Decoding the Work Place Behaviour of GEN Y

Ashish Shrivastava, Research Scholar, School of Commerce and Management, LNCT University, Bhopal

Prof Dr. Bhavana Likhitkar, HOD – MBA, School of Commerce and Management, LNCT University, Bhopal

Abstract

Generation Y or less formally, Gen Y is broadly defined as comprising those born over the years from 1981 to 2000. They are the children of the baby boomer generation. It is this segment of the population that will shape the workforce environment and the market place since they are a large customer segment and they are the future accumulators of wealth. The advent of Generation Y as potential employees is bringing new challenges and opportunities for the industry. These need to be understood and addressed. This will help organizations to rethink and redesign their work environment. In spite of the fact that India is a young country there is not enough research on this subject with a special focus on India. Study of the Gen Y in India, is essential since their perceptions, their beliefs and their requirements are all likely to change the way we work, both in India as also impact internationally since India will potentially provide a large number of skilled manpower to the world.

This paper aims at a holistic understanding of workplace expectations of Generation Y from an Industry perspective. The paper attempts to arrive at on over all profile of Gen Y and needs behavior and expectations of gen Y in the workplace

Key words: Gen Y, Gen X. Millennials, Quality of Work life, Work life balance

Introduction

The advent of members of a new generation as potential employees and customers is bringing new challenges and opportunities for business organizations. These need to be understood and addressed as the youngest members of the society make their presence felt. This is causing businesses to rethink their work environment. There is an increasing demand in the workforce to focus on multi-generational diversity. Multi - generational workforce has created unique challenges and opportunities for employers who leverage each generation's talents and strengths to benefit the organizations performance. Understanding different generations and what motivates them can help organizations to develop strategies to attract, develop, and retain employees, in ways that are more relevant and appealing to each generation cohort. A new generation of employees with new expectations is entering and will continue to enter the workplace in large numbers. They are described in many ways and known by many names, but the most common terms used in literature are the Millennials or Generation Y (Gen Y). With many Gen Y members already in the workforce, organizations will be challenged to deal with generational differences that exist among employees. The present study using data from 218 respondents, attempts to understand the profile, views and workplace expectations of Gen Y.

Defining Gen Y: Generation and cohorts

Historically a generation has been defined as 'the average interval of time between the birth of parents and the birth of their offspring' (www.dictionary.com). Traditionally this places a generation at around 15 - 20 years in time span meaning every 15-20 years a new generation emerges. A generation is however more than just its age. A generation is also defined by shared life events along with the shared context in terms of politics, culture, economy, technology and societal trends. A generation refers to a cohort of people born within a span of time in which particular trends, technologies and events have significantly shaped them. These are known as social markers and generational indicators.

While the time span of 15 – 20 years has served well in the past, this is rapidly changing today, where we see several differences among different cohorts of the same generation. Today, two decades is proving too broad to contain an understanding of all the people of that generation. So while the definition of generation may not change, for a deeper understanding we need to understand the different cohorts of a generation.

A generational cohort, includes those individuals who share common life experiences. Such experiences unite people of the same generation, lead them to adopt and share common values, helping large number of them to experience the world in similar ways. While each individual within a generation is unique, the generation tends to develop a unique identity.

Table 1: The Generation Classification (As available in the literature)

Description	Birth Years
Builders	Before 1946
Boomers	1945 – 1964
Generation X	1965 – 1979
Generation Y	1980 - 2000

People of the same generation cohort develop common influential experiences and similar expectations, and as a result these factors tend to distinguish one generation from another To appreciate the generations it is important to understand the formative events each generation experiences and how these events shape expectations in the workplace. As an illustration, having grown up with 24/7 access to the internet, Gen Y are digital natives. This experience has shaped how they lead their lives; search for information, solve problems, relate to others, and communicate. Strauss and Howe are widely credited with naming them millennials identifying their prospective link to the millennial year 2000. Also the phrase Generation Y first appeared in a 1993 Ad Age editorial to describe the children of the day.

The population size of Generation Y, in the approximate age group between 15 and 30 is estimated to be 25.47 % of the total population worldwide. (Source: US Census Bureau Population Division) In India they make up more than half the population. With about half of India's population under 25, the largest group of Generation Y is in India. (Source: US Census Bureau, International Data Base)

Literature Review

A review of the literature on the subject reveals that it is for the first time that three generations are working together in organizations, as also, all the three generations form formidable customer segments in the market place. With all three generations in the workforce at all levels there is a need to understand the generational differences to ensure optimum human resource productivity. While having a mix of generations in the workforce is not new, traditionally the different age groups have been stratified with the older people in senior managerial positions and the younger in the junior transactional positions. The new reality is that people from various age groups are forming teams at all levels in an organization. For the first time all the three generations with distinct requirements are also forming distinct market segments with different spending patterns. It is therefore essential to understand the different values and perspectives that Generation Y holds to optimize the new challenges presented by generation diversity.

Literature review also brings out that studies on Generation Y have focused on their values, motivation profiles and communication patterns. Research work has approached them as consumers, colleagues, employees, managers and techno savvy innovators and entrepreneurs. In literature we also find an interest in the level of understanding of finance since Generation Y will also be a large inheritor of wealth. Generation Y or less formally, Gen Y is broadly defined as comprising those born over the years from 1980 to 2000. They are the children of the baby boomer generation and Generation X. It is this segment of the population that will shape the workforce environment and the market place since they are a large customer segment and they are the future accumulators of wealth. (Ref: Beyond the baby boomers: the rise of Generation Y Bernard Salt Partner, KPMG)

A large group of the Gen Y cohort was born into a home where both parents worked, compared to the earlier cohorts. Gen Y members not only had the support from their parents, but also had established infrastructures such as childcare, preschool, and after school programs (Weston,

2006). The Gen Y members appear to be quite family-oriented, open minded ,in that they tend to overlook differences among people and treat everyone the same, deeply committed to authenticity and truth-telling, extremely stressed, and believe to live in a "no-boundaries" world where they make short-term decisions and expect the outcomes to be rather grandiose (Leo, 2003; Raines, 2002).

Draves and Coates, authors of Nine Shift: Work Life and Education in the 21st century, write that Millenials have distinctly different behaviors values and and attitudes from previous generations as a response to the technological and economic implications of the Internet. And it is no surprise that this generation has such large expectations, considering that their technological prowess has helped them make the world a smaller, diverse, highly-networked environment, with everything at the tip of their fingers.

While some believe that the new and improved technological methods of communication used by Gen Y give this generational cohort the characteristics of authenticity, authorship, and autonomy (Weston, 2006), others believe that those same methods make this generation to be disloyal, anxious, and disrespectful (Kovarik, 2008). More specifically, Gen Y is a cohort that ranks at the top in many areas such as being the most affluent, educated, and diverse (Howe & Strauss, 2004).

What is noteworthy is the work ethic of this generation; they prefer a fun working environment, non-monetary perks as well as flexible hours are important (Cole et al.,2002). Fostering a "team" mentality and environment is important for this generation because it provides a sense of acceptance and belongingness (Cole et al.,2002).

While the ever - changing technologies in business redefine the way we work, the sociological and demographical changes have even more profound implications on our future. This is the period when relentless technology change is combining with massive demographic change within one generation, bringing radical changes in our society and the way we do business. Gen Y represents our future. The pendulum of change when it swings back, will bring in a continuum of further changes. Consumption motivations, perceptions towards risk and value of money are also changing. Generation Y have been found to have higher self-esteem, greater willingness to take risk, often driven by instant gratification to enjoy life and maintain a trendy social image. (Twenge and Campbell, 2008)

There is a strong acceptance in literature that in comparison to the rest of the world, India is a young country. Yet we find that there is not enough research on this subject which is focused on India. Study of the Gen Y in India, their perceptions, their beliefs and their requirements are all likely to change the way we work, in India as also impact internationally since India will potentially provide a large number of skilled manpower to the world. India is also a large market with the strong presence of the Gen Y customers. Overall there is a consensus that gen Y has grown up in a very different environment, comes to the workplace with a different set of skills, is motivated by different things, thinks differently about learning and development approaches work relationships differently.

Research Design and Methodology

Objectives of the study

To understand
1. The overall profile of Gen Y.
2. The needs behaviour and expectations of gen Y in the workplace

Primary quantitative data was questionnaire based and collected through on-line surveys.

Qualitative data collection was done through individual interviews and focused group interactions. The study was largely conducted in the Pune- Mumbai area and in organizations having a large pan- India presence.

Profile of the Respondents

As mentioned earlier for the purpose of this study we have considered Gen Y to be the people with birth years between 1980 and 2000. The age profile of the respondents was in the age group of 21 to 35 years and mainly in the sub age group of 26 to 30 years.

The education profile reveals that the largest number of the respondents are graduates (115), followed by postgraduates (86) and only 17 of them were undergraduates. The gender distribution was 167 or 76 % males and 51 or 24% females.

Literature suggests that the home life of the millennials differs from its predecessors. The millennial generations are the children of Gen X.- the generation, in which women joined the workforce in large numbers. Literature points out that this is the generation which largely had the benefit of a double income family. Amongst our respondents only 14% reported that had working mothers. A large group of 86% reported that their mothers were home makers. Their fathers occupation were reported as executive, professional, small business, agriculture and others.

The respondents themselves 56% were married and 44% were unmarried. Reflecting that among the Indian respondents marriage is not much delayed as in other parts of the world. The sample size was 218. The sample statistics are as shown in Table 2.

Table 2: Sample Statistics

Total number of respondents	218
Number of male respondents	167
Number of female respondents	51
Number of post graduate respondents	86
Number of graduate respondents	115
Number of under graduate respondents	17
Number of married respondents	123
Number of unmarried respondents	95
Number of employed respondents	205
Number of unemployed respondents	13

Our respondents reported that they were working in the manufacturing, IT, BPO, services sector and the banking and finance sector. The largest group 39% was from the banking sector, followed by the IT and the BPO sectors(Table 3).

Table 3: Industry Sector Profile of Respondents

Industry	Respondents
Manufacturing	14 (6%)
IT sector	28 (13%)
BPO sector	39 (18%)
Services sector	24 (11%)
Banking sector	86 (39%)
Any Other	27 (12%)

To understand the profile of the respondents better we wanted to know their financial status.

94% of the respondents were working with only 6% who are currently not working. The largest groups of 62% respondents were in the income bracket of 3 to 5 lakhs (Fig 1) 61.72% of the respondents had annual income in the range of 3-5 lakhs. Whereas 12.92% had annual incomes in the range of 5 to 7 lakhs while only 0.96% has annual income in excess of 7 lakhs. 21.05% of the respondents stated their annual income was between 2 to 3 lakhs whereas only 3.35% had annual income less than 1 lakhs. Considering that most of them are in the age group of 26 to 30 years with an average work experience of 4 years, their income is appropriate for the sector they represent.
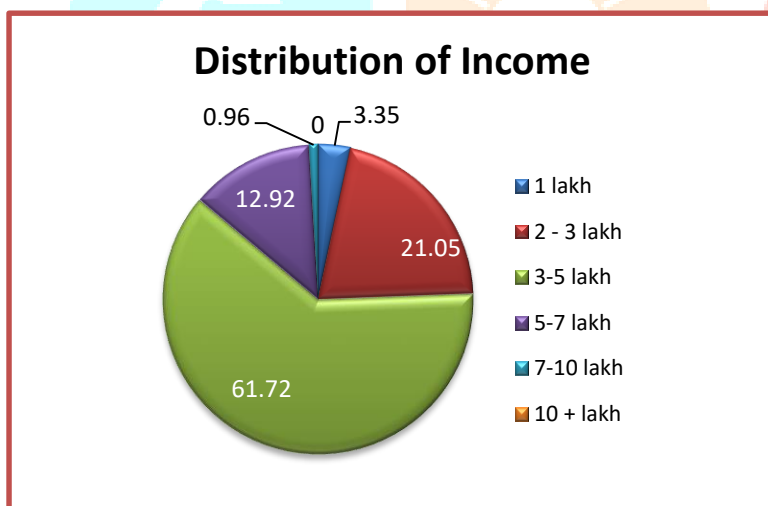

Fig 1: Distribution of Income

The spending pattern of their income is represented in Fig 2. It is interesting to note that irrespective of their income bracket the maximum savings registered is in the range of 10%. This indicates that as the income bracket goes up the spending on other items increases and not the amount of savings. Saving is not a high priority with Gen Y, it is at the bottom of the list for them. Gen Y seeks instant gratification. They refrain from long term orientation and live in the present. The preferred avenues for saving were found to be mutual funds and Systematic Investment plans and investing in equity was not a popular option. Gen Y was averse to traditional methods of investing in gold or fixed deposits. The Gen Y lives on credit. 38 % of income is spent on repaying loans. The loans vary from home loans, car loans, loans on white goods, loans on electronic items like mobile handsets, laptops, cameras etc. 30% of earnings of the Gen Y are spent on lifestyle.
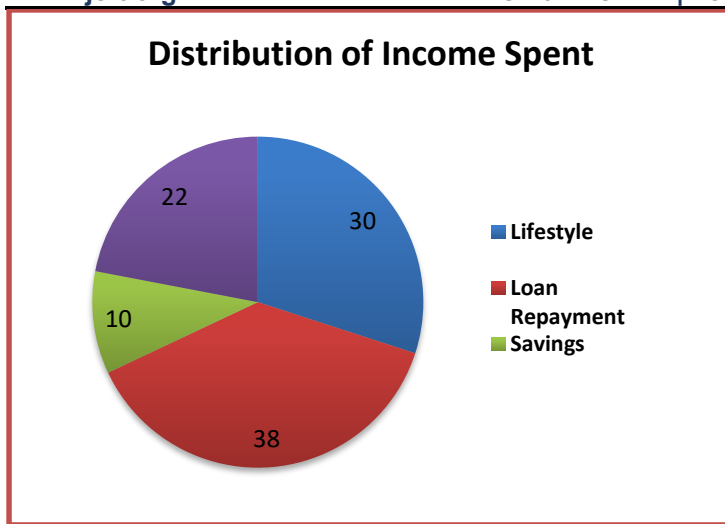
Distribution of Income Spent

Fig 2: Distribution of Income Spent

Many sectors have not considered Gen Y as significant customers. The industry perception is that it is the most relevant emerging customer segment but there is no clear understanding of how they make decisions and which customer engagement approach works best with them. When studying consumer behavior of Gen Y it was found that a large percentage of Gen Y indulges in online shopping. The preferred top three e commerce websites for shopping were Flipkart, Amazon, Snapdeal. Credit cards were used for payment rather than cash on delivery option. Apparels, footwear, jewelry, handbags and other lifestyle products figured as most popular on the online shopping list of female respondents. Electronic gadgets, mobile handsets, computer and peripherals apparels, footwear dominated the on line shopping list of male respondents. Use of customized Apps provided by on line retailers were used widely to do online shopping. An increasing trend to access internet via mobile phones rather than computers was also observed in the digital natives. The on line purchasing behavior was predominantly influenced by five star rating or consumer reviews given by consumers in choosing a certain on line vendor.

Ownership of vehicles is a trend observed among our respondents, 53.55% of Gen Y owns two wheelers whereas 4.74% own cars (Fig 3). There are 7.11% respondents who own both two and four wheelers. A smaller group of 34.6% own neither and rely on car pool, company transport or public transport to compute to work.
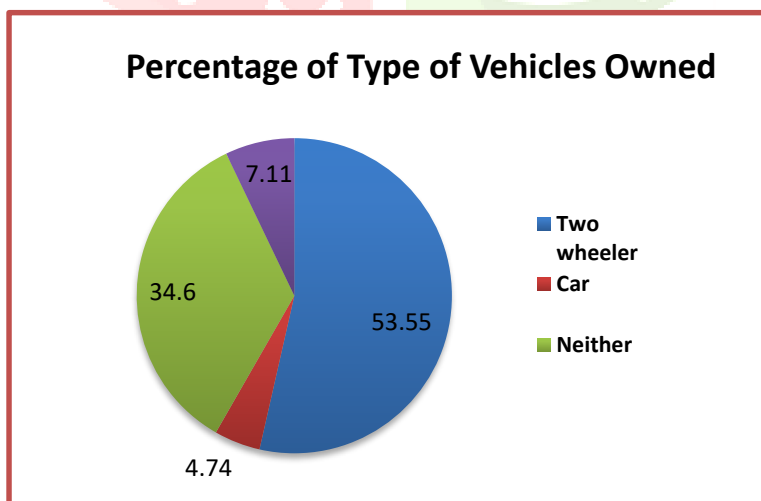
Percentage of Type of Vehicles Owned

Fig 3: Percentage of type of Vehicles owned

The other area of investment is in housing. 34.5% of respondents own the house they live in whereas 65.5% live in rented houses. This could be because many of the respondents were in employment away from their home towns. Gen Y believes investing in real estate is the only option which can factor in the increasing rate of inflation and give good ROI (return on investment). The most expensive education in the country is that of engineering and business administration. Since a large number of our respondents were graduates, they may not have availed of education loans. We have only a small proportion of respondents repaying an education loan

Views about Work

Views are important since they provide and indicate the thoughts, areas of influence, and the choices the Millenials are like to make.

The respondents were asked to share their views regarding 20 work related variables. These included their enthusiasm and identification with work, quality of work and work arrangements. The other areas were meaning of success and work. They were invited to share their view regarding their boss, co-workers the kind of organization they would like to work for. Finally they provided their views regarding their preferred method of learning, personal health and work life balance and the potential reasons that would trigger the need for a change of job.

Gen Y has an appetite for challenge. Majority of the respondents stated they routinely volunteer for challenging assignments. When asked what type of tasks they prefer 60 percent of respondents stated their preference for challenging tasks (Fig 4). Tolerance for ambiguity was found to be low with 25 percent respondents preferring tasks that are clearly defined. Only 8 percent of Gen Y surveyed said they prefer doing tasks that are easy. Gen Y is more than ready to take the less taken path. They want to try out new opportunities and show a greater eagerness for taking risks. A significant number of respondents showed an inclination towards entrepreneurship. The joy of creating and being their own bosses were the main drivers for entrepreneurship which far outweighed the fear of failure. Most of the working respondents stated they prefer to join Startup organizations rather than organizations in more advanced stages of their life cycle. Startups afford greater learning opportunities as there are no defined silos for working. There is better understanding and involvement in the overall business model and this leads to better employee engagement.
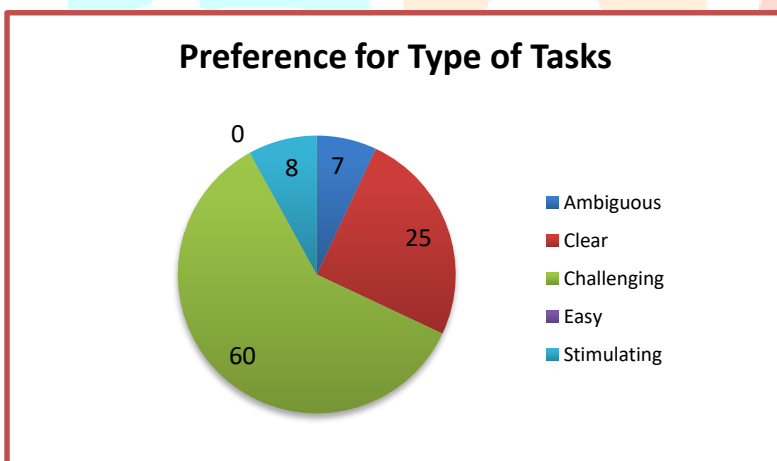

Fig 4: Preference for type of task

While sharing their views regarding meaning they attach to their work, millennials shared that it represented a career, followed by social status (Fig 5). Work as a source of money or security was low in their view. Being recipients of security provided by the family, they do not consider the job as a provider of security. They are clearly looking for a far more challenging meaning of work.
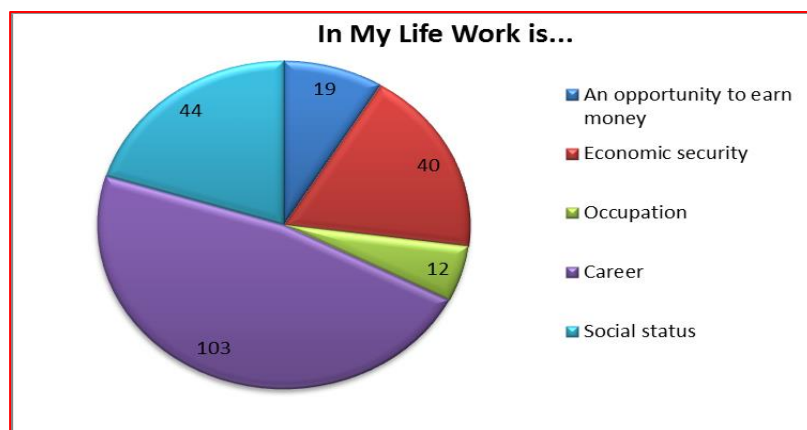

Fig 5: Importance of work in life

To fulfill their ambitions they prefer organizations that are financially stable, pursue excellence and value employees. The pay structure and compensation is not the most important variable for the selection of a job amongst the millennials (fig 6).
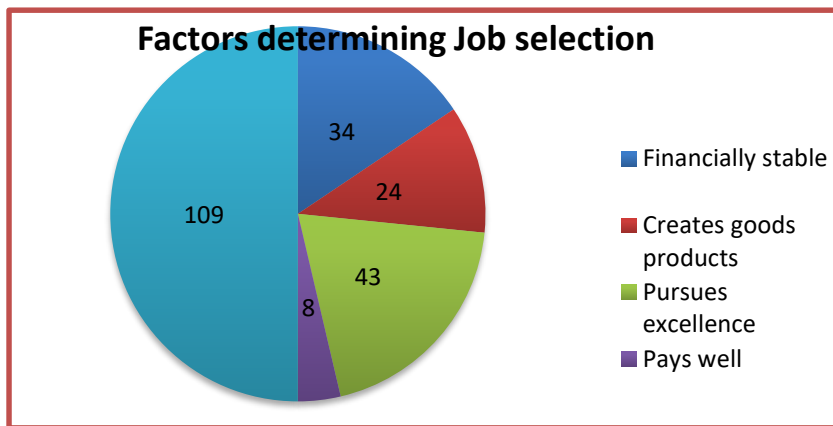

Fig 6: Factors determining job selection

Work life balance is important. They expect to work where and when they want. They are also prone to have frequent job changes since they seek new opportunities and employment on their own terms.

They share many of the same values at work corporate and social responsibility flexibility and they like to make a difference and be appreciated. The difference however is that they more likely then the previous generations to let the organizations know what they value; and they are not afraid to change jobs or careers if they are not happy.

Gen Y views work as a career with 47% of respondents stating so. 19% associated work with social status and the same percentage with economic security. For 9% work was an opportunity to earn money and only 6% said it was an occupation. 94% of respondents were enthusiastic about their job and were proud to identify with their work

Behavior and expectations at the Workplace

The respondents of the survey were asked to rate their expectations from their workplace. Having fun at the workplace emerged as the most important factor that Gen Y expects from their workplace (fig 7). Frequent parties, birthday bashes and celebration of achievements were looked forward to by this generation. One day in a week for casual dressing was recommended by most. Gen Y enthusiastically participates in Indoor games and gym facilities in the workplace.

The second most important factor that Gen Y tries to find in their workplace is passion and optimism. Gen Y has strong minds of their own and are ready to follow their heart. They are driven by passion willing to take risk and tread the path less taken. This generation is more open to experimentation as compared to Gen X. They have internal locus of control and boldly take decisions in a pragmatic way.

Ethical culture was ranked as the third most important expectation from the workplace environment. Gen Y values meritocracy and looks forward to a culture of equality. In their opinion Career progressions should be based on merit with no consideration to ethnic, religious or gender bias. Performance and not seniority was cited as the basis for promotion in the work place. Belongingness and work engagement emerged as the fourth most important factor in the workplace. Employee engagement initiatives undertaken by organizations were viewed favorably as instruments for improving organizational effectiveness and arresting attrition. Flexibility in doing work was sought after and modern work place environment served as a hygiene factor.

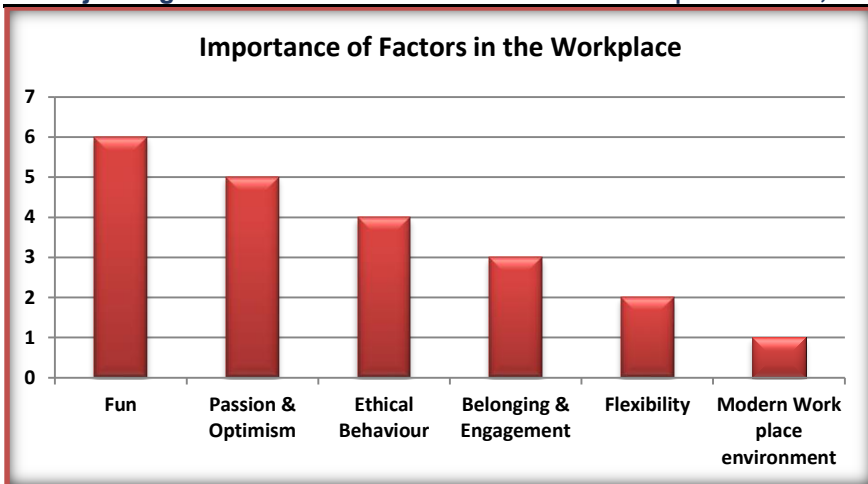**Importance of Factors in the Workplace**

Fig 7: Importance of factors in the workplace

Quality of life appears to be the focus of this generation. The American Society of Training and Development defines Quality of work life(QWL) as: "QWL is a process of work organizations which enable its members at all levels to actively; participate in shaping the organizations environment, methods and outcomes. This value based process is aimed towards meeting the twin goals of enhanced effectiveness of organizations and improved quality of life at work for employees. " Quality of Work Life is becoming an increasingly popular concept in recent times. Quality of work life can be assessed by factors like balanced life style, flexibility, intellectual stimulation at work, self expression and relaxed work environment. Gen Y ranked balanced lifestyle as the most important factor for quality of work life (fig 8). They want to work hard and at the same time having fun in life is equally important. Most respondents did not approve of formal dress code at the workplace. They felt dressing is a way of self expression and they should have freedom to express themselves. Gen Y is willing to work hard and are goal driven but look for flexibility in work timings. Intellectual stimulation was ranked third most important for QWL. The generations is inclined towards innovation and finding new ways of accomplishing tasks. Freedom to express themselves in their work, through dressing, their workstation and in informal groups is ranked fourth. A relaxed work environment was also pointed out as important for QWL.
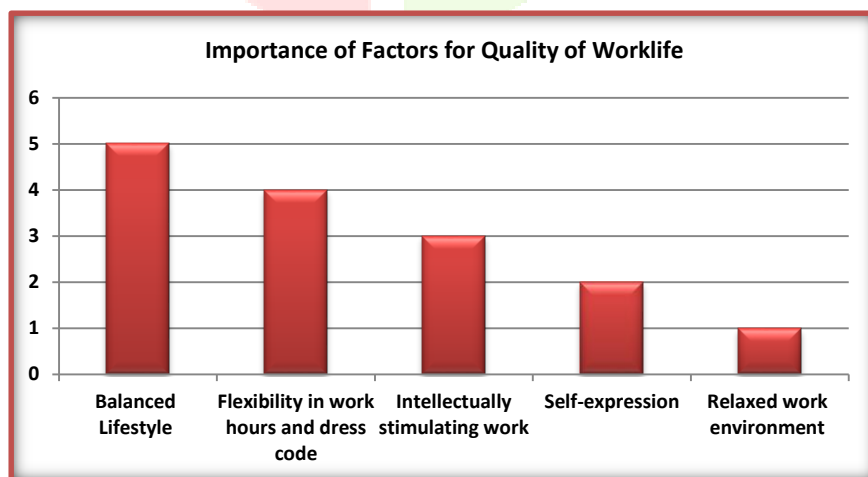
Importance of Factors for Quality of Worklife

Fig 8: Importance of factors for quality of work life

Expectations from the boss

One of the major contributors to the effectiveness and performance is the relationship with the reporting boss. The meeting and matching of expectations of the boss is a major contributor to this relationship. Millenials prefer managers who take an educational approach and who take time to understand their personal and professional goal. They value managers who coach them, are positive, collaborative, achievement oriented, and who provide structure (fig 9). Millennials distrust bureaucracy and rely heavily on their social networks.
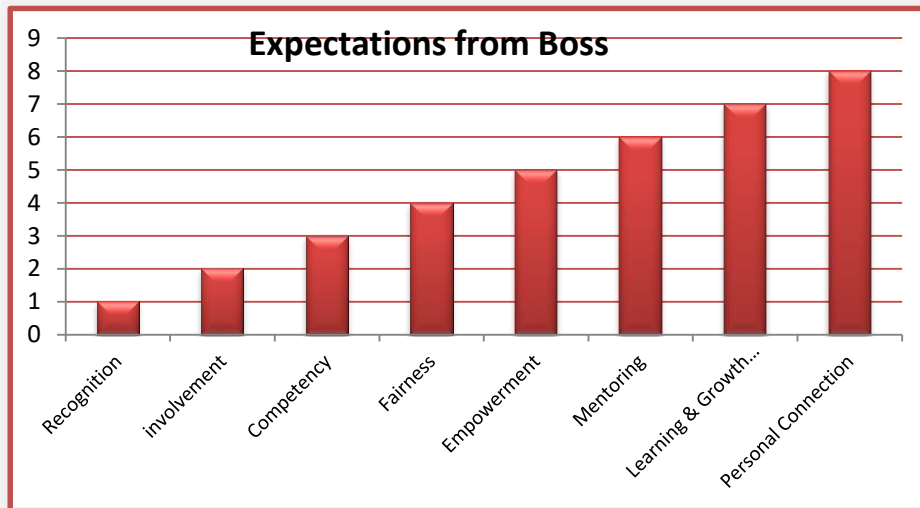

Fig 9: Expectations from Boss

Changing Organization Beliefs

It is important to note how the work environment has changed over time. From the largely local to largely global has been an interesting journey in most organizations. There have been radical changes in the way we work. Organization structures are more flexible, cross functional teams are the norm and methods of communication have radically changed. This is also the period when the new generation, Gen Y is entering the work force. Although the traditional bureaucratic structures, and work patterns still exist in several organizations, new patterns of work have also emerged side by side. New approaches demand the inclusion of individuals, from various levels of the organization, to become involved as equal members of a team, and as a result, leads to the neutralization of the hierarchical structures and demands on individuals of different age groups to interact as peers.

The advent and the effective use of computers has made it possible for the newest generation in the workplace to be the expert in the use of critical skills. It has led to the creation of the 'missing middle' in many organizations. The availability of real time data has led to redundancy of several levels and varieties of jobs mainly at the middle management. Reverse mentoring where the younger generation help the older generation with critical work skill is not uncommon in organizations.

Organizations can harness the essential profile of the Gen Y to bridge the emerging gaps arising due to various changes in the work environment.

Managerial Implications of the Research Findings and Recommendations

Organizations have started to appreciate the magnitude of the challenges posed by the Gen Y both as employees and consumers. Their presence is essential in the organizations since they represent the future. It is clear from the research findings that Gen Y has a propensity for challenges in the work place. In order to keep Gen Y engaged employers will have to devise challenging goals and tasks. Change will have to be the norm where novelty can be used to challenge and engage the Gen Y. Employers can look at options like encouraging intrapreneurship in organizations to cater to the drive for innovation, creativity and the risk appetite in Gen Y.

IT is evident from the research that Gen Y considers work as a career and not just as a means of livelihood. Some where they associate their self worth with the work they do. The job design must ensure it has all the elements to motivate and engage Gen Y like skill variety, task identity, task significance, autonomy and feedback (Hackman & Oldham's Job Characteristics Model). To keep the millennials engaged employers must offer this generation meaningful work. They want to know how their work contributes to the larger mission. They need flexibility; they work towards the achievement of goals, rather than the narrow precincts of time and place.

In the research having fun at the workplace emerged as the most important factor that Gen Y expects from their workplace. Organizations will have blend work and fun initiatives in subtle ways. Deploying technology to make learning at workplace more enjoyable and convenient is a measure organizations will have to contemplate. Many organizations are using gamification to engage employees and achieve organizational objectives.

The second most important factor that Gen Y tries to find in their workplace is passion and optimism. In order to elicit the best in this generation they must be given enough flexibility and autonomy in the work place.

Ethical culture was ranked as the third most important expectation from the workplace environment. Organizations should take steps to mitigate ethical dilemmas by creating and disseminating an organizational code of ethics. People who act ethically should be visibly rewarded for their behaviour and unethical behaviour should be punished. Organization should create formal mechanisms so that employees can discuss ethical dilemmas and report unethical behaviour without fear of reproach. This might include creation of ethical counsellors, ombudsmen, or ethical officers.

The expectation of Gen Y from the workplaces, are in some ways extensions of home and more of a relaxed and fun place to be. In their boss they need someone from whom they can learn and someone who shows genuine concern rather than someone who uses hierarchical authority to get work done. Being computer attached learning is a continuous part of their life. With a large amount of knowledge at their fingertips they possess a continuous approach to learning.

Even in the more traditional culture of India where hierarchy is still revered and lifelong employment is still a dream cherished by many, the Gen Y is creating radical changes in the workplace. They possess several characteristics of this generation and aspire for many things in their careers. They would find it very difficult to adjust to rigid organizational policies for the achievement of them however.

To ensure performance and productivity from this group several experiments are undertaken by organizations, such as flexi time, work from home, casual dressing, paternity leave, and computer based training. There is no conclusive evidence as to these initiatives are effective and enough. Gen Y also presents a further complexity that, there are differences amongst different age groups in this cohort. This is a differentiated generation cohort demanding several options through which they can experiment before they find their balance in life and in organizations.

Future Direction of Research

Gen Y is here to stay and is the new reality. There is enough evidence to show that workplaces are changing rapidly to suit the requirements of new generational cohort. The Millenials are bringing in new attitudes and behaviors to the workplace. While the largest group of the Gen Y is India and is potentially poised to fulfill global requirements, there is a need to conduct further research to understand the unique requirements of this group to understand the differences from their global counterparts. A further area of research is to seek empirical evidence regarding the effectiveness of the changes made in the workplaces. Research needs to be conducted to understand the impact of these on productivity. The overwhelming focus on work related beliefs, work expectations are all impacting the current pattern of work. It will be interesting to empirically measure the effect of these on productivity levels.

Conclusions

An entire new generation is entering the organizations for the first time. They come with different sociological backgrounds, financial backgrounds and education and competencies. Their view of work is very different from the earlier generations in the workplace. Their expectations from the work they do, the workplace, their boss and the quality of work life balance are distinct and clear.

At the same time organizations are performing in extremely challenging times. It is at this time that they need the superlative performance from all their employees. A deep and inclusive analysis of the needs expectations and behaviors of the various generations at work that will help organizations develop varied strategies to help and support harmonious culture leading to high productivity.

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