

## **Managing and Retaining Millennials and Generation Z Workforce**

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### **ABSTRACT**

Millennials (Generation Y or GenY) are now the largest generation in the workforce (US/Asia) while Generation Z (GenZ) occupies about 7%. Companies are carving out a significant budget to attract the most promising leaders from these two generations. Once they are onboard, managers must rethink how they involve, communicate, and collaborate with these younger counterparts to keep this powerful workforce engaged to achieve greater impact and sustainable results. Businesses ought to accommodate their workplaces and managerial styles to meet the expectations of these GenY & Z workers for better employee engagement and retention. This paper will first list what these two generations want from their employers and then offer strategies, tips, and techniques to effectively manage this powerful workforce.

### **INTRODUCTION**

Millennials (Generation Y) are considered to have been born between 1981–1996 (22–37 years old). Generation Z is considered to have been born between 1997 - Present (0-21 years old). While these two generations were born in two different eras, they share many common values and traits. There are more studies on managing GenY than GenZ because the latter generation has just in recent years joined the workplace as full-time workers. Information and data provided in this paper are more on GenY.

### **What do Millennials (Generation Y) and those in Generation Z want?**

1. Workplace flexibility
2. Meaningful careers with personal growth
3. Entrepreneurial job roles
4. Corporate social responsibility with the opportunity to make an impact
5. Constant and fast feedback
6. Social networking in the workplace
7. Financial security
8. Technology to do their work

### **What can Businesses do? Here are some strategies to successfully manage a GenY and Z workforce**

#### **Offer Flexible Work Options**

Flexibility is crucial and important because it signals trust. Among GenY and Y, flexible working has been shown to increase a sense of accountability. 75% of those GenY workers with flexible working conditions say they take a great deal of accountability over the ethical behavior and integrity of their organization. But in organizations with a low level of flexible working, that number drops to just 14%. These two generations want a combination of flexibility and stability. When you, as a manager, display trust in the employee, you create a firm foundation that encourages your employees to commit for the longer term.

#### **Make the Jobs more Career-Focused**

With the rise of freelance and contract work, employees are averaging only three years per job. Businesses must transform roles to be seen as a career path rather than a short-term stint. It costs far more to lose good employees than to retain them.

GenY and Z value opportunities to learn and to advance. They value training and continued development in a job, so make an effort to provide ongoing training and advancement opportunities. Offer tuition assistance programs and/or

sponsor professional certifications. These incentives will encourage employees to stay at your business longer while developing skill sets to do their job better, resulting in higher success for the business. Reward not just based on results but effort as well. Find out what matters to these younger workers and develop programs to keep them engaged.

### **Make job roles entrepreneurial**

In a recent survey by Monster.com, 76% of GenY and Z is highly entrepreneurial and nearly half are interested in starting their own company. If a business creates a culture of entrepreneurship and treats each employee as owners of their own smaller business within the large organization, employees will be more engaged and productive. To motivate entrepreneurial employees, businesses may want to give them a stake in the game. Reward employees with the company's stocks as part of their annual bonus. Turn them into devoted shareholders.

### **Give them opportunities to get involved in social issues and good causes.**

GenY and Z tend to be globally minded, especially GenZ. Roughly 60% want their jobs to impact the world and prefer working for companies that have a strong sense of purpose. They prefer to work for businesses that focus on contributing to society rather than just growing profits.

The 2017 Deloitte Millennial Survey found that GenY tends to feel a high sense of accountability when it comes to "Big Issues" like social injustice and protecting the environment. Focus on ways to empower these two Generations and give them a sense of influence. It may be hard to address and solve a big issue like social injustice or climate change. Instead, a business may want to focus on producing a local, small-scale impact that their younger employees can take pride in. Allow employees to spend a few paid work hours a month volunteering at their favorite local charity.

Create a cause and movement that's related to your business. To name a few projects – Novartis (China) established the Sichuan climate project, a forestry carbon project registered by the United Nations as a Clean Development Mechanism in Sichuan, China. Pfizer built a LEED (Leadership in Energy and Environmental Design) certified production facility in Suzhou, China, to minimize energy and water consumption.

Once you define your company's purpose, it will then become the foundation for cultivating core values and employee loyalty. This GenY and Z workforce often rank "a manager they can respect" as one of their top three "must haves" for their job. By leading a business with a higher purpose, this respect will be earned.

### **Provide Constant Feedback and Make it Fast**

The annual performance review is outdated, as GenY and Z prefer frequent performance conversations with their managers. These generations (especially GenZ) have been communicating their whole lives via email, texting, tweeting, Snapchat, Line, and WeChat; they expect constant and immediate communication.

GenY and Z prefer their communication delivered quickly rather than in formal, lengthy meetings due to their short attention span (average eight to ten seconds for GenZ). Many businesses are using apps for faster and more frequent conversations, allowing managers to rate and track workers' performance in real time. This also helps these instant gratification types get the feedback they desire.

They are open about sharing their viewpoint with their managers. They like to be managed by someone who acts as a coach, takes a personal interest in them, and guides them as they develop their strengths. They tend to reject managers who simply assign tasks and rarely offer constructive feedback. A Gallup poll has found that 70% of GenY responders feel strongly that they are more engaged when their managers focus on their strengths. When their managers focus on their weakness, that number falls to 39%. Therefore, invest in these two Generations as "People." Make sure that you offer appropriate training and mentoring to help these young leaders develop their skills and competencies.

As a caring manager, other than discussing what went well and what needs to improve, talk about your employees' aspirations, professional goals, and their ambitions. Good managers find out what their employees want to become and then find ways to align personal passions with business objectives.

### **Re-examine workplace policies to embrace social networking**

Companies must embrace social media by using tools to create efficiency in workflows and communication. Establish rules and boundaries for posting to social media at work and allow employees to use social media to connect and share information.

From a recent study, WeChat, China's top social networking app initially designed for close friends to chitchat, is quietly taking over workplaces across the country. The annual WeChat user behavior report released recently by Penguin Intelligence, a Tencent research arm, found that 87.7 percent of WeChat users use the app for daily work communication. Phones, text messages, and fax machines were used by 59.5 percent, and email by 22.6 percent.

It is becoming the norm for many business people to scan each other's quick respond (QR) codes to connect on WeChat instead of exchanging name cards during meetings. Office workers share files through WeChat rather than using emails. Even conference calls can be made anytime, anywhere via WeChat as long as there is an internet connection.

### **Provide Financial Security**

GenY and Z have gone through the bubble bursting decade of 2000 when many of their family members, colleagues, and friends lost their jobs and homes during the financial crisis. They (especially GenZ) are found to value money and security more than any other working generations. They also rank having a competitive salary as a top reason for working at a job. They are more willing to relocate or work nights and weekends for more money.

These values can work in your business' favor as you can increase productivity while achieving the business results you desire. Evaluate your company's salaries with professional tools (Glassdoor, PayScale) to make sure you are paying employees at or above their average market rate, so they are not lost to a competitor with better compensation. Additionally, create new programs that reward top performers with incentives and offer pay raises with merit increases.

### **Provide them with the Right Technologies**

These are digital-savvy generations as they have never known life without the internet, technology, and social media. On average, they are online over 8-10 hours daily (more for GenZ) and use an average of five screens a day, including desktops, laptops, smartphones, TV, and iPads. These younger generations prefer a technology infused workplace as they believe technology enables them to be more productive. They also believe technology helps to make their job more fun and enjoyable. They see mobile devices and smartphones as essential in their workplace.

### **Some Subtle Differences between GenY and Z**

GenY wants self-improvement, and they value companies willing to invest in them by offering training sessions, a mentoring program, and paying for them to attend industry conferences. They are motivated by Purpose and Shared Values. Being more transparent with employees and connecting what they do daily with the overall mission of the organization can be a big motivator. In a statistical programming group, create a diagram showing how a data cleaning program can help support the statistical analysis. GenY thinks it is important for their employer to share goals, progress, and achievements related to corporate social responsibility. A study found that 75% would take a pay cut to work for a socially and environmentally responsible company.

GenZ multitasks much more than GenY. They are also more entrepreneurial. GenZ is 55% more likely to start a business than GenY. They are also motivated more by Financial and Job Security. They want role clarity. Setting clear expectations early on will help these younger workers better understand their roles. It is found these young workers struggle to fit in or build new relationships at work. Consider incorporating opportunities for social interaction and pairing new hires with existing employees for mentorship. Establishing a social platform where younger employees can connect and create social interest groups is a great way to boost engagement. Consider Friday after-hours gatherings and bi-monthly socials other than the usual annual holiday party.

### **Millennials (GenY) as Managers**

A significant number of managers are now from GenY. Studies have shown there is a crisis among GenY managers. Many of them are simply not prepared or equipped with the skills required to effectively manage a team of older (baby boomers, GenX) and young subordinates (GenZ). These GenY managers spend so much of their time "heads-down" in looking at devices that they have lost some ability to read verbal, facial cues, and body language. It is believed that a two-way mentoring program can help. GenY can mentor senior staff on using social media, while senior staff can coach their younger colleagues on effective ways to engage with people when meeting face-to-face. They need to help develop the critical skills of the GenY managers by investing in a strong management training program.

### **CONCLUSION**

As both GenY and Z continue to increase their presence in today's workforce, companies have no choice but to embrace the driving force of this powerful workforce. In order to succeed, organizations must make greater efforts to implement important workplace processes and programs to better recruit, engage, and retain these valuable workers.

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