively.
2. Research some up-and-coming technologies and propose ways the organization could use those for competitive advantage.
3. Train others on your staff in the best way to leverage accessible tools like LinkedIn to benefit the employees and the organization.

This will not only give your Gen-Yers some growth projects they’ll enjoy (more on growth projects later) but will also encourage them to look at the organization strategically. This is something that new, young employees are seldom asked to do. One other point

about technology: if you have an organizational policy against using social networking at work, seriously consider revising it. Not only are your Gen-Yers, and probably others, working around that policy by using their personal devices, but you're also not leveraging the benefits that social networking can bring to an organization.

## 2. MEANINGFUL WORK

Gen-Yers are time splicers. Every minute counts with this generation and they value doing work that is meaningful. As everyone gets busy handling their day-to-day responsibilities, it can be easy to lose sight of how important one's actions are. Remind your Gen-Yers about how what they do fits into your department's projects. Then detail how those projects are key to the organization's success. While many of these concepts may be second nature to you, your young talent may need you to connect the dots for them to understand or to be reminded that they are working on important projects and that their contribution is highly valuable. A series of conversations about the strategic value of their work will go a long way.

## 3. GROWTH OPPORTUNITY

In tough economic times, many organizations have shelved several of their innovative, high-risk/high-reward projects. You're likely frustrated by this yourself, so you may think you have little to offer your Gen-Yers in terms of growth opportunity. Don't lose sight of the fact that these folks are relatively new to organizational life, so most opportunities to do a project in a different part of the organization or to do something that requires a different skill set will be a growth opportunity. Talk to your Gen-Yers about what they'd like to see as a next step, and work to facilitate those opportunities. Build a plan for them that includes keeping up with the current work they're responsible for, but also includes several growth projects in the areas they care about. If your organization doesn't offer those, be creative. Perhaps there's a problem you'd like to see resolved. Point your Gen-Yer at it, individually

or with a team of other Gen-Yers, and see what they come up with. Or maybe there's a project you've always wanted to get done, but it keeps falling lower in the pile. Assign it as a background task and see what fresh energy can do with it.

## 4. RECOGNITION AND REWARDS THAT RESONATE

Many managers are probably disappointed that they can't do more for their key players in terms of raises and bonuses. Don't lose sight of the fact that there are other rewards that can be valued. Also, keep in mind that what you value in a reward may be very different from what someone else values, particularly someone from another generation. You really have to get to know your staff to know what rewards they'll value most. One Gen-Yer may value public recognition for a key accomplishment, while another would prefer a one-on-one conversation. One Gen-Yer may value time off, while another may want the chance to pitch his or her proposed solution to senior management, and another will value an invitation to a strategic planning session. Rewards can come in all shapes and sizes. Find the ones that fit.

## 5. BALANCED FEEDBACK

No one can grow without balanced (both positive and constructive) feedback from a supervisor. Especially when things are tough for an organization, however, some supervisors may be reluctant to provide constructive feedback for fear of demotivating an already frustrated employee. Remember that Gen-Yers are accustomed to having the supervisory figures in their lives provide tough feedback to help them grow. Also remember that they need feedback regarding their interpersonal skills as well as their project-oriented accomplishments. Do they approach more senior people in the organization as though they're peers? Are they always inclined to text or email rather than have a face-to-face conversation or phone call? Do they share information that you'd prefer they keep confidential? Seek ways to coach your Gen Y employees toward the success that they value.

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## 6. MANAGERS WHO CARE

Ask yourself, do you *really* care about every employee on your staff? Not just do you care about their ability to do the work you need them to do, but do you care about them as people? While “caring” may not be an important managerial trait for members of other generations, Gen-Yers truly value having a manager who cares about them.

None of the points above will positively impact retention if you don't really care about your Gen-Yers. You won't take the time to connect the dots, you won't thoughtfully consider or know the growth opportunities each Gen-Yer desires, and you won't know what rewards will resonate. When it comes to balanced feedback, Gen-Yers will react badly to constructive feedback, feeling that you're just “dumping on them” rather than being that valued coach who relishes their success. You have to care. You can't pretend. You can't “phone it in.” You actually have to care.

## CONCLUSION

Following the six steps outlined here will help you position your Gen-Yers for success and will make you a supervisor or manager to whom they become loyal, rather than someone they continue to work for until something better comes along ... or until they simply exhale, because they just can't stay anymore.

## ABOUT THE AUTHOR

Laura Schildkraut is the founder of Onboarding Gen Y whose mission is to help organizations attract, retain, and see excellence from their Gen Y employees. This is accomplished through consulting and workshops and establishing internal, reciprocal mentorship programs. Ms. Schildkraut is a faculty member at the University of Washington, teaching classes focused on innovation, entrepreneurship, professionalism, and communication. Her course entitled “Management Lessons from *The Apprentice*” earned her national recognition from CNN and *Dateline*. Ms. Schildkraut was the host and co-executive producer of *Information Technology Leaders*, *On the Career Path*, and *Information Matters*, television shows that aired on ResearchChannel and UWTV. Prior to Onboarding Gen Y and the University of Washington, she worked for Microsoft, Ogilvy & Mather, and the US National Association of Securities Dealers (NASD). Ms. Schildkraut holds an MBA from NYU's Stern Business School with concentrations in IS and marketing. She can be reached at [laura@OnboardingGenY.com](mailto:laura@OnboardingGenY.com).

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*Cutter Fellow; Chair in Business Administration, University of Washington's School of Business*

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*Trustee Professor of Management, Bryant University*



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*Cutter Senior Consultant; Adjunct Professor,  
Harvard Business School*



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*Professor, Harvard Business School*

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*Cutter Senior Consultant*



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Roundtable with Israel Gat

*Director, Cutter Agile Product & Project Management Practice*



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*Cutter Senior Consultant*

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Workshop with Mike Rosen\* & William Ulrich§

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End-of-Summit Wrap-up by Tom DeMarco

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*"The godfather of devops"; Cutter Senior Consultant*



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