



Guiding Gen Y out of the downturn

What your organisation
can do to support and
retain young employees

 insyncsurveys

Introduction

The economic crisis has presented organisations and their workforces with one of their biggest challenges for some time. Riding the wave of the downturn is familiar territory for some, however, for a new cohort of employees this has been their first exposure to tough economic conditions. As a result, organisations may need to ask how Generation Y (Gen Y) employees are reacting to the economic blow. This will help organisations learn how best to retain Gen Ys so these employers have the resources needed for the recovery.

Gen Y employees are often characterised as self-confident, technologically savvy and well-educated. However, with the global economic downturn they may also be those staff who become quickly disengaged. This disengagement will result in lost productivity in the precious moment the organisation needs all cylinders firing.

It would be unwise for organisations to think that within a tightening or cautiously recovering economic climate, Gen Y employees have become more thankful for just having a job. Engaging staff during this time is still critical and will position organisations well for future periods of growth. Otherwise, Gen Y may well be the first employee group to become a toxic influence on your culture or jump ship as the job market picks up.

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Key findings

Research undertaken by Insync Surveys offers leaders vital insights into how best to manage Gen Ys amid productivity pressures and workforce cuts. The research findings indicate that by delivering open and consistent information, rewarding and recognising Gen Y staff and keeping them focused and challenged, organisations can solidify relationships and retain these young employees.

During the economic downturn and early stages of an upsurge, it is important to take advantage of the natural optimism Gen Y employees bring to the workplace. Maintaining a sense of confidence in the future will ensure that younger staff continue to enjoy their work environment. By taking note of the research findings and strategies to follow, organisational leaders can help reassure Gen Y employees that good times will return.

Sample and methodology

The findings are based on a sample of 523 Gen Y employees from 19 organisations who completed Insync Surveys' Organisation Alignment Survey between April 2008 and March 2009. Survey responses were compared across two groups within this sample – those Gen Y employees who completed the survey prior to October 2008 (62.7% of respondents) and those who completed the survey as the economy began to tumble, from October 2008 onwards (37.3%).

The Organisation Alignment Survey measures the alignment of an organisation's vision and strategy with the actions, behaviours and outcomes of its employees. Organisations including those going

through significant leadership changes or those adapting to new market pressures use the tool to take stock and then devise the best path for a sustainable high performance future. The survey has 120 statements measured on a seven-point scale where "one" represents strongly disagree and "seven" represents strongly agree.

Data were collected in line with the privacy policy of Insync Surveys. This policy informs survey invitees that their responses may be used for the purposes of research. It also guarantees that their identity will not be linked to their responses.

Focus on open and consistent communication

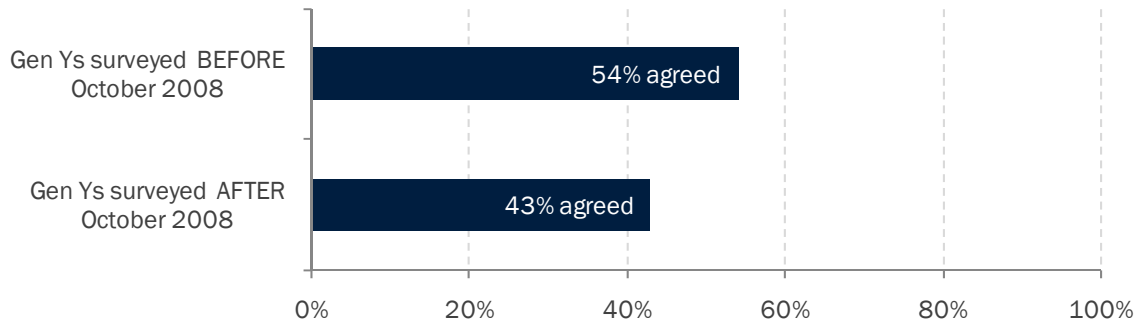
Effective communication from organisational leaders is essential during challenging times in order to align employees with the purpose and direction of the organisation, and to demonstrate a sense of control and confidence. This is particularly relevant for Gen Y staff who seek out guidance and structure in their relationship with their employer.

The Insync Surveys research suggests that Gen Y employees surveyed during the economic downturn were more likely to feel out of the loop, with only 43% of respondents agreeing that information is shared openly in their workgroup or team (as shown in the top figure on the next page), compared to 54% previously. Respondents specifically revealed that they felt their immediate manager was not communicating effectively with them. This further analysis showed that only 59% of respondents believed that their manager was spending sufficient time on face-to-face meetings with staff.

These findings were less severe for Gen Y employees surveyed before this period, during more upbeat times.

During uncertain times or on the rocky road to recovery, employees want to be reassured of the organisation's long-term plans and given confidence that it will weather the storm. Employees are aware when things are bad – leaders should be open and upfront about their current business situation and the plans in place so that the organisation comes out stronger. Gen Y employees will begin to mistrust management if too much positive spin is put on a negative situation. Ensuring that consistent messages flow both vertically down the organisation and horizontally across teams will ensure that rumours do not fill the information gaps. Effective communication is the key to maintaining an engaged Gen Y workforce.

Information is openly shared in my work group



Reward and recognise efforts during tough times

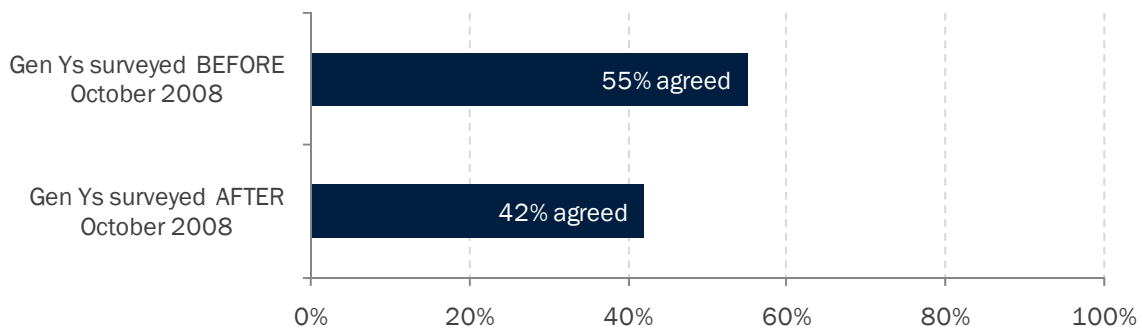
As the economy tightens and job security becomes a concern, everyone faces productivity pressures. This does not mean however that managers should scale back on rewarding and recognising their staff. Organisations must continue to provide relevant incentives and acknowledge high performance in difficult situations. Gen Y employees, in particular, are likely to question their value without the reassurance and encouragement to remain positive and focused on their work objectives.

This research found that during the period of economic turmoil, Gen Y employees felt that their team was less likely to acknowledge successes compared to earlier times (as shown in the figure below). Of those Gen Ys most recently surveyed, only 42% agreed that their work group celebrates high performance achievements and only 43% agreed that their team recognises, encourages and rewards good performance (not shown below).

For both of these issues, there was a significant drop in agreement over time – Gen Ys felt they were given greater feedback and acknowledgement prior to the global financial crisis.

To be effective, rewards must be tailored to the employee. Traditionally, Gen Y employees have valued balance and flexibility as a form of reward. Although there may be reason to clamp down on work flexibility during these challenging times, taking these benefits away may in fact hurt staff morale. Instead, employers need to be flexible while also identifying the unique ways to recognise their Gen Y employees. Gen Ys respond better to on-the-spot recognition following achievements rather than monthly or yearly formal rewards. Facilitating a culture where creativity and a willingness to go above and beyond is continuously acknowledged and rewarded will drive engagement.

My team celebrates high performance achievements

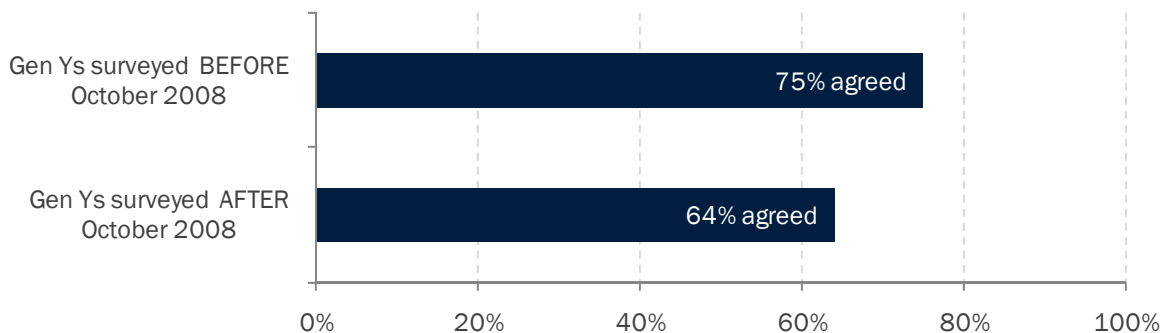


Keep Gen Ys focused and challenged

The Insync Surveys research found that Gen Y employees surveyed during the economic downturn were less clear about the outcomes expected of them compared to Gen Y employees surveyed earlier. In times of doom and gloom, only 64% of respondents agreed that they understood their performance objectives and how these related to the overall direction of their organisation (as shown in the figure below). Typically, role clarity tends to be one of the highest scoring components within Insync Surveys' employee surveys, with agreement levels approaching 85% regardless of the generational group. It is thus a concern that recently, more Gen Ys feel that they don't know what is expected of them at work.

As organisational leaders look to convey confidence in the future, employees need to be provided not only with strong communication but also with direction around what they should be doing to help. Gen Y employees are characterised as seeking out opportunities for growth and challenging work. This may be an exciting time for managers to provide varied and new tasks for these employees in order to capitalise on their innovative thinking. Gen Ys will better believe that their role and their organisation will survive if they are provided with a clear focus and assignments in which they feel they are making a contribution.

I understand what outcomes are expected of me



Conclusion

Although working through a recession is new to Generation Y employees, they do not necessarily need to have a negative experience. Leaders are encouraged to navigate Gen Ys with open and consistent communication, rewards and recognition and keeping them focused and challenged. By taking note of Insync Surveys' new insights into the current experience of Gen Y employees, organisations may be able to capitalise on their strengths and keep these employees engaged. As a result, organisations will be better able to retain and attract Gen Y employees and come out in a stronger position as the economic conditions improve.

About Insync Surveys

Insync Surveys is a 2009 *BRW* Fast 100 company. With offices in Melbourne, Sydney and Perth, we deliver customer, employee, board and other stakeholder surveys for some of the largest organisations in Asia Pacific, including: Cathay Pacific, Foster's, Toll, AXA, Medibank Private, WorleyParsons, the New South Wales Department of Community Services, the Victorian Department of Primary Industries, Tourism Western Australia, iiNet, Fairfax Digital, QLD Department of Emergency Services, TT-Line (Spirit of Tasmania), Melbourne Cricket Club, many local councils, most university libraries and Mission Australia. This experience allows us to benchmark your results. Insync Surveys' organisational psychologists help your organisation to improve performance and the working lives of your people.

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