

# Managing generation y in the workplace



## Background

As (Mondy, 2010) describes, Gen Y are the people born between the late 1970s and early 1990s. they have never wound a watch, dialed a rotary phone, or plunked the keys of a manual typewriter. But without a thought, they download music from the internet and program a DVD player. They cannot imagine how the world ever got along without computers. These individuals are the leading edge of a generation that promises to be the richest, smartest, and savviest ever. These generation Yers, often referred as “echo boomers” and “nexters”, are coddled, confident offspring of World War II baby boomers. Generation Y individuals are the most privileged generation, who came of age during the hottest domestic economy in memory.

While (Kreitner & Kinicki, 2010) states Gen Ys are born in the span of 1980-2001 and specifies the traits valuing work life, civic minded, close parental involvement, optimistic, multitasking and team oriented.

## Objectives

Exploring the characteristics of Gen Y to understand their behavior

Identifying the needs of Gen Y in Maldives to increase motivation at work

Exploring Rewarding strategies for suggestions in managing Gen Y at workplace

## Research Problem

The problem addressed in this research is:

Can Organizations in Maldives utilize the Generation Y population to perform their best through motivation and Rewards?

#### HIGH TURNOVER AMONG THE GENERATION Y:

(Brough, Johnson and etal 2011) The retention of older workers within the labour market is becoming an increasing necessity. This research reassures employers that older workers are just as valuable a human resource compared to younger employees.

#### NEW DEAMNDS AND BEHAVIOUR OF THE GEN Y:

(Patton 1968) has stated six factors to look into motivating tomorrow's executives. Increasingly, top managements in some of the best-run companies are beginning to note that the old motivational tools are losing their edge yet only a few suspect the reason. Slowly and subtly, as a new generation of talent takes over at middle- and top-management levels, a new motivational value system is evolving among executives In fact, the pattern of motivational priorities is being reshuffled.

#### INCREASE RATE OF CRIME AMONG MALDIVIAN YOUTHS

In Maldives in the year of 2009 a total of 3749 youths age between 18 – 34 were sentenced to jail for various types of crimes, ranking Drugs, Assaults, Robbery, theft and sex offences. (Department of National Planning , 2010)

Census( 2006) indicates 62% of GenYs are economically active. The study is to come up with the motivational factors and reward strategies to cater and utilize this 62% of Gen Y active population.

## **Justification for the Research**

As mentioned above currently Maldives is experiencing the largest population of adolescents in the workforce. Increasing the period of job satisfaction and meeting their demands, to create a win-win situation for both the employer and employee. These youths fall under the Gen Y and the research aims to understand their needs and identify motivating factors for the target population and best rewards strategies to produce their maximum output.

Outline of the Dissertation

### **Figure 1: Outline of the Dissertation**

#### **CHAPTER ONE: Introduction to the study**

Research Problem, Aims and Objectives and Justification of the research.

#### **CHAPTER TWO: Literature Review**

Review of literature on Generation Y and Motivating and Rewarding

#### **CHAPTER THREE: Research Methodology**

Justification and Design of primary and secondary data

#### **CHAPTER FOUR: Data Analysis**

Analysis of Gen Ys questionnaire form and analysis of Managers Interviews questionnaire forms

#### **CHAPTER FIVE: Conclusion and Recommendations**

Conclusions related to research objectives, discussion and recommendations.

## Literature Review

### Generation Y and their Characteristics

The next wave of employees to transition into the workforce will be graduating college seniors, the majority of which fit into the category of “Generation Y” (birth date range: 1980-2003). (Hurst and Good, 2009) while, (Broadbridge, Maxwell and Ogden, 2007) states Generation Y is the collective term for those born between 1977 and 1994, who are also referred to as the internet (or dot. com) generation, echo boomers, millennials’ and Nexters.

The concept of three main generations: Baby Boomers (born between 1946 and 1964), Generation Xers (born between 1965 and 1977), and Millennials (born after 1977). Within the current hospitality workforce, there are differences and similarities in values among the three generations. For example, Main (1998) reported that Baby Boomers viewed work-related constructs (e. g., work ethics, relationship, etc.) differently than Generation Xers in the hospitality industry. The younger of these generations, Millennials, is gradually entering the hospitality

industry as entry-level managerial workforce members. Understanding the differences between these generations relative to organizational behavioral constructs could result in the development of more effective human resource management strategies. (Chen and Choi, 2008) Identification is defined as the part of an individual’s self concept in which they acknowledge and value being part of a team and they share norms and behavior codes which develop into a sense of cohesion and interdependency (Solansky, 2010)

Studies confirming gender differences conclude that women are: better at decoding the communicative language of fashion statements (as cited in McCracken and Roth, 1989); more likely to attribute positive characteristics to owners of fashion products (as cited in Mayer and Belk, 1985); more involved in fashion (as cited in Zaichowsky, 1985; O'Cass, 2000); and more likely to use clothing and fashion as a means for self definition and self-identity (as cited in Gould and Stern, 1989; Soloman, 1989). These gender differences have been explained in terms of the greater importance society places on women's physical appearance compared with men. (Bakewell, Mitchell and Rothwell, 2006) quotes from the recently a study by Bakewell and Mitchell (2003) on female Generation Y consumers using Sproles and Kendall (1986) Consumer Styles Inventory (CSI) as a basis for segmentation found five meaningful and distinct decision-making groups namely; "recreational quality seekers", "recreational discount seekers", "trend setting loyals", "shopping and fashion uninterested" and "confused time/money conserving". (Bakewell, Mitchell and Rothwell, 2006)

Generation Y students are primarily visual learners; a style which research has shown will almost certainly conflict with the learning style and habits of almost any instructor. Small changes in presentation, such as changing from pure lecture to incorporate hands-on activities, will help to hold student interest and increase information retention. Any hands-on activities should be directly related to a specific task that the student perceives as a need, i.e., to personal information needs or to a specific assignment for an instructor. Students arrive at college at varying levels of cognitive development and will continue to progress at varying levels through the

dualistic, multiplistic, and relativistic methods of dealing with new information. It will probably be more

effective for an instructor to instruct as much as possible by raising questions, encouraging discussion, and using hands-on activities than by lecturing. Students, like most of us, are very concerned about saving time. They may be more open to instruction in search techniques (Boolean and other methods) or in using the library's Web site if the time-saving aspects are made clear to them. It cannot be expected that all students will arrive at college ready to seek information with high levels of reflective and critical thinking. Some students will develop these skills later than others, and some will still be struggling with them in graduate school. Instructors and librarians would be well advised to keep in mind that cognitive ability is a developmental process and students must go through a series of steps over a period of time before they are able to seek information critically and reflectively. (Weiler, 2004)

future generations of people may endure much of the burden from major global-scale changes in the environment involving delayed effects (such as ozone depletion, species extinction, and global warming) while gaining minimal benefits from and contributing little (or not at all) to the creation of such problems. (Wade-Benzoni et al., 2007)

Like the “Greatest generation”, Generation Y has a strong sense of morality, tends to be patriotic, is willing to fight for freedom, is sociable, and values home and family. Generation Y tends to want an intellectual challenge, needs to succeed, strives to make a difference, and seeks employers who

will further their professional development (Brown, 2004). (Cegarra-Navarro and Arcas-Lario, 2010)Setting and achieving personal goals matters to Generation Y cohorts, as does performing meaningful work that has the potential to contribute to a better world. Making a great deal of money appears to be less of a motivator for this generation, whereas contributing to society, parenting well, and enjoying a fulfilled and balanced life appears to be more motivating (Allen, 2004). The Generation Y cohort is accustomed to being active in family decisions. (Brough et al., 2011)Thus, they are more likely to expect a similar amount of authority or ability to contribute to decisions in employer organizations (Johns, 2003). In the workplace, Generation Y favors an inclusive style of management; they tend to dislike slowness, and desire immediate feedback about their performance (Francis-Smith, 2004). This globally aware, socially conscious, and volunteer-minded generation is likely to perform best when their abilities are identified and matched with challenging work that encourages them to reach their full potential (as sited in Martin and Tulgan, 2006). (Brown and Reilly, 2011)Those individuals who experienced high levels of mentoring and support in high school and college may be surprised by the lack of personalized attention and mentoring at work, which may make their transition from full-time student to full-time employee much more difficult. These new workforce entrants will seek more personal attention, require high levels of supervision, and expect more structure than their Generation X predecessors (as sited in Zemke et al., 2000). (Hurst and Good, 2009)

## Needs and Motivation: Generation Y

The importance of motivation in information science research has been recognized by few researchers other than Kuhlthau. However, a short overview of motivation theories clarifies the important role motivation plays in information-seeking behavior.

Abraham Maslow's " hierarchy of needs" identified five basic needs- physiological, safety, belongingness, esteem, and self-actualization-each one becoming a motivator after the need preceding it has been satisfied. In a campus setting, clearly physiological and safety needs are for the most part provided; the other needs are in an ongoing process of being addressed at varying levels. (Bridgstock, 2010)

McClelland's " Theory of Achievement Motivation" identifies three needs that are not hierarchical: the need for achievement, for affiliation, and for power. One of these needs is usually dominant in any given person and thus drives their actions; some people are " achievers" and function best independently; some need socialization and thrive in group projects, and others gravitate toward power and leadership positions. Intrinsic-extrinsic orientation is related to behaviorism and thus to motivation, but is more detailed in that it allows for varying levels of reward, both internal and external. Thus, it theorizes that some people create their own rewards, such as satisfaction of curiosity or simply interest in a given topic. (Schwartz, 2011)The reward for these motivations then is satisfaction and feelings of accomplishment or control. External rewards are the more traditional rewards such as praise or a prize of some sort and are usually less effective than intrinsic rewards. In fact, there have actually been negative correlations found between the

number of extrinsic motivators used and student performance. Some other related motivational components that are important to keep in mind when considering information seeking are level of effort, expectations, and curiosity. The ARCS model utilizes these components to finally provide a strong framework that is often used in designing instruction to enhance motivation levels. ARCS stands for attention, relevance, confidence, and satisfaction and gives the instructor responsibility for designing lessons around these areas and thus increasing student motivation. The ARCS model can also be applied when designing lessons in information seeking. (Weiler, 2004)

Lack of proper supervisory support can result in an untrained, unmotivated workforce, and is a potential cause of increased absenteeism, low morale, poor customer service, and increased employee turnover (as cited in Knight and Crutsinger, 2003). Conversely, a workplace with high levels of supervisory support can positively impact job performance, job satisfaction, and intent to stay (as cited in Hom and Kinicki, 2001). (Hurst and Good, 2009) New hires inevitably experience many ambiguities and conflicts regarding their job duties, co-workers, and supervisors. In their study of 261 full-time food service workers, (Hurst and Good, 2009) quotes as in Babin and Boles (1996) found that increased perceptions of supervisory support reduced employee role conflict and role ambiguity, and increased job satisfaction. In addition, Jamrog (2002) found that the supervisor was the key influence on whether or not young employees remained with the company. (Little, 2010)

The "Control Theory" of behavior was developed by William Glasser. The theory states that, rather than being a response to outside stimulus, behavior is determined by what a person wants or needs at any given time, and any given behavior is an attempt to address basic human needs such as love, freedom, power, etc. Thus, if the desired behavior addresses students needs, the students will respond. (Terjesen, Vinnicombe and Freeman, 2007) If students appear to be unmotivated to perform, it is because the rules, assignments, etc., are viewed by them as irrelevant to their "basic human needs." Glasser has shown that a majority of students recognize when the work they are doing is irrelevant "busy work," even if they perform well because of incentives and even when the teacher uses praise as an incentive. Many students will reject such empty work altogether.

Cohesiveness enhances productivity in their meta-analytic review. In addition, identification is linked with higher motivation, job satisfaction, more compliance, and reduced conflict (Solansky, 2010)

Motivation and critical thinking, along with the learning theories above-behavior, control issues, multiple intelligences, and learning styles-become more meaningful as we begin to look at the literature on information seeking itself. Clearly, there are many intellectual and emotional factors at work when a Generation Y student is seeking information. (Weiler, 2004)

## **Reward strategies to manage Generation Y at workplace**

Institutional theory proposes that institutional forces create coercive, mimetic and normative pressures on firms to be similar in how they operate (DiMaggio and Powell, 1991). The extent to which these constraints operate

for each organization influences how much freedom of choice they have, including choice of reward mix (as cited in Carpenter and Wade, 2002). Coercive isomorphism “ results from both formal and informal pressures exerted on organizations by other organizations on which they are dependent” (as cited in DiMaggio and Powell, 1991, p. 67). These pressures can take a number of forms. (Armstrong, Brown and Reilly, 2011) First, legal, through laws and regulations set by government, or bodies acting on their behalf, such as tax authorities. Employment legislation in the UK has increased significantly since 1970 with, for example, minimum wage, working hours and holiday entitlements, share ownership and pension legislative requirements having been introduced (Chapman and Kelliher, 2011)

Incentives certainly play a key role in motivating employees to develop ideas and participate in decision procedures when this requires additional effort (which it typically does). It is well known that the high failure rate of innovation projects makes it rather problematic to reward success and initiative alone (in the first case, employees are wholly involved in the risk, while in the second they have an incentive to neglect their core duties and drown management in useless initiatives). It has long been generally held that there is a positive relationship between human resources management and the overall level of innovation.

If they are neither appreciated nor rewarded for their innovative behavior, employees have no extrinsic incentives to come up with new ideas. What remains are intrinsic incentives. (Kesting and Ulhøi, 2010)

The solution that emerged was the development of a social network of leaders. The network would build gradually over time and development support would be offered by means of a re-designed mentoring solution. This was not traditional mentoring of the “ show and tell” variety but a guided learning experience where the mentee is supported to reflect, explore options, take action and make real improvements in the work place, then reflect again, in a double loop learning model. (Bamford, 2010)

The growing interest in empowering leadership is resembled by the popularity of new streams of research as self-leadership and participative management (as cited in Houghton and Yoho, 2005). The self-leadership concept was first introduced in 1983 and stressed the importance of self-influence processes to help people achieve self-direction and self-motivation enabling them to perform their jobs (Dewettinck and Ameijde, 2010)

In researches men rate only one attribute as significantly higher than women do in importance: “ a very high starting salary”. In contrast, the women indicate significantly higher preference for eight attributes. These attributes are, in order of significance: “ really care about their employees as individuals” “ variety in daily work” “ internationally diverse mix of colleagues” “ require standard working hours only” “ friendly, informal culture” “ use your degree skills” “ relatively stress-free working environment” and “ employ people with whom you feel you will have things in common”. (Terjesen, Vinnicombe and Freeman, 2007). This is an indicator reflecting different rewards methods for gender among the same generation.

Many have studied the value that teams and teamwork can bring to an organization and agree that significant value can be created if teams are used in the right way. (Cui et al., 2003) Done wrong, teams will not only hinder company performance but also prove economically taxing. For a team to be successful, certain core ingredients are required. These include competence, clear performance metrics, commitment to a common goal, aligned efforts, contribution from every member, and a supportive environment. A team that has all the above-mentioned characteristics has a good chance of becoming successful. (Holtzman and Anderberg, 2011) Gen Y characteristic reflects team work, which will boost the team spirit and competition to in achieving goal.

## **Maldivian Gen Y**

Half the population of Maldives is under the age 19. The proportion of population at younger ages (below 15) has begun to decline, while the number of adolescents, those aged 10-19 years of age) is currently at its peak. In the immediate future) therefore, there would be a steady increase in the number of persons entering the labor market and the reproductive ages. Therefore the Maldives now has the largest-ever generation of adolescents who are approaching adulthood. (Department of National Planning , 2010)

High priority and attention should be given to all dimensions of their development and a successful transition to adulthood. Meeting the needs of the adolescents, including their reproductive and sexual health needs and access to quality secondary education is a major challenge of the decades ahead. Moreover the increase . in drug use and drug related crime has become a major social ill to the society Unless urgent and sufficient attention

is paid these emerging problems will grow out of control with the increasing numbers of young people. This is the cohort that needs the maximum attention and policies and programs must be geared to improving their access to gainful employment, vocational and technical education and skill development, meeting their reproductive health needs, information and counseling services

## **Research Methodology**

The objective of this chapter is to present the research methodology used for this study. The chapter compiles the methodology and explanation of research design.

## **Methodology**

The primary methodology used for the study is a mixture of both qualitative and quantitative analysis. Quantitative analysis is used to analyze the structured customer's questionnaire forms and qualitative analysis would be used for the structured questionnaire forms for managers managing Generation Y and for Gen Y population both economically active and non-active.. According to Yin (1994) qualitative method is the most suited for research where the aim is to collect in depth information and thereby obtain a deeper understanding of the research problems. The secondary research used is mainly from books, journals, and publications from government ministries and authorities. However it is important to note that although this research is done in the year 2011, most of the secondary research materials were available for the year 2010 and below. There were very few materials related to Maldivian Generation Y.

## Research Design

Three types of three types of survey methods shall be used to carry out the data collection.

(1) Questionnaires: will be sent out to the target group mentioned in the research, ie Gen Yers. Questionnaires will be sent online and few samples would be collected physically as to fulfill the project requirements. Targeted sample size is 100.

(2) Focus group: a random sample of target group (Gen Y) would be maintained throughout the research to conduct closed focus group meetings to strengthen the research findings and make the findings more valid

Focus groups consist typically of eight to ten members with a moderator leading the discussions for about two hours on a particular topic, concept, or product. Members are generally chosen on the basis on their expertise of the topic on which information is sought. (Sekaran and Bougie, 2010)

(3) Interview: an interview with an authoritarian personnel who is currently managing Gen Y employees in Maldives will be carried out to have a more realistic and an updated opinion on the behavior of Gen Y at work

Interviewing is one of the method of collecting data to obtain the issues of interest. Interviewing is a useful date collection method, especially during exploratory stages of research. (Sekaran and Bougie, 2010)

Findings of these questionnaire forms will be analysed using pie charts and bar graphs in detail in coming chapter 4.

## Limitations

As the Questionnaires will be sent through internet, there would be limitation on the control of responding time. the minor population of those who cannot access to the survey due to unavailability of medium, i. e internet. Also the time period within the study is conducted limits extending the time given to the participants to respond.

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