



KELLY SERVICES PRESENTS

A new source of insight for human resource  
and staffing professionals

## THE KELLY INTELLIGENCE REPORT

# Helping employers secure advantages in a shifting labor market

## Five Ways to Connect with Generation X and Y Workers

---

A two-part intelligence briefing:

>> **A. FROM BOOMERS TO “X” AND “Y”**

**As the face of labor changes ...**

- The war for talent is heating up
- Generations X and Y are writing their own rules

>> **B. CONNECT NOW**

**As a new breed of worker emerges ...**

- Five critical ways to connect — and stay connected

## A. FROM BOOMERS TO “X” AND “Y”

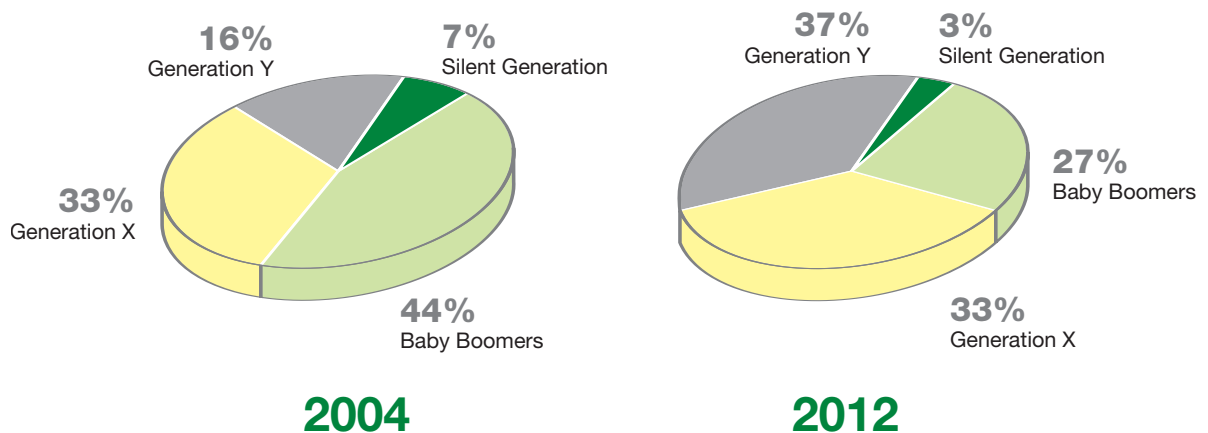
### As the face of labor changes, the war for talent is heating up.

Understanding and connecting with Generations X and Y must become a key component of your business strategy. Why? According to research, while 76 million Baby Boomers are beginning to leave the workplace, only 45 million workers are available to fill their shoes. Is your business prepared to compete for this new generation of worker?

>> **EXPECT: Aggressive competition for top talent as demographic trends lead to large gaps between labor supply and demand over the next 20 years.**

The time to act is now. Combined, Generations X and Y will represent a whopping 70% of the workforce by 2012.

### Labor’s Generational Shift



### As the face of labor changes, Generations X and Y are writing their own rules.

Generations X and Y represent a whole new breed of workers — nothing like the Baby Boomers who have dominated the workforce for decades. For starters, their motivations are entirely different. Overall, these new generations are more motivated by personal fulfillment opportunities than by traditional monetary rewards. Accommodating the very different attitudes, beliefs and demands of the newer generations will likely require big changes in the way your company recruits and retains its employees.

	BABY BOOMERS	GENERATIONS X & Y
<b>Work/Life Balance</b>	“Live to Work”	“Work to Live”
<b>Job Stability</b>	Seek job stability, security	Are comfortable with job changes
<b>Job Expectations</b>	Respect authority Expect to have and to earn rewards	Question formal authority Want immediate payoffs Demand change and fun
<b>Technology</b>	Learned as adults	Technologically savvy

## Consider these characteristics:

**Generation X workers**, born between 1965 and 1977 number approximately 45 million, are highly educated, self-reliant, technologically savvy and skilled in multi-tasking. They welcome change, are independent and entrepreneurial and seek experiences and opportunities more than money and security.

### >> **EXPECT: To attract these employees not so much with the promise of job security, but with:**

- Opportunities to learn new skills (preferably high-tech) and for career advancement
- Short-term payoffs, including immediate feedback, rewards and praise for a job well done
- Control over their time; a flexible work environment that allows for work/life balance

**Generation Y workers** are those born between 1978 and 1995. Sixty million strong, they are the most racially diverse generation in the history of the U.S. When you think of Gen Y, think of Gen X stuck on fast forward. Like Generation X, Generation Y workers are educated and self-reliant. They also welcome change, think differently and want opportunity more than money and security. They are attracted to work environments that promote communication, flexibility, personal recognition and immediate feedback. In the larger social picture, Generation Y is an optimistic, civic-minded generation, concerned with equality, fairness and creating change.

### >> **EXPECT: To recruit and retain these employees by creating a work environment that features opportunities to learn new skills in a social and flexible atmosphere.**

Remember, if you don't provide Generations X and Y with what they need, they won't think twice about finding a company that does.

## **B. CONNECT NOW**

### **As the younger labor market emerges, here are five key strategies to get — and stay — connected.**

Generations X and Y are changing the workplace rules. As their employer, learning what they want and need from you is the first step to making a solid connection — and keeping it.

#### **1. Think “high-tech”**

Your company must be able to recognize and provide for the technological inclination of Generation X and Y workers. Leading-edge technology is often the key to their happiness. To reach them, consider developing dynamic online recruiting strategies that feature instant messaging programs, viral email marketing campaigns and Internet advertising.

But beware: this generation grew up inundated with advertising and can spot a marketing scheme a mile away. Instead, they seek a genuine and honest approach and place trust in the voice of their own generation. Word of mouth is key.

Offer workers high-tech recognition programs with such rewards as PDAs and cell phones. And make sure the technology they're using is state-of-the-art. These generations want the latest and greatest, which will pay off for your company with top productivity and dedicated employees.

#### **2. Create Fun Environments**

Generations X and Y like to have fun. Add entertaining elements to traditional job fairs and college recruitment activities, including chair massages and simulated work contests with such prizes as laptops and MP3 players. At work, celebrate birthdays and recognize achievements. But do it quickly.

Investing in your company socially will help create a fun work environment that not only attracts Generations X and Y, but enhances productivity, quality, customer service and job satisfaction.

### 3. Leverage Relationships / Get Personal

Because these new workers value friends and acquaintances of their own generation, they are the perfect resource for word-of-mouth recruitment of new employees. Consider training current Generation X or Y employees as “ambassadors” for your company. Educate them about the kinds of workers your business is seeking. Offer incentives for their part in recruiting a candidate.

Value each individual and nurture employee relationships. These workers crave one-on-one time with a supervisor who is approachable and appreciative of their work. An ideal supervisor makes Generation X and Y workers feel he/she is genuinely interested in them and helps them see how the big picture influences their employment growth.

Communicate. Communicate. Communicate. Build relationships with these generations by talking to them, showing you care, and making yourself available to hear their concerns. With today’s high-tech communication tools, it has never been easier to stay in touch with your employees. Don’t overlook simple ways to accomplish this such as letting an employee know what happened to the idea or suggestion he/she submitted or giving them the information behind why a new policy was implemented. And by all means, never forget to thank an employee for doing a good job.

### 4. Embrace Workplace Flexibility

Generations X and Y want a balance between their work and personal lives, so flexibility in the workplace is critical. Develop an accommodating environment by providing workers with opportunities for job changes, internal mobility and flexible schedules.

Realize that members of the new generations want to spend time with family and friends, but they’re willing to go the extra mile on the job when they know their boss is flexible and considerate of their needs. Not surprisingly, Generations X and Y don’t want supervisors who micro-manage, but instead want freedom to manage their own time and work. Giving them room to grow and to make choices is important to their development—and to their happiness.

In the case of Generations X and Y, workplace flexibility not only means “when” but also “where”. Studies show that three out of four Generation X workers pick the place they want to live before they find a job. This means that companies may not be able to find what they need in their own backyard and may need to follow the talent.

### 5. Expand and Enhance Training Opportunities

Generations X and Y thrive on developing their work skills and knowledge. They don’t mind making a lateral move within a company if it means adding to their skill sets. Most opportunities are seen as stepping stones to something better in terms of their career.

Provide these workers with learning opportunities by expanding e-based learning modules. Create work “teams” or pair veteran workers with junior workers to prepare them to take over jobs when necessary.

## SUMMING UP

### >> **The changing workforce will pose challenges for today's employers:**

- The talent war is heating up and the gap between labor supply and demand will continue to widen over the next 20 years.
- Motivated very differently than their predecessors, the newest workforce generations are transforming the business environment like never before.

### >> **The Solution?**

Employers must learn to play by the new rules of Generations X and Y to successfully recruit and retain them. Smart business leaders will pay close attention to their very unique needs and values, and will connect with them by:

- Thinking “high-tech”
- Creating fun environments
- Leveraging relationships / getting personal
- Embracing workplace flexibility
- Expanding and enhancing training opportunities

## SOURCES

U.S. Bureau of Labor Statistics.

Muson, Howard. "Valuing Experience – How to Motivate and Retain Mature Workers". *The Conference Board*, April 2003.

Kaihla, Paul. "The Coming Job Boom". *Business 2.0*, September 2003

Chester, Eric. *Employing Generation Why*. 2002

Tulgan, Bruce. Retrieved June 2004. Available: [www.rainmakerthinking.com](http://www.rainmakerthinking.com)

Tulgan, Bruce. *Managing Generation X: How to Bring out the Best in Young Talent*. 2000.

Tulgan, Bruce. *Managing Generation Y*. 2001.

"OrthodoX". *American Demographics*, May 2004.

"The Debut of Generation Y in the American Workplace". *Journal of Business Administration Online*. Fall 2002 Vol 2.

>> Kelly Services recognizes and embraces the importance of diversity in the workplace. While this paper focuses on strategies for attracting and retaining specific segments of the workforce, the information presented in this report should be considered part of a comprehensive staffing program.