Generation Y Employees. Monolith or Variety Mixture?

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The article presents, in a synthetic way, the results of studies and reports concerning generation Y, in particular in relation to students and their specific attitudes and expectations in terms of work, employers and professional career. This article is also a voice in discussion on the homogeneity of this generation as well as on the difference scale between young people entering the labour market and older employees within the context of the debate on that issue, taking place in the scientific literature and social and economic life. Based on presented study results, conclusions of applicable nature have been arrived at, which are important from the perspective of how to effectively manage and motivate young people entering the labour market.

Keywords: generation Y, labour market, students, education, work, professional career.

Introduction – from student to generation Y employee

Employers worldwide face challenges related to acquiring of the best employees, often referred to as talents. This applies to both locally and internationally operating companies, especially those active in the knowledge-based economy sectors where the intellectual capital plays a key role¹. An important part in so called "war for talents" constitutes a battle for people who begin their professional career and belong to so called generation Y.

The fact that, at present, this is the largest employees' group since so called *Baby Boomers* (those born between 1946 and 1964) and by 2020 will constitute half of employees worldwide may indicate its growing importance for the

¹ A. Pocztowski, *Rosnące znaczenie talentów w gospodarce*, in: *Zarządzanie talentami w organizacji*, Ed. A. Pocztowski, Wolters Kluwer Poland, Kraków 2008.

current and future economy². At the same time despite high unemployment in many European countries and in Poland, employers still find it difficult to find relevant work candidates, indicating not only lack of relevant experience but also their certain competence lack³.

Taking into account the role this generation employees are playing now and will play in the future, their characteristics, in particular in the context of their attitudes and expectations towards work, career, professional development or work-life balance, constitutes the topic of discussion, in which employers, schools of higher education and state bodies responsible for education, economy and social policy take part⁴. This debate tackles also the ideas of better adjustment of education system to the labor market needs as well as the role the school should play in education of future economy employees⁵.

The aim of this article is to present and analyse the study and report results on work-related approaches, needs and expectations of young generation representatives. This knowledge should not only enrich the dialogue between schools of higher education and employers on actions aimed to better prepare young people to the labour market requirements. It should also allow employers to take more effective measures related to attracting, retaining and developing young employees within the battle for talents.

Studies on the generation Y

The term generation Y representatives includes usually people born between early eighties (1982–1983) and late nineties or the beginning of the new millennium. Therefore, this generation is called Millennials in the American literature. Students currently entering the labour market in Poland are usually aged 22–25 – practically in the middle of this timeframe (born between 1987 and 1990). Therefore, it is even more important to determine this group's expectations and approaches towards work.

² *Millennials at work reshaping the workplace*, PWC, 2011, p. 3, http://www.pwc.com [access date 28 November 2012].

³ Pracodawcy o rynku pracy, BKL, 2012, http://bkl.parp.gov.pl [access date 18 January 2013]

⁴ Reports *Młodzi 2011* and *Polska 2030*, prepared by the Strategic Advisor Team of the Prime Minister, http://zds.kprm.gov.pl [access date 28 November 2012].

⁵ Foresight "Akademickie Mazowsze 2030" Raport końcowy, Akademickie Mazowsze 2030, 2012, http://www.akademickiemazowsze2030.pl [access date 18 January 2013].

This article is mainly based on several selected studies and reports on the generation Y, conducted in Poland and worldwide. Their list is presented in the Table 1.

	Data from years	Group size	Study area	Group characteristics	
Bilans Kapitału Ludzkiego (Study of Human Capital in Poland – BKL)	2010/11	33,272	Poland	Students of schools of higher education in Poland	
Deloitte Deloitte Deloitte	2012 2011 2010	4,144 3,618 2,044	11 countries 5 countries Poland	Students and young graduates (until aged 26), mainly representatives of economic and business faculties	
Universum 2012	2012	4,959	Poland	Students of schools of higher education in Poland	
PWC PWC	2008 2011	4,364 4,271	75 countries no data	Graduates of schools of higher education, including those working or about to start working in PWC.	
Kenexa	2011	> 30,000	28 countries	Young employees. Data compared with those being gathered since 1984.	
ACCA and Mercer	2010	3,200	122 countries	ACCA members and students born after 1980, working in finance and accounting.	
Monitoring the Future	1976– –2006	477,380	USA	Pupils graduating from high schools, students and young adults.	

Table 1. Selected studies and reports on the generation Y

Source: own study.

The generation Y studies are usually of cross-sectional nature, including this specific group or compared to older generation employees. Data of international character originate mainly from consulting companies reports and include group of students and young professionals of business profile. When it comes to longitudinal studies, they are conducted among others in the USA, e.g. as part of *Monitoring the Future* project⁶. Workplace in the hierarchy of values is one of elements of European value studies⁷. In Poland the studies on students

⁶ *Monitoring the Future,* University of Michigan – Institute for Social Research, http://www. monitoringthefuture.org/, [access date 18 January 2013].

⁷ *European Value Study*, Tilburg University – Faculty of Social and Behavioural Sciences http://www.europeanvaluesstudy.eu [access date 25 February 2013].

and young people in the labor market, the greatest so far, are conducted as part of the Bilans Kapitału Ludzkiego (Study of Human Capital in Poland – BKL) project, implemented by the Polish Agency for Enterprise Development and the Jagiellonian University⁸. Apart from that reports from the Deloitte studies conducted between 2010 and 2012 as well as the Universum studies are also available.

As it can be seen in a few examples, the majority of reports on generation Y, in Poland as well, is formulated based on studies made on final year students and young graduates who often work in international corporations or are interested in this kind of career. Therefore extreme care and awareness of methodological limitations should be taken when attempting to generalize this kind of studies over the whole population.

Generation Y in the work context

Is work really less important?

Based on longitudinal studies a conclusion can be made that for the young generation work is less of central value than for older employees and these people value work less for its sake. Conclusions made by Twenge, based on analysis of *Monitoring the Future* study results, show that young people, in comparison with *Baby Boomers* surveyed in 1974, would work less frequently, had they have enough money. They also stated less frequently that work should be the central part of their life. They agreed more often with the statement that work is just a way to make money⁹.

Families and Work Institute studies quoted by the author show that for older generations work was of more central value (22% positive statements) than for generation Y (12% positive statements)¹⁰. The studies also reveal that young people usually valued higher balance between professional and private life¹¹. These results seem to confirm common beliefs, according to which young generation treats work as less central value in life, taking care of balance

⁸ Studenci – przyszłe kadry polskiej gospodarki, BKL, 2011, http://bkl.parp.gov.pl [access date 28 November 2012].

⁹ J.M. Twenge, *A review of the empirical evidence on generational differences in work attitudes,* "Journal of Business and Psychology" 2010, 25(2).

¹⁰ Ibidem.

¹¹ L. Cennamo, D. Gardner, *Generational differences in work values, outcomes and person-organisation values fit,* "Journal of Managerial Psychology" 2008, 23.

between private life and professional work at the same time. On the other hand, some authors treat the same differences or their size as a disputable matter¹².

In this context the results of the latest Deloitte study, conducted with the participation of the article's author, seem to be interesting. In this study work constituted important (59%) or rather important (37%) value for more than 4,000 students from 11 countries of Central and Eastern Europe. The percentage of positive answers for single countries fluctuated between 84% and 100%. This result is similar to the result obtained in the population study of single countries, as part of EVS – *European Value Studies*, in which work as value was described as "rather important" or "very important" by 83% to 98% respondents within the last 30 years. In case of Poland, work as value was also important for almost the whole studied sample (1990 – 97%, 1999 – 96%, 2008 – 91%)¹³.

The most interesting result of the latest Deloitte study turned out to be the identification of six student types, who differ in their attitude to work and the place it holds in their hierarchy of values. In case of single group representatives, these differences translate significantly into i.e. valued work aspects, expectations towards work and employers, work selection criteria and professional plans. Moreover the identified groups differed in terms of the assessment of own competences, perceived value as employee or assessment of chances in the labor market. For instance, people from group described as "work-focused" valued highly work, career and challenges at work. They cared less for free time or balance between work and private life. Their opposite is so called "Avoiding" group, for which work was of lesser value whereas such issues as lack of stress and pressure, employment security and stability turned out to be the most important¹⁴. Below you will find the most important characteristics of single groups, based on performed statistical analyses.

These and other studies suggest caution when making statements that work as value is less important for the representatives of young generation employees in comparison with older people, both now and in the past. Moreover, work seems to hold different positions in the hierarchy values of people from the same generation although these differences are rarely stressed in the literature.

¹² K. Real, A.D. Mitnick, W.F. Maloney, *More similar than different: Millennials in the* U. S. *building trades,* "Journal of Business and Psychology" 2010, 25.

¹³ European Value Study, op. cit.

¹⁴ *First steps into the labour market*, Deloitte, 2013, http://www.deloitte.com [access date 4 April 2013].

Name of a group identified in the study	Valued values	Work important features	Own assessment of competences and chances at the labour market in comparison with the other	Main criteria for work selection	Potential change reasons
Work-focused	Highly – work, career, development Low – free time, balance work-life, friends and colleagues	Responsibility, promotion opportunities, chance to achieve something	High assessment of competences and chances at the market	Development opportunities, high remuneration	Lack of appreciation, lack of development opportunities
Demanding	Highly – work, career, money, development, balance work-life, free time	Promotion, good earnings, influence on important decisions	High assessment of competences and chances at the market	High remuneration, development opportunities	Lack of development opportunities, negative relations
Meaning seekers	Highly – development, work, balance work-life Low – career, money	Interesting work which gives independence and correlates with competences	Assessment at average level	Development opportunities, interesting projects	Lack of appreciation, lack of development opportunities
Avoiding	Highly – quiet life, balance work-life Low – career, money, development	Lack of stress and pressure, employment stability, balance work-life	Low assessment of competences and chances at the market	High remuneration, good atmosphere	Stress and pressure, better financial offer, lack of appreciation
Carefree	Highly – friends and colleagues, free time Low – career, work	Flexibility, nice atmosphere, remuneration	Assessment at average level	Development opportunities, high remuneration	Negative relations, better financial offer
Distanced	Highly – work-life balance, development Low – work, career, money	Equality at work, social usability, stable employment	Assessment at a bit lower level	Development opportunity, nice atmosphere	Lack of appreciation, lack of time for private life

Source: own study based on data from the report *First steps into the labour market*, Deloitte, 2013.

Important aspects of work

In the *Monitoring the Future* study the expectations from work to be either interesting, developing and allowing to be oneself, did not significantly differ between the representatives of three generations under comparison (*Baby Boomers*; X; Y). These values were similarly important for the presently 40–60 years of age people, when they were younger¹⁵. There are also cross-sectional studies showing that employees at different age expect, at a similar level, developing and interesting work¹⁶.

Greater differences were revealed in terms of such work features as status, prestige and money. These aspects were most important for the generation X, then generation Y and the least important for people of the oldest generation employees when its representatives were young. The reason may be the relative importance growth of these aspects with age and professional status, as indicated by many investigators¹⁷.

In the Deloitte study students asked about important factors of work stressed, first of all, that work should be satisfying (71%), interesting (69%) and should allow for learning and gaining new qualifications (68.4%)¹⁸. Not only being an expert in a given area, but work-life balance as well as, surprisingly, secure and stable work (3rd place in 2008–2009 and 1st place in 2011) were the factors listed as important by the students surveyed in Poland by Universum over the past 5 years¹⁹. When it comes to the work-life balance, in the PWC study 70% of the respondents named it as a very important work aspect. As the same time, groups of people, for whom the expectations seem to be different than the reality they are in, were more or less equal, i.e. 28% claimed that the real situation turned out to be worse, whereas 30% perceived it better than expected²⁰.

The examples of studies show that the valued aspects of work can change with age or career stage but may also depend on the external situation, e.g. related to crisis in the labor market.

¹⁵ J.M. Twenge, et. al, Generational Differences in Work Values: Leisure and Extrinsic Values Increasing, Social and Intrinsic Values Decreasing, "Journal of Management" 2010, 36.

¹⁶ L. Cennamo, L., D. Gardner, Generational..., op. cit.

¹⁷ Ibidem.

¹⁸ *First steps...*, op. cit.

¹⁹ Universum Student Survey 2012, Universum, 2012, http://www.universumglobal.com

²⁰ Millennials at work..., op. cit.

What determines employer selection

According to the PWC report, the elements that make employer attractive are mainly career opportunity (52%) and competitive remuneration (44%) as well as attractive training and development programmes (35%). At the same time, the respondents indicated that the reason for selecting the current work offer was, as most important, development opportunity (65%), reputation (36%) and the role/position itself (24%). The remuneration turned out to be main reason for 21% of people²¹.

In the ACCA study, the respondents found development and promotion opportunity (95%), remuneration (87%), type of work (83%) as well as security and work-life balance (each 81%) important or very important aspects of employer attractiveness 22 .

As based on the Deloitte studies, the most important criteria (main priority) while taking the decision about a job, mentioned by students, was at the first place the development opportunity and chance to gain new skills (22.5%), high remuneration (16.2%), interesting and developing projects (12.1%) and good atmosphere at work $(7\%)^{23}$.

In the Universum study, students in the first place mentioned, as most important from among several aspect facilitating the ideal employer selection, good prospects for the future career, trainings and development, high future remuneration and friendly atmosphere at work²⁴.

It is worth paying attention to potential divergences between opinions and expectations and real employer selections. It results from the PWC study that many people had to compromise when choosing work – mainly when it comes to remuneration (32%), but less frequently when it comes to development opportunities (14%) so important for them²⁵.

Students and young representatives of the generation Y, as seen and depending on the study, paid attention to slightly different aspects in case of real or potential work selection. The selection of sample group (e.g. people interested in the career in a given company as in the case of the PWC study) as well as study timeframe (e.g. during the crisis in the labor market) may influence the difference in results. However, development opportunities can be assumed,

²¹ Ibidem.

²² Generation Y. Realising the Potential, ACCA, 2010, http://www.accaglobal.com [access date 28 November 2012].

²³ *First steps...*, op. cit.

²⁴ Universum..., op. cit.

²⁵ Millennials at work..., op. cit.

at least declaratively, to be one of the key selection factors for the majority of people participating in the different studies.

Development opportunities as priority

The PWC studies reveal that development was the decisive factor for selecting work for 65% of the respondents. Moreover, 35% indicated it as important for employer attractiveness and one of the most important benefits (22%). The respondents, from among the activities ensuring professional development, valued work with strong coach/mentor (28%), role rotation (21%) or support for the formal study process (19%)²⁶.

Deloitte in its study received similar results where for 28.4% of the respondents coaching and mentoring together with regular feedback was the most valued professional development tool at the employer. The most attractive work environment was such, in which there was the possibility to improve in things you like doing $(49\%)^{27}$. The quoted data are consistent with the ACCA report, in which the generation Y representatives focused on their own development, are willing to improve their skills and invest in themselves. They find learning through experience as the most attractive $(64\%)^{28}$.

As it has been already mentioned, high rank of the development opportunity as important work feature does not diversify between people from different generations, both in terms of cross-sectional and longitudinal studies. At the same time over the years representatives of different generations were usually happy with these opportunities, although people of the generation Y declare the highest level of satisfaction in this respect (*Baby Boomers* – 49%, X – 51%; Y – 63%)²⁹.

Professional plans and willingness for change

As per *Families and Work Institute* data, employees aged between 24 and 37 in 2002 were not more willing to change employer than their peers in 1977. However people under 23 were prone to changing their jobs more frequently than their peers a few years earlier $(70\% \text{ vs. } 52\%)^{30}$.

²⁶ Ibidem.

²⁷ *First steps...*, op. cit.

²⁸ Generation Y..., op. cit.

²⁹ Attitude. What Attitude. The Evidence Behind the Work Attitudes of Millennials, Kenexa High Performance Institute, 2011, http://khpi.com [access date 28 November 2012].

³⁰ J.M. Twenge, A review..., op. cit.

In this context the Kenexa studies seem to be interesting. They show that in 2009 31% of those aged 27 considered work change and their peers in 1990 did think the same (31%). Within the next 12 months 33% persons of the generation Y, 27% of the generation X and only 19% of the *Baby Boomers* generation considered work change. It indicates an important role of age in the declared professional mobility³¹.

In the ACCA study 32% are willing to change work within a year, 56% – within 2 years and 81% – within the next 3 to 5 years. As per the same report, 38% of those working is looking for a job, and 43% is open up to change, whereas only 18% wants to stay longer with the present employer³².

In case of Poland, the BKL studies reveal that in 2011 more than a million of working Poles wanted to change work. In the group of people aged 18–24, every fifth person had such plans, whereas among the respondents aged 25–34 – only every tenth person was willing to do so³³.

Those studied by PWC indicated career and development opportunity (64%), challenges at work (56%) and remuneration (48%) as the most frequent reasons to stay at work³⁴. In the Deloitte studies, students participating in the study found the lack of sufficient appreciation of work (19.5%) and insufficient development opportunities (13%) as the main reason for leaving the employer³⁵.

As shown, the youngest employees are particularly open up to changes, what may not necessarily result from strictly generational differences, but rather from young age and career stage which makes it easier to take decision about possible employer change. Generally, young people also declare higher readiness for relocation, both home and abroad, if they get an attractive job offer³⁶.

Summary

Generation Y ≠ Students Y

The majority of available studies and reports turn out to focus on student or working graduate opinions, who do not constitute a representative group for the

³¹ Attitude..., op. cit.

³² Generation Y..., op.cit.

³³ Aktywność zawodowa Polaków, BKL, 2012, p. 12, http://bkl.parp.gov.pl [access date 18 January 2013].

³⁴ Millennials at work..., op. cit.

³⁵ *First steps...*, op. cit.

³⁶ Ibidem.

whole population of those born between 1983 and 2000. The greatest interest in this group results also from the fact that its representatives are most sought in the labor market. Therefore, attitudes and expectations towards the rest of young people require further studies.

Different, although similar

The scientific literature and public debates discuss whether the differences between employees at different age have their source in generational differences (resulting e.g. from social, cultural or technological changes) or their main source is rather age itself and related career stage. Of course, there exist and are substantial differences between those aged 20, 35 or 50 now, however they often diminish when you compare their attitude to work at similar age. However, regardless of the difference origin, they should be accounted for if you want to effectively manage the human capital in organization.

Internally diversified

The majority of studies and reports present this group as homogeneous often juxtaposing it with the representatives of the generation X or *Baby Boomers*. In the meantime however a question seems justified whether the features often associated with the generation Y in terms of their attitude to work and related expectations are really so common. Elements characteristic for students, who are studied most frequently, can be assumed not to be the same for people with lower education, the unemployed or those originating from different social, ethnic or cultural groups.

Moreover, the generation Y students themselves seem to differ significantly among each other in terms of the place of work in the hierarchy of values and related expectations towards work and employers as well as professional plans.

Job applications

Based on the quoted study results, the stereotypical treatment of young people as representatives of the generation Y and associating them with specific features and attitudes as a result can turn out to be far too simplified in the human capital management practice. The indicated differences draw attention to the need to individualize actions related to attracting, developing, motivating and retaining young employees, including those most talented, so called talents.

Conscious creation of employer image

The majority of studies confirm that one of the most attractive aspects of the future job, considered during its selection, are development opportunities, including e.g. participation in interesting, developing projects, coaching and mentoring made by experienced employees or work in different areas of expertise. Stressing elements important for the young generation should be a part of the strategy to build employer image, allowing achieving the status of so called employer of choice. At the same time, this message must be coherent and reliable and reflect the organizational reality. Otherwise, the employer risks not only departures of disappointed employees, but also weakening or even loss of reputation.

Providing diversified development opportunities

The generation Y employees value clear and ambitious goals, fast and direct feedback as well as coaching and mentoring of more experienced employees. The development may take place by department rotations, foreign exchange, participation in different projects and in different organization departments (so called horizontal career).

Young employees, especially the best ones, expect ambitious, dynamic career and they want to have its clear vision. They expect challenges, inspiration and development opportunities. They show they can work hard and resign, at least for a time being, from private life, but expect fast rewards and impulses for further effort³⁷. A way to satisfy their needs is to create fast career paths for the best ones as well as to appreciate their involvement and create an incentive system. It will allow them to experience that their work is important, valued and appreciated³⁸. Disappointment in this area may lead to the decision to change employer which younger employees take easier and faster than their elder colleagues.

Accounting for needs and values

The system of values constitutes individual and important sphere of any person and management through values constitutes one of the management concepts. This area is important because the generation Y employees are

³⁷ Generation Y, op. cit., p. 11.

³⁸ Millennials at work..., op. cit.

often associated with more focus on their own than organization needs, e.g. in terms of work-private life balance. In the generation Y management, clear communication of values, expectations and goals of the organization as well as maintaining dialogue with an employee from the moment of recruitment is vital to achieve better person-organization fit.

Inter- and intragenerational management

There can be tensions in terms of different goals, attitudes and values among the representatives of different generations. Employers should be increasingly often prepared that younger people, so called high performers, will manage older employees and therefore will require necessary management competences. This will also involve taking actions in case of possible resistance or aversion of senior employees.

At the same time the young generation employee management should take into account internal differences. Incentive programmes developed with the generation Y in mind may not necessarily aim at all its representatives. One of the solutions in this respect is their further individualization, meeting the needs of an individual.

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Резюме

Работники поколения Ү. Монолит или мозаика разнообразий

В статье в сжатой форме представлены результаты исследований и рапортов на тему т. н. поколения Y, в том числе особенно студентов, а также характерных для них позиций и ожиданий относительно работы, работодателей, а также профессиональной карьеры. Статья – это голос в дискуссии на тему гомогенности упомянутого поколения, а также масштаба различий между молодыми, выходящими на рынок труда, люльми и старшими работниками, в контексте дебатов на эту тему, проводимых в научной литературе, а также в общественно-экономической жизни. По представленым результатам исследований сформулированы выводы аппликационного характера, существенные с точки зрения эффективного управления и мотивирования молодых людей, выходящих на рынок труда.

Ключевые слова: поколение Y, рынок труда, студенты, образование, работа, профессиональная карьера.

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