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What can we do to Attract and Retain Young People to our Company as we Find it Difficult to Attract Employees at all Levels?

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What can we do to Attract and Retain Young People to our Company as we Find it Difficult to Attract Employees at all Levels?

Abstract
Question: As the workforce ages we are finding it a challenge to recruit new employees at all levels. So our question involves what can we do to attract and retain young people to our company? We have some insight into how to attract employees but where we would like your help is how to design our work and career paths to maintain the employees?

Keywords
human resources, generation Y, millennial

Disciplines
Human Resources Management

Comments

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EXECUTIVE SUMMARY

Question

As the workforce ages we are finding it a challenge to recruit new employees at all levels. So our question involves what can we do to attract and retain young people to our company? We have some insight into how to attract employees but where we would like your help is how to design our work and career paths to maintain the employees?

Clarification of the Question

After our conversation, we came to an agreement with our client to focus our research on answering below questions:

1. What are the key motivators for workers of the younger generation to devote their career to an industrial plant?
2. Suggestions and/or ideas of redesigning jobs and career paths in an appealing way that helps attract and retain workers of the younger generation.

Introduction

Today's workplace is demographically unique in that it spans four generations - Generation Y (under 30); Generation X (30-44); Baby Boomers (45-64); and Veterans (65 and older). [1] Generation Y refers to people born between 1982 and 1993, which make up about 30% of the U.S. population. As manufacturing employers expect a large-scale exodus of older workers in the forthcoming years, it becomes a business necessity to effectively engage and retain this group of Generation Y who will be eventually replacing 80 million baby boomers over the next five to seven years. [2] A study by Deloitte estimates that 40 to 60 percent of workers will come from Generation Y and younger generations by 2025. [3]

Understanding the Needs of Generation Y

Generation Y is the first generation to grow up with digital media, acquiring an invaluable ability to manipulate electronic information. Well informed and media-savvy, Generation Y is more knowledgeable than any previous generation and comfortable with the fast-paced setting of technology in the workplace. [4] The key motivators of Gen Y are the following: [3]

- Long-term career development and multiple experiences within a single organization
- Sense of purpose and meaning in work
- Availability and access to mentors across the company
- Work-life flexibility
- Tech-savvy work environment
- Open social networks that embrace open and honest communication
- Opportunities for personal growth, even in entry-level jobs
- Working with committed colleagues who share their values

Connecting Generation Y to the Manufacturing Companies

The manufacturing sector's demographic profile is disproportionately composed of old workers and men. Study shows that the manufacturing sector has experienced a decline in the size of its labor force, has been less successful recruiting and retaining female workers, has a workforce that is aging faster, and has declining compensation levels when compared to other industry sectors. [5] Manufacturing employers are encouraged to consider below aspects of workplace practices and job designs for younger generation, which can shape employee commitments to employers and their work:

- Creating highly productive environments in which all employees feel valued and capable of making positive contributions by voicing their opinions [6]
- Providing training and personal attention to young workers in entry-level jobs as they are looking to be taught, reviewed and given positive feedback for self-improvement [7]
- Developing educational programs to promote careers in manufacturing, as 65% of Generation Y is motivated, retained and influenced by career development opportunities [3]
- Allowing autonomy and flexibility since 73% of Generation Y preferred managers that allow the freedom to complete their job through flexibility and not necessarily on a 9 to 5 schedule [8]
- Encouraging or training supervisors to think about what contributes to and detracts from retention, and how it might be different for younger workers. Success in retaining Gen Y employees depends primarily on front-line supervisors.[4]

Findings on Talent Management Model for Generation Y

Attracting high performers early in their careers, retaining and training the best mid-level managers, and developing competence in specific areas, will improve current talent gap. A range of options to improve the talent process include: [9]

Attracting

- Manufacturers should communicate a consistent, positive, and realistic image, and provide real-life experience in a challenging and exciting work environment. Firms should develop communication programs that involve high achievers as brand ambassadors. [3]
- Commit to recruiting a small number of top-tier college graduates on a regular basis. If this cannot be done annually, taking on new grads every two to three years. Use of performance management practices among the next level of employees will identify weak performers and create room for new graduates if none exists. [9]

Engaging / Connecting

- To keep Generation Y motivated, it is important to constantly seek their input and opinions from small to large decisions. They are more likely to stay with the organization when they see their ideas being implemented. [10]
- Management should communicate to the workforce the importance and impact of their work. (e.g. clarify how their efforts contribute to firm's success). Generation Y should be encouraged to articulate what is meaningful to them. [3]
- Encourage knowledge sharing among employees through discussion boards and blogs with guidelines for usage. [3]
- Firms should develop customized mentoring programs in which senior staffs guide younger workers, specifically in problem-solving skills and linkages between organization and individual performance. [3]

Developing

- Chart out a clear development path for all production and service personnel. For example, moving from a machine operator to a cell leader to a shift supervisor and so on. [3]
- Specialized training should be provided for those of the Generation Y workforce who handle sophisticated equipment in both process and discrete manufacturing industries. [3]
- Create robust and consistent competency and career development models across the business. This can be done initially in small steps at all levels of the organization while you create the framework to allow for larger steps. [9]

Deploying

- Enable career mobility to allow individuals to have multiple experiences. Young personnel should be encouraged to work in cross-functional teams, consisting of people from different generations. [3]
- Infuse the organization with a few high-performing specialists in areas such as supply chain, even if the individuals involved are from other industries. Bring these skills into the organization to change the business capability. [9]

Retaining

- Among the most important factors driving employee retention are opportunities to develop and advance in their careers. Generation Y wants to know where they are going to be. A survey shows they will wait an average of 10 months for an opportunity to develop before concluding that advancement was blocked and they should move on.[10]
- Conduct regular succession planning and performance/ potential reviews of the "next 50" senior leaders and the most recent 50 entry-level college graduates. Such action can spur incredible change in the talent pool and in the results achieved by a capable and agile core group of leaders at each rung of the organizational succession ladder. [9]

Real World Practices

- Samsung, as part of the Regional Specialist Program, selects talented assistant managers with more than three years of experience and sends them on multi-year sabbaticals to different countries to learn about the region. [3]
- At Lockheed Martin, experienced executives are paired with less seasoned workers to help transfer crucial knowledge. New recruits are coached to ask for examples, stories, and experiences to enhance their understanding.[3]
- Cisco recently introduced a reverse mentoring scheme where a group of ten Generation Y employees mentored senior executives in the company. Leaders have an increased awareness of how Generation Y employees think. [11]
- Chesapeake Energy hired a social media coordinator to support interactive initiatives and stay on the cutting-edge. It keeps employees' careers moving forward by committing to promotions based on ability rather than longevity. [12]

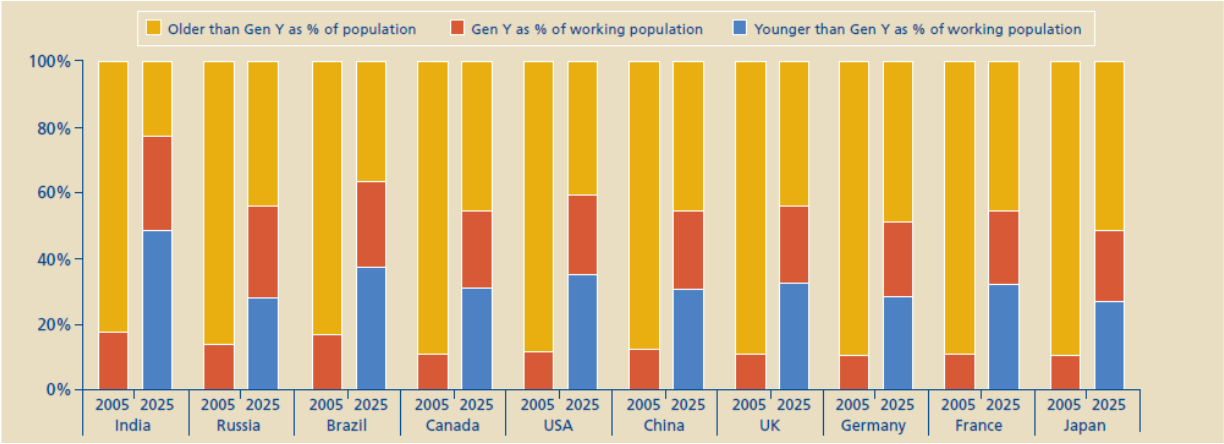
Conclusion

Surveys reveal remarkable similarities in workplace preferences between Generation Y and a broader part of the workforce. [13] Manufacturing firms will have to rethink their talent management model to address Generation Y's specific needs in a way the entire organization can benefit. Companies taking measures to truly develop and engage all employees to build a high performance workforce will have better positioned themselves to create a competitive advantage. [14]

Appendices

Appendix A:

Generation Y: Today's New Workforce and Tomorrow's New Leaders



Source: Deloitte Research, based on United Nationals Department of Economic and Social Affairs, Population Division, Population Estimates and Projections (New York: 2005)

Appendix B:

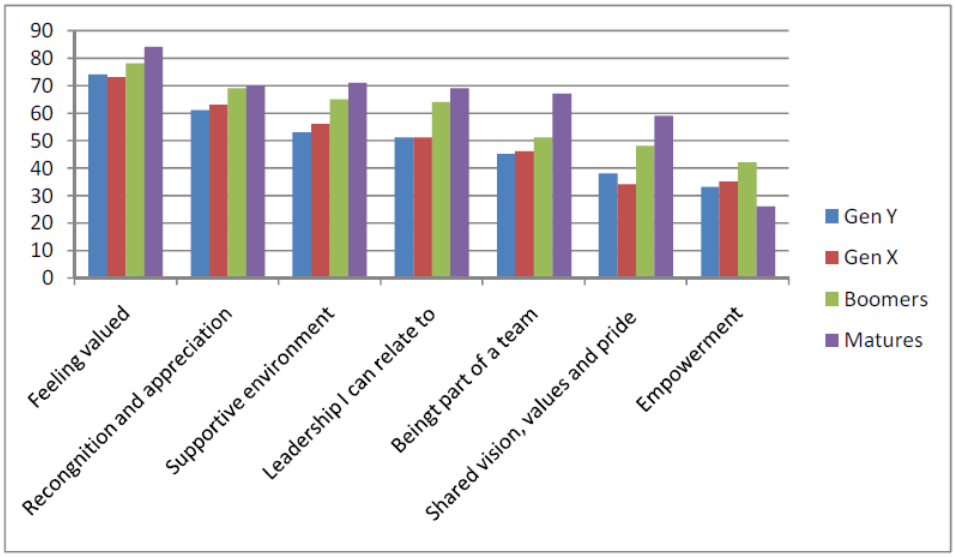
Terms used to describe co-workers in the same generational cohort

Generation Y	Generation X	Baby Boomers	Matures
Makes personal friends at the workplace	Confident	Strong work ethic	Strong work ethic
Sociable	Competent	Competent	Ethical
Thinks out of the box	Willing to take responsibility	Ability to handle a crisis	Commited ot the company
Open to new ideas	Willing to put in the extra time to get the job done	Willing to take on responsiblity	Competent
Friendly	Ethical	Communicators	Confident

Source: "The Randstad USA World of Work." By Randstad (2008)

Appendix C:

Importance for happiness in their job



Source: "The Randstad USA World of Work." By Randstad (2008)

Appendix D:

Most effective retention initiatives by generation

Ranking	Generation Y (under age 30)	Generation X (ages 30-44)	Baby Boomers (ages 45-64)	Veterans (over age 65)
1	Company culture (21%)	Additional bonuses or financial incentives (21%)	Additional benefits (i.e., health and pensions) (26%)	Additional bonuses or financial incentives (25%)
2	Flexible work arrangements (20%)	Additional compensation (19%) Strong leadership/ organizational support (19%)	Additional bonuses or financial incentives (23%)	Additional benefits (i.e., health and pensions) (24%)
3	New training programs (19%) Support and recognition from supervisors or managers (19%)	Customized/ individualized career planning (18%) Succession planning (18%)	Additional compensation (21%) Strong leadership/ organizational support (21%)	Flexible work arrangements (20%) Corporate social responsibility (20%)

Source: Talent Edge 2020 Survey by Deloitte (December 2010)

Appendix E:

Employment in the Manufacturing Sector

	Manufacturing			All Industries		
	2000	2008	% Change	2000	2008	% Change
Employment in Thousands (seasonally adjusted)[1]	17265	13423	-22.3	111003	114558	3.2
% Represented by Unions of Wage and Salary Workers[2]	15.8	12.3	-22.2	14.9	13.7	-8.1
Separation Rates[1, 3]	37.6[5]	33.3	-11.4	46.4[5]	48.7	5
Unemployment Rate (not seasonally adjusted)[4]	3.5	5.8	65.7	4	5.8	46.43

Source: U.S. Bureau of Labor Statistics

Appendix F:

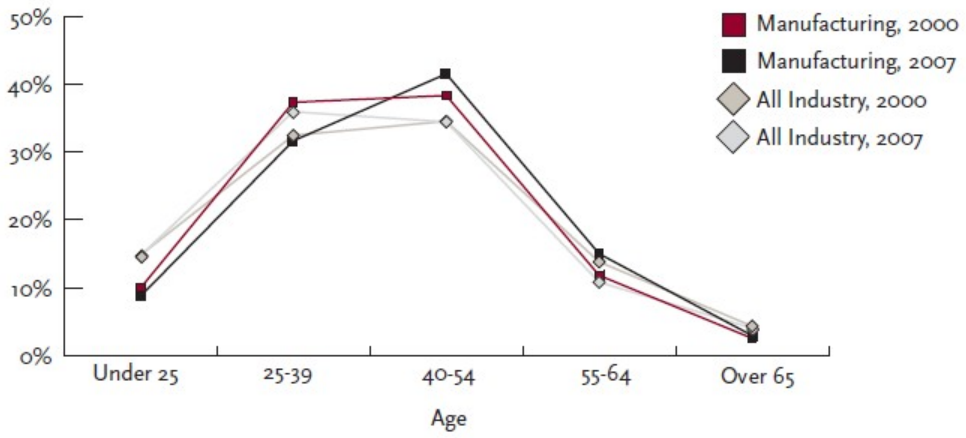
The Main Labor Market Indicators of the Manufacturing Sector

	Manufacturing Sector (SOC 31-33)		
Employers	2000	2006	% Change
Total Establishments	354,498	331,062	-6.6
# Under 20 Employees	222,012	211,303	-4.8
# 20-99	67,334	60,727	-9.8
# 100-499	25,765	23,571	-8.5
# 500+	39,387	35,461	-10.0
Hours, Earnings, and Benefits[1]	2000	2008	% Change
Average Weekly Hours of Production Workers, (seasonally adjusted)	41.2	40.8	-1.1
Average Hourly Earnings of Production Workers, (seasonally adjusted)[2]	17.9	17.7	-0.7
Compensation[3]	2004	2008	% Change
Compensation Costs ($/Hr)[2]	31.3	31.7	1.0
Wages and Salaries as % of Compensation	65.0	66.0	1.5
Benefits as % of Compensation			
Total Benefits	35.1	34.1	-2.9
Insurance	9.1	9.9	8.5
Retirement	5.25	4.1	-21.9
Labor Turnover	2001	2008	% Change
Median Years of Tenure[4]	4.9	5.9	20.41

Source: U.S. Bureau of Labor Statistics

Appendix G:

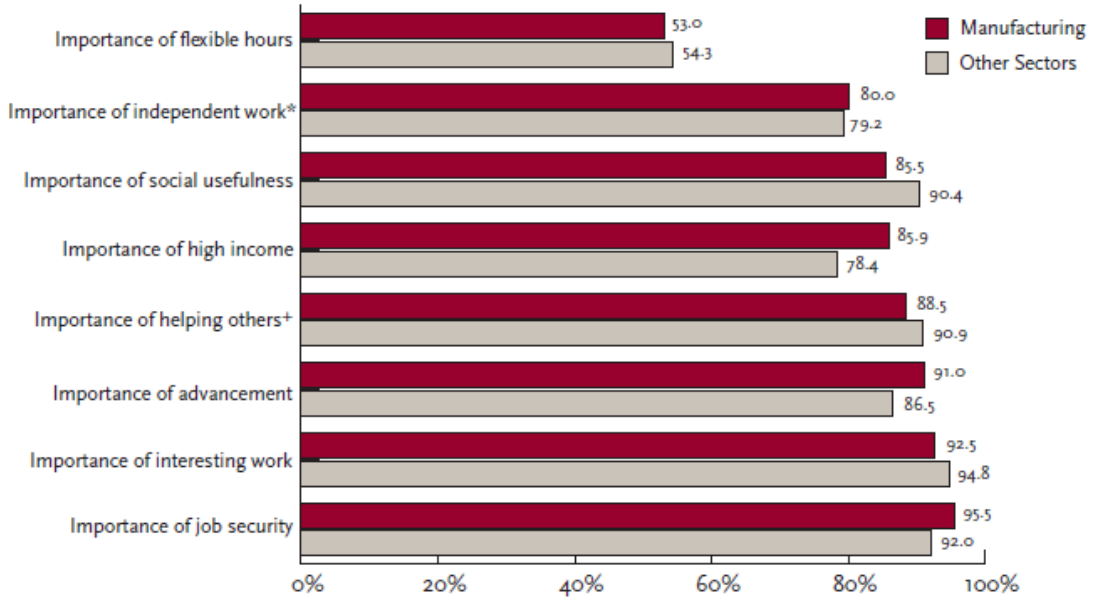
Age Distribution of the Labor Force



Source: The Integrated Public Use Microdata Series (IPUMS-USA)

Appendix H:

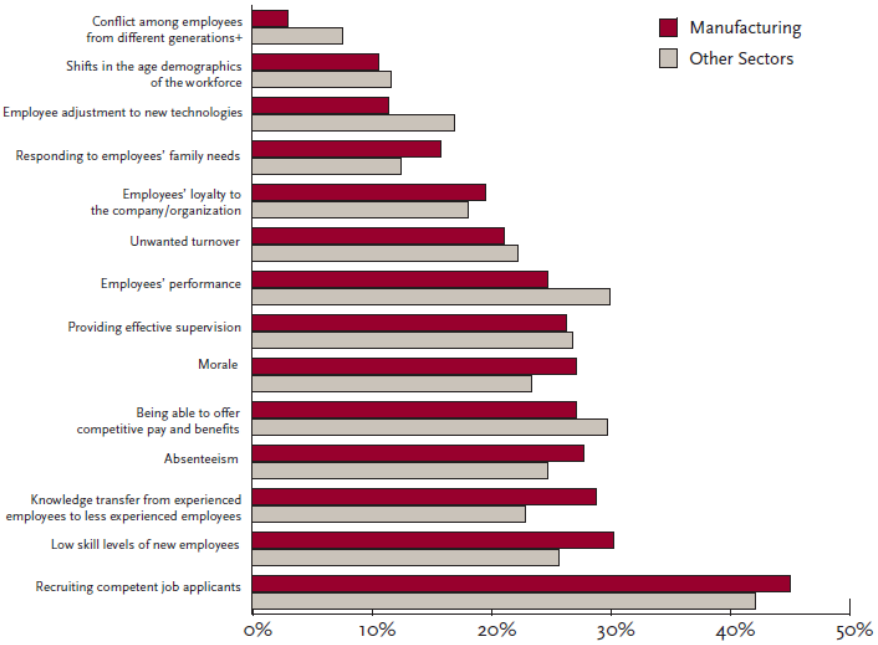
Job Incentives Rated as Important or Very Important:
Manufacturing Employees in Comparison to Other Sectors



Source: Analyses from 2000-2008 General Social Survey

Appendix I:

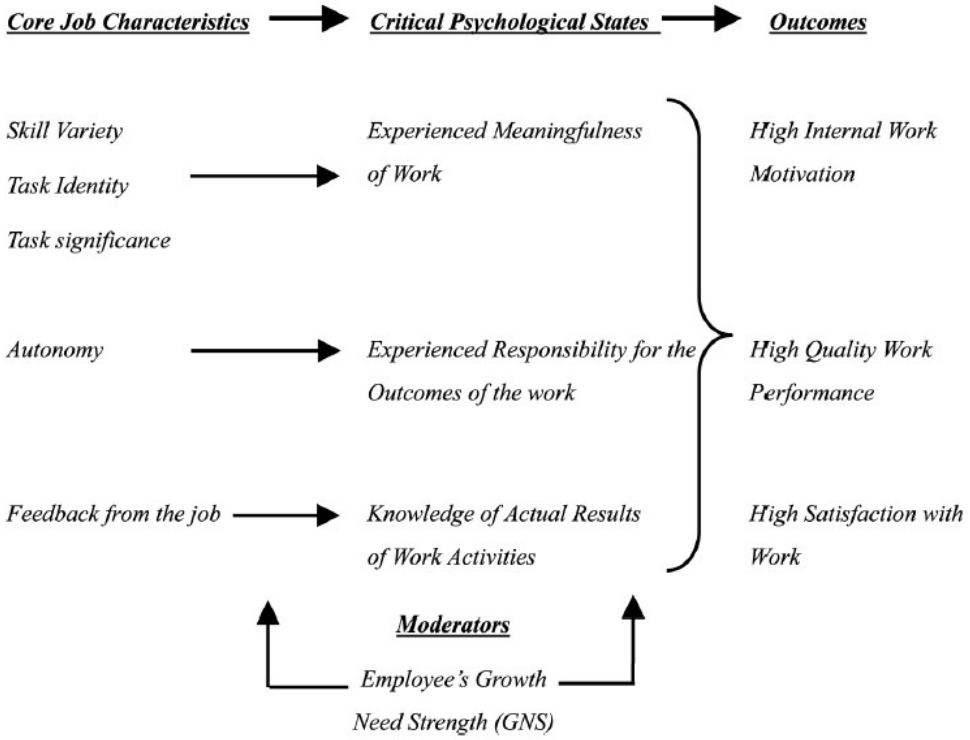
Talent Recruitment and Loss Risks in the Manufacturing Sector compared to Other Sectors



Source: Analyses from 2009 Talent Management Survey

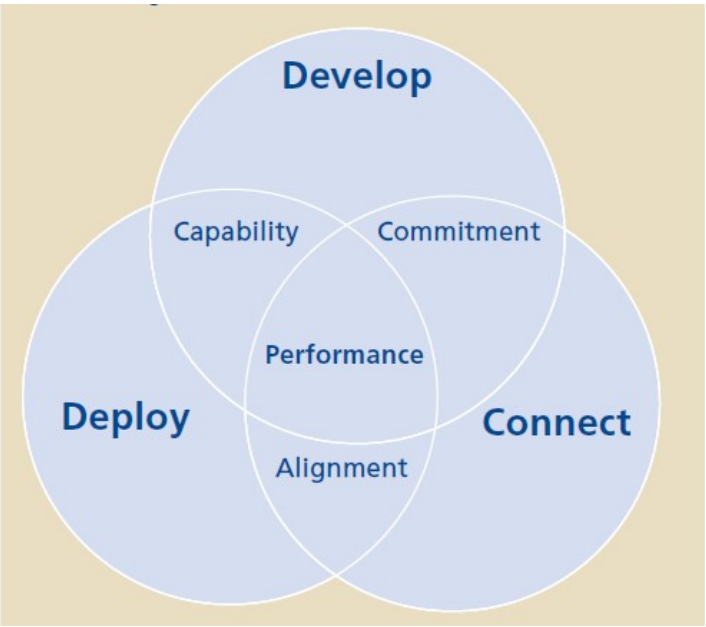
Appendix J:

Hackman-Oldham job characteristics model



Appendix K:

The Develop-Deploy-Connect Model for Talent Management



Source: Deloitte Research (2004)

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> Abstract: For global manufacturers marching toward profitable growth through global expansion and productivity improvement, the significance of talent management will only increase in the years to come. Generation Y and younger generations will form the majority of the working population in the not-so-distant future. Companies need to understand the values of incoming generations and carefully rethink their strategies for attracting and engaging this talent as an integral part of their business models. Because the values and preferences of Generation Y are in many ways shared by a broader part of the workforce, catering to this generation has the potential to bring about fundamental changes in talent management practices across the enterprise.

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Abstract: This qualitative phenomenological study captures the lived experiences that influenced the perceptions of Generation Y Industrial Studies interns concerning the first- line supervisor- employee relationship in a manufacturing environment. A purposive sampling method was used to select participants who had completed their internship in a manufacturing facility and reported to a first- line supervisor during the internship. Eight participants were interviewed using an in-depth, one-on-one semi-structured interview process. Interview data were recorded, transcribed, and analyzed. The results of the interview data revealed three core themes as contributing to the first- line supervisor- employee relationship: (a) the relationship is a beneficial learning situation, (b) the relationship is a partnership, and (c) the relationship is personal.

5. *Sweet, Stephen & Pitt-Catsouphes, Marcie. (2010). Talent pressures and the aging workforce: Responsive action steps for the manufacturing sector. The Sloan Center on Aging & Work,*

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Abstract: The purpose of this research is to examine whether personality and motivational driver differences exist across three generations of working Australians: Baby Boomers, Gen Xs, and Gen Ys. Using the Occupational Personality Questionnaire and the Motivation Questionnaire, the study examined cross-sectional differences in personality and motivational drivers across three generations. The results are not supportive of the generational stereotypes that have been pervasive in the management literature and the media. Specifically, few meaningful differences were found between the three generations. The research emphasizes the importance of managing individuals by focusing on individual differences rather than relying on generational stereotypes, which may not be as prevalent as the existing literature suggests.

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Abstract: The study answers the following research question: Is there a difference between the level of organizational commitment in Generation Y and Baby Boomers in corporate America? It attempts to figure out why some employees remain loyal but others will quickly leave one organization for another. To measure the effect and difference in the levels of organizational commitment, the Three-Component Model developed by Meyer and Allen (1991) will be used in this study to determine the difference in the level of organizational commitment between Generation Y and Baby Boomers. The study concludes with the findings from the survey and the suggestions for organizations to attract and retain Generation Y employees.

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managers who traditionally would have been groomed for senior leadership. Applying talent management best practices now, even in small increments, will help companies not only attract, develop and retain high performers, but also seize business opportunities. Attracting high performers early in their careers, retaining and training the best mid-level managers, and developing competence in specific areas, such as supply chain management or innovation, will improve the current talent gap.

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Abstract: In today's hyper-competitive marketplace, talent management is becoming increasingly critical to organizational success as the labor market tightens worldwide. Organizations are now recognizing the urgency and the value in attracting and retaining the best and brightest employees in order to achieve higher than average market share and elevated profits. There is clear evidence that coupled with fiduciary responsibilities; innovative recruiting and retention strategies are at the forefront of CEOs' agendas. These adaptive strategies must be geared to attracting the new generation of workers, as well as transferring knowledge from one generation to the next. Additional attention should be given to increasing employee engagement for Generation Y and developing the next generation of leaders.

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Abstract: Purpose - The purpose of this paper is to explore the issues around a multiple generational workforce and more specifically, the challenges and benefits for education providers and employers. Demographic forecasts suggest that the UK workplace will imminently be dominated by older, experienced employees. As the composition of the workplace shifts, examining the inter-relationship between groups of workers of different ages/profiles who have different skills, attitudes, expectations and learning styles is vital. The synergy caused by this inter-mingling cannot help but impact on employers, sectors and higher education institutions.

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Abstract: This study offers a framework for understanding the most compelling issues organizations face in their efforts to effectively incorporate the generation currently entering the workforce. This article explores the ways in which college- educated members of the Millennial generation approach the world of work, especially in the context of their particular relationships with technology and institutions. While cross-generational workplace tensions are neither new nor likely to dissipate, we believe that additional insights gained by exploring this complex and sometimes paradoxical generation will facilitate the ability to tap into their many abilities and talents.

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highly capable professionals to drive renewal and growth. Only then will they realize that the rules of engagement have changed - that the landscape of talent management has been transformed. The combination of Generation Y eagerly advancing up the professional ranks and Baby Boomers often refusing to retire has, over the course of a few short years, dramatically shifted the composition of the workforce. More important, Boomers and Gen Ys are together redefining what constitutes a great place to work.

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Abstract: According to a new study by Deloitte Consulting, in less than 20 years, 40 percent to 60 percent of all workers in many of the world's most populous nations will come from Generation Y or younger generations. To better attract and engage these employees, manufacturing companies will have to rethink their talent management model.