Profiling Generation Y: A Review of the Literature


Members of Generation Y (born 1981-1999) are the newest entrants into the workforce and will make up forty percent of all workers by 2020. Managers and co-workers are increasingly reporting difficulties in working with these young employees and are seeking evidence-based advice on effective management approaches. This paper reviewed the extant literature on Generation Y to establish a profile of their characteristics and work preferences in order to identify effective management practices to motivate, engage and retain this newest generation of employees.

1. Introduction

Generation Y is the newest entrant in the workplace (Solnet & Kralj, 2010), currently making up 15% of Australia’s workforce. By 2020, they will comprise 40% of all employees (McQueen, 2013). Born between 1981 and 1999 (Lancaster & Stillman, 2002), there are 4.2 million Generation Y in Australia (Anderson, 2013) and 80 million in the US (US Census Bureau, 2012). Many firms are finding that Generation Y are different from other generational cohorts and are experiencing difficulties in managing, engaging and retaining their youngest employees. Generation Y are less loyal to their organisation and are three times more likely to change jobs than older workers, with one in four workers aged 20-24 changing jobs in any given year (Anderson, 2013).

Faced by difficulties in managing Generation Y, managers are turning to academics for advice on appropriate strategies to motivate and retain their younger workers (Barnes, 2009; Real, Mitnick & Maloney, 2010). An extensive search of the extant literature was carried out to determine the extent of established research knowledge about Generation Y.

The review revealed that there is an emerging body of published research on this generation. Analysis of published studies revealed that there are nine established characteristics of Generation Y, which predispose them to prefer particular work and management styles. A comprehensive work profile of Generation Y was developed from these findings. Managers can use this evidence-based knowledge of Generation Y’s distinctive attributes and workplace needs to tailor management strategies to maximise the engagement, satisfaction and work performance of their youngest employees.

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2. Literature Review

Our survey of the literature revealed that there is little agreement on the generational label of the newest generation to enter the workforce, or the relevant birth years of its members. One of the most common terms is Generation Y, which delineates those born between 1981 and 1999 (Lancaster & Stillman, 2002). This generation has attracted many labels, including ‘Millennials’ (Gursoy, Maier, & Chi, 2008), ‘Generation Me’ (Twenge, 2009), ‘Digital Natives’ (Hershatter & Epstein, 2010), the ‘Net Generation’ (Tapscott, 2009) and ‘Generation Next’ (Cennamo & Gardner, 2008).

2.1 Generation Y Profile

Sociologists argue that generations are formed by a similar aged cohort who share the experience landmark historical events during their emergence into young adulthood (Mannheim, 1952). Our review revealed nine major characteristics of Generation Y that set them apart from other generations. In the United States of America, researchers have speculated the reasons why these attributes are common to this particular age cohort. Defining historical events for American Generation Ys were the September 11 terrorist attacks, the Columbine High School shootings, the Gulf War, the Ball bombings, the Asian Tsunami at the end of 2004, and the war in Iraq (Crumpacker & Crumpacker, 2007; Eisner, 2005; Howe & Strauss, 2000). The following section will describe in detail each of the nine characteristics that were identified and will outline Generation Y’s preferred style of working as revealed in the extant literature.

Technologically Skilled: Seek Technology in Workplace

The literature suggests that Generation Y is the most technically literate generation. Generation Y has grown up using advanced information technologies (Myers & Sadaghiani, 2010) which has contributed to their heightened technological confidence. Known as ‘digital natives’ (Hershatter & Epstein, 2010), they were born in the era when the Internet was established in the early 1980s, so they are grew up with computers and video games, the Internet and all things wireless (Rawlins et al., 2008), CDs, computers, answering machines, video cameras and cell phones (Martin & Tulgan, 2001). More recently, online social networks have come to play an indispensable part in their lives (Hershatter & Epstein 2010). Generation Y are digitally connected, 24/7 to entertainment and social contacts, constantly ‘wired’ and ‘plugged’ (Eisner, 2005; Twenge et al., 2010). Technology is an integral part of Generation Y’s social and personal life (Macon & Artley, 2009). They do not require adaptation to technology like older generational cohorts; it is pervasive and described as intuitive to them (Hershatter & Epstein, 2010).

Due to the changing environment and huge volume of interaction with technology, Generation Ys perceive, think about, view and process information differently from previous generations (Black & Devereux, 2010); and some research suggests that this is a result of the frequent access to technology that has influenced their values and expectations to be different from the cohorts before them (Rawlins et al., 2008). This generation’s proficiency with technology has impacted upon the learning process. Generation Ys tend to learn best from what is referred to as ‘mediated immersion’, characterised by frequent use of media, and increased collective, sharing and cooperative learning experiences (Oblinger & Oblinger, 2005). The cohort is identified as being naturally comfortable with a computer and a keyboard, and would prefer to read from a
computer screen than from a printed book or paper (Arhin & Johnson-Mallard, 2003). The literature suggests researchers that Generation Ys tend to be more attracted to organisations offering the most-up-to-date technology and the appropriate organisational systems to make use of it (Ng et al., 2010).

High Self-Esteem and Confidence: Seek Challenge and Responsibility

Generation Y employees are said to be the most confident (Glass, 2007). Brought up in child-centred, self-esteem enhancing environments both at home and at school (Lowe et al., 2008), many Generation Ys were encouraged to develop autonomy and to participate in decision-making (Alsop, 2008; Eisner, 2005; Hurst & Good, 2009). Despite the widespread access to birth control and abortion, Generation Y’s parents generally planned to have them (Glass, 2007) and made themselves intimately involved in every aspect of their children’s lives (Glass, 2007; Shoup, Gonyea & Kuh, 2009). Since Generation Y’s parents tended to have more resources and fewer offspring, they had the opportunity to raise them with dedication, close monitoring and control (Glass, 2007; Howe & Strauss, 2000; Myers & Sadaghiani, 2010). The term ‘helicopter parents’ was coined due to the tendency of many Generation Y parents to hover around their children, trying to oversee work and social activities, providing protection and being unwilling to ‘let go’. In many cases, Western Generation Ys depended upon their parents until university and employment (Barnes, 2009; Howe & Strauss, 2000). Generation Ys have tended live with their parents longer than the previous generation (Eisner, 2005; Szamosi, 2006).

Due to their empowering upbringing, members of Generation Y are more likely to expect their views to be heard and respected in the workplace (Eisner, 2005; Hurst & Good, 2009). They are assertive and are not afraid to challenge authority or speak out (Barnes, 2009; Howe & Strauss, 2007). They have been raised in an environment of high expectation with a lot of feedback and praise (Martin & Tulgan, 2001; Sheahan, 2005; Sujansky & Ferri-Reed, 2009); and have often received awards, trophies and stars for competing in team activities (Barnes, 2009). Although Generation Y may not have excelled in all group activities, the teamwork experience helped them cope with similar situations in the workplace. Lavish positive feedback and rewards for trying have contributed to Generation Y’s work expectations of fairness, equity, tolerance, and their achievement orientation (Alsop, 2008; Broadbridge, Maxwell & Ogden, 2007; Gursoy et al. 2007).

Accustomed to Empowerment: Prefer Inclusive Leadership Style

Having been schooled in an empowered, team-based setting, Generation Y prefers an inclusive, empowering style of management (Eisner, 2005; Sessa et al., 2007) where the leader encourages employee participation in decision-making, delegates authority and to uses regular feedback as tool to train and mentor employees (Robbins et al., 2006). Generation Y prefers an open door policy (Eisner, 2005; Lowe et al., 2008) and dislikes micromanagement and slowness of response (Broadbridge et al., 2009). Generation Y tend to respond enthusiastically if given more responsibility and power, as they believe their skills and talents are recognised (Broadbridge et al., 2009) and are likely to perform best when given challenging tasks (Lowe et al., 2008). Studies also indicate that, being confident, curious and eager to learn, Generation Ys also tend to ask more questions than other generations (Eisner, 2005; Gursoy et al., 2008).
Generation Y members desire their managers to be supportive, open and positive (Broadbridge et al., 2009), preferring leaders who are mentors, guiding them while they become accustomed to their jobs, and supporting by teaching them how to work around bureaucracies (Dulin, 2008). This professional guidance helps Generation Y employees develop their skills in the decision-making process, trains them in complex organisational activities and provides opportunities for professional learning. Generation Y employees value a good relationship with their manager as the most important relationship in the workplace (Robert Half International, 2008). Specifically, they expect a manager to be ‘a skilful manager, advisor and supporter, pleasant and easy to get along with, understanding and caring, flexible and open-minded’ (Robert Half International, 2008, p. 10). Generation Ys want to see characteristics like dedication, optimism and focus in their leaders (Sessa et al., 2007). More than previous generational cohorts, Generation Ys value leaders who care for employees by being personally supportive and encouraging and who listen to them.

Value Openness: Expect Direct, Two-Way Communication

Effective organisational communication fosters positive organisational performance (Greenbaum & Query, 1999); communication related to shared values and commitments enable them to have a productive relationship within the organisation (Herriot, 2002). Research indicates that individual differences in communication can affect employee job satisfaction and performance (Jablin & Krone, 1994). Inter-personal and group communications are becoming key performance criteria for employees (Hodges & Burchell, 2003).

In the workplace, different generational cohorts communicate differently (Myers & Sadaghiani, 2010). However, researchers observe that in order to be successful in the 21st century workplace, young employees must have strong communication skill (Hartman & Mccambridge, 2011). Generation Y prefers communication that is direct and constructive (Myers & Sadaghiani, 2010). They also expect transparency in day-to-day business affairs and prefer two-way communication with their co-workers and managers (Dulin, 2008; Gursoy et al., 2008; Martin, 2005). Research suggests that Baby Boomers can find Generation Y’s expectations offensive and disrespectful (Barnes, 2009; Myers & Sadaghiani, 2010).

Accustomed to Adult Support: Need Regular, Timely Feedback

Generation Ys tend to seek support, guidance and appreciation in a work setting (Sujansky & Ferri-Reed, 2009), thought to be the result of being given constant approval and affirmation since childhood by parents, teachers and coaches (Alsop, 2008; Hershatter & Epstein, 2010). Having received feedback on classroom assignments at every stage of development, they expect to receive similar support throughout the completion of tasks and projects in their workplace (Barnes, 2009; Sujansky & Ferri-Reed, 2009). Generation Y tends to prefer work environments that acknowledge their creative input and ideas, and such recognition produces in them a greater sense of involvement and engagement (Gursoy et al., 2008; Szamosi, 2006). Generation Ys appreciate work environments where managers provide corrective and continued feedback on performance, with praise and recognition of their work (Crumpacker & Crumpacker, 2007; Martin & Tulgan, 2001; Ng et al., 2010). Moreover, they prefer feedback that is instantaneous rather than delayed (Lavoie-Tremblay et al.,
Their feedback needs are often perceived by older generations as demanding, high maintenance or needy (Eisner, 2005; Hershatter & Epstein, 2010). However, Eisner (2005) suggests that Generation Y will act professionally if treated professionally. A noteworthy paradox is that while Generation Y expect ongoing managerial support, guidance and direction, they also value freedom and flexibility to complete a task which enables them to take ownership of it (Broadbridge et al., 2007; Martin, 2005; Wong et al., 2008).

**High Expectations: Desire Fast Career Development**

Raised in an environment of high expectation with much feedback and praise, Generation Y has an expectation of high salaries, meaningful work, and achievement (Alsop, 2008; Marston, 2007; Sujansky & Ferri-Reed, 2009). Generation Y’s perception of career advancement is an important managerial issue as the prospect of promotion is a known way of keeping employees motivated (Robbins et al., 2006). The research findings confirm Generation Y’s high career expectations. Some research suggests that Generation Y employees prefer quick promotions (Dulin, 2008), with Ng and colleagues (2010) finding that opportunity for advancement is a top career priority for Generation Y. Dulin (2008) found that Generation Y expect mentors/leaders to provide opportunities for growth and to teach them how to climb the career ladder at a rapid pace.

Other research has shown that Generation Y also value career development opportunities, regardless of whether they entail promotion. Azaroff (2006) found that Generation Ys perceive job advancement differently from previous generations, often preferring more lateral moves and cross-training for new skills. They place more importance on skill acquisition through opportunity for growth/training than on being upwardly mobile (Ng et al., 2010; Rawlins et al., 2008). Generation Y recognises that training and development are the key to ultimate advancement (Alch, 2000; Lavoie-Tremblay et al., 2010). This finding has implications for workplaces that view training as a cost centre rather than a tool for career development and employee engagement.

**Value Family and Friends: Desire Work-Life Balance**

Research has found that different generational cohorts hold differing work values relating to status and freedom (Cennamo & Gardner, 2008). In this respect, Generation Y shows a strong preference for work-life balance (Broadbridge et al., 2007; Eisner, 2005; Hershatter & Epstein, 2010; Ng et al., 2010). Generation Y grew up with father who had less work flexibility resulting in less time for family and leisure, an experience that Eisner (2005) suggests has resulted in Generation Y employees developing a work to live ideology. This is supported by Sayers (2007) and Lancaster and Stillman (2002), who suggest that Generation Y employees care less about salaries and more about flexibility as constituents of work-life balance. They appear to use technology to facilitate their work-life balance, through telecommuting. Cennamo and Gardner (2008)’s New Zealand study produced similar findings, with Generation Y preferring freedom and autonomy at work and placing higher importance upon the work-life balance. This preference presents implications for offering workplace flexibility in terms of hours and location (Twenge et al., 2010).
Ethical Focus: Prefer Socially Responsible Organisations

Some literature suggests that Generation Y is the most idealistic of the generational cohorts, with a strong sense of morality and a desire to work in organisations that are socially responsive, environmentally friendly, ethical and concerned with employee welfare in the Western context (Dulin, 2008; Gursoy et al., 2008; Rawlins et al., 2008). A study conducted by Boyd (2010) based on three case vignettes in the USA which compared the ethical determinants of Generations X and Y, sheds light upon Generation Y’s ethical perspective. Differences emerged between Generations X and Y when rationalising their actions in the ethical decision-making process. Generation X appears to be more pragmatic and focused on personal benefits rather than on societal outcomes; whereas Generation Y tries to fulfill organisational and social objectives and missions rather than personal objectives. Generation Y reportedly use distributive justice (organisational and societal wellbeing over personal attainment) in their ethical decision-making process, while Generation X uses personal justification over organisational and societal wellbeing in similar situations (Boyd, 2010).

The concept of corporate social responsibility (CSR) in the Western context has been in existence since the 1960s, but has been revived in the last decade (Chapple & Moon, 2005). The literature suggests that Generation Y emphasises the social aspects of work and volunteerism, and takes an interest in the environment and the social responsibility of the organisation (Broadbridge et al., 2007; Foscht et al., 2009; Loughlin & Barling, 2001). Organisations can leverage their social responsibility initiatives to attract and retain Generation Y employees. Studies confirm a positive relationship between organisations’ reputations for corporate social responsibility and their ability to attract young employees, who tend to prefer a meaningful and fulfilling working environment (Eisner, 2005; Gursoy et al., 2008; Lancaster & Stillman, 2002; Myers & Sadaghiani, 2010).

Sociable and Collaborative: Prefer Teamwork

Increasingly, organisations are relying on group-based work, where the effectiveness of groups is becoming very important in assisting organisations to compete (Lowe et al., 2008). Although some research suggests that Generation Yers also work well alone (Martin, 2005), most studies have found that Generation Y prefers to work in environments in which there is scope to collaborate and contribute (Gorman, Nelson & Glassman, 2004; Kupperschmidt, 2001). Generation Y has been accustomed to teamwork since childhood, which is one of the reasons for their teamwork competence (Lancaster & Stillman, 2002; Myers & Sadaghiani, 2010). Their educational experience involved team orientation in the form of group projects and assignments that emphasised inter-dependence and networking (Kupperschmidt, 2001; Lowe et al., 2008). Generation Y perceives teamwork as fun, as well as a way to avoid risk (Alsop, 2008; Gursoy et al., 2008). Generation Y also values friendly work environments, collaboration with colleagues that fosters friendship, learning and cooperation (Carver & Candela, 2008; Lamm & Meeks, 2009). Managers can benefit from engaging Generation Y employees in teamwork, as it has been found to make them more involved, committed and accommodating (Myers & Sadaghiani, 2010).

3. Summary and Conclusions

Researchers have argued that the unique attributes of generation cohorts have implications for the management of employee behaviours, attitudes, performance and
communication patterns; and differences in generational cohorts and inter-generational management have been an important area of management research (Cennamo & Gardner, 2008; Eisner, 2005; Wong et al., 2008). Twenty-first century organisations, which will increasingly be comprised of Generation Y, are calling for a greater understanding of the unique characteristics of their youngest age cohort (Dulin 2008). This review of the published literature shows that researchers have established that Generation Y differs from previous generations in terms of workplace attitudes and preferred ways of working (Cennamo & Gardner 2008; McGuire et al. 2007; Twenge et al. 2010). This paper has outlined Generation Y’s key characteristics, their likely origins, and their preferred working styles, which will provide managers with guidance as to appropriate strategies to effectively manage, motivate, engage and retain this growing new workforce segment.

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