

Harnessing Generation Y's potential

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The attraction and retention of younger employees is a key issue for many large global organisations, despite the challenges brought about by the current recession.

“There is change coming down the track, particularly when you look at the demographics of many countries around the world. People issues are going to evolve for all organisations over the next 15 years. Many large organisations are worried that there will not be enough talent around, due to demographic shifts,” said Mark Carter, a partner with PwC Ireland human resources services.

“At the moment, it is difficult to foresee this as an issue, but companies need to take time to try and understand their younger employees, what motivates them and try to match their recruitment and retention strategies to that. The ‘millennial’ will be a vitally important generation of workers, so you have to understand them and plan accordingly.”

PwC has researched the topic extensively in recent years, in collaboration with Oxford University, interviewing individuals in 45 countries who entered the workforce since 2001.

“Generational categorisations can be risky at times, but the surveys suggest that the millennial generation people are somewhat different. They have high expectations of what employers will do for them, as opposed to what they can do for their employer. That doesn't mean they do not want to work hard, but they want to work in a different way,” said Carter.

“Their number one priority is strong training and development opportunities. They have a stronger ethos around work/life balance and a stronger attraction to organisations that match their own lifestyle, have strong brand values, are greener and more altruistic. Job security does not come into it, and cash bonuses come way down the list.”

Google in Ireland

Sandra McDevitt, head of people operations for Google in Ireland - where the average employee age is between 24 and 25 - presented some of Google's innovative HR policies and strategies at a recent PwC breakfast briefing.

“Google is a network type organisation, not a traditional hierarchy. Even though we do operate at scale in terms of the business we are in. Internally, there are fewer bosses and managers,” McDevitt said.

“There are lots of teams and lots of connections in and across offices. All of our people operations strategies are built around a unit of one - the ‘Googler’. When working with Gen-Y employees we think about being able to collaborate, connect, co-create and control.”

McDevitt said that Google actively sought out young candidates who would work well within this environment.

“It can sound a bit wacky, but we look to recruit people who are ‘Googley’. The big thing for us is - can these people work collaboratively in a very fast-paced, rapidly changing workplace environment and who have the smarts to solve problems creatively?” she said.

“For example, we are trying to hire 50 to 60 engineers at the moment. For the engineering positions, we are not very stuck on whether someone is an electronics expert or a hardware expert. We tend to take engineers who are talented in their field, and then develop and train them.”

McDevitt said that Google's work environment gave talented younger employees time and space to work creatively.

“Every employee can use 20 per cent of their time to work collaboratively on projects they think are cool or creative.

Gmail came out of a 20 per cent project, and engineers came up with some pretty amazing features. The belief is that, if you give people freedom and resources they will amaze you," she said.

In tandem with this creative approach to managing staff, Google measures individual performance carefully and rewards high achievers.

"People think of Google as a cool environment and see the pool tables and the free food.

However, our performance management is quite rigorous. Everybody within the organisation gets a performance review every quarter, based on feedback from their manager, peers and other people in the business," said McDevitt.

"Each employee is allocated a rating, which drives salary, bonus and stock options. Our younger workers react well to this, as this generation really likes constant feedback, they want to know how they are doing all the time," she said.

Giving ambitious younger employees varied objectives and opportunities internally kept them from looking outside the company for a fresh challenge, McDevitt said.

"There is research that says that Gen-Y individuals will have 14 jobs before they are 38. However, our employee retention rates are very high. We put a lot of focus on career development and internal mobility.

We strive very hard to fill any openings that we have internally first," she said.