

● CHAPTER ONE

MEET GENERATION Y

The Most High-Maintenance Workforce in the History of the World

They keep telling me, “Here’s what you get in five years, ten years, twenty years . . .” But they expect me to come back to work tomorrow. What do I get *tomorrow*?

—Gen Yer

Not long ago, the president of a health care consulting firm told me he had just interviewed a twenty-five-year-old man for a job in his firm. The young candidate came to the interview armed with a number of ordinary questions about job duties, salary, and, benefits. When these questions were answered, he made a request: “You should know that surfing is really important to me and there might be days when the surf’s really up. Would you mind if I came in a little later on those days?”

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At a major food conglomerate, summer interns are usually given an assignment, such as a big data-entry project, that they can complete during the course of their summer employment. An executive there shared with me the story of one of his latest interns: “On

the first day, she announced she had invented a new cereal. She had a box, complete with artwork and a bag of her cereal inside, that she called her ‘prototype.’ Clearly she had gone to great lengths, including the recipe and nutritional information and preparing a slide show. She wanted to know when she would be able to pitch her idea to senior executives. ‘The sooner the better,’ she said.”

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An experienced nurse-manager in a busy hospital told me she stopped a new young nurse from administering the wrong medicine by intravenous drip to a patient. The manager pulled the young nurse aside and explained emphatically how serious a mistake she almost made. “I explained that this is how patients die unnecessarily. I told her, ‘You need to check the wrist bracelet, then the patient’s chart, then the charge list, then the IV bag. Then you need to check them *all* again.’” Before she was finished, the young nurse interrupted her. “Actually, you are doing this conversation wrong,” she told her boss. “You are supposed to give me some positive feedback before you criticize my work.” What did the manager respond? “Okay. Nice shoes. Now, about that IV bag . . .”

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A group of executives in the U.S. Peace Corps reported that program administrators receive e-mails on a regular basis from parents making suggestions and requests about the living accommodations and work conditions of their children stationed on missions around the world. One of the Peace Corps executives told me, “I just got an e-mail from a parent saying the meals being provided don’t meet his kid’s dietary needs. Could we get this young man on a nondairy diet?” The funny thing is that generals in the U.S. Army have told me similar stories about the parents of soldiers.

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Another experienced manager, this one in a retail organization, told me an even more striking story. This manager was trying to correct a young associate who had just spoken rudely to a customer. The young man turned to his boss and said, “You know what? I’m thinking about buying this place. And the way you are going, you are going to be the first one out of here!”

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Managing people has never been easy. Stuck between employer and employees, managers are tasked with the tough job of negotiating their often competing needs and expectations. But as these stories illustrate, being a manager is even more difficult when a new generation enters the workforce and brings with it new attitudes and behaviors. Every day, leaders and managers in organizations of all shapes and sizes in just about every industry all over the Western world tell me stories about working with the new generation of young employees—the so-called Generation Y—that suggest this might be the most difficult generation to manage yet. Managers tell me:

“They walk in the door on day one with very high expectations.”

“They don’t want to pay their dues and climb the ladder.”

“They walk in the door with seventeen things they want to change about the company.”


“They only want to do the best tasks.”

“If you don’t supervise them closely, they go off in their own direction.”

“It’s very hard to give them negative feedback without crushing their morale.”

“They walk in thinking they know more than they know.”

“They think everybody is going to get a trophy in the real world, just like they did growing up.”



Doesn't every new generation of young workers irritate the older, more experienced ones?

It seems to me that the vast majority of leaders and managers think Gen Yers have an attitude problem.

But isn't this always the case when a new generation joins the workforce? Doesn't every new generation of young workers irritate the older, more experienced ones?

At the early career stage of life, young people are just learning to break away from the care of others (parents, teachers, institutions) and taking steps toward self-sufficiency and responsibility. Some do it more slowly than others. As they move into the adult world with the energy and enthusiasm—and lack of experience—that is natural at that stage, they are bound to clash with more mature generations.

And yet as much as human experience—such as the rite of passage into the workforce—stays the same over time, the world doesn't. One epoch may be defined by an ice age, another by global warming. What makes each generation different are these accidents of history that shape the larger world in which human beings move through their developmental life stages. So while every generation rocks the boat when they join the adult world, they also bring with them defining characteristics that alter the rules of the game for everyone going forward.

Gen Yers' "attitude" probably is not likely to go away as they mature; their high-maintenance reputation is all too real. Still, the whole picture is more complicated. Yes, Generation Y will be more difficult to recruit, retain, motivate, and manage than any other new generation to enter the workforce. But this will also be the most high-performing workforce in history for those who know how to manage them properly.

Meet Generation Y

I've been conducting in-depth interviews with young people in the workplace steadily since 1993. That was shortly before the oldest

Gen Yers—those on the cusp of Generation X—started arriving in the workplace as teenagers. Since then, we’ve followed Gen Yers as they have become the new young workforce and have been developing a comprehensive picture of who they are, how they became that way, and what motivates them. First, to understand the historical context of Generation Y, I’d like to take a few steps back and glance at the accidents of history that defined the generations leading up to Gen Y.

The generation born before the Baby Boom, what I call the Schwarzkopf generation, grew up mostly in the 1930s and 1940s. Their young adulthood was defined by a period of confidence and stability following the upheaval of depression and war. The Baby Boomers, born between 1946 and 1964, were defined by two distinct eras: the first was characterized mostly by the stability of 1950s and early 1960s, while the second coincided with the major social change of the 1960s. Generation X came onto the scene in the 1970s, when adults were steeped in the self-absorption of the “me decade.” By the time they came of age in the 1980s and early 1990s, globalization and technology were making the world highly interconnected, rapidly changing, fiercely competitive, and information driven. Their first days at work were also the first days of downsizing—and the last days of job security. While the older workers were hanging on to their desks groaning, “Hold on! It’s a workplace revolution! Please, don’t downsize me,” Gen Xers, in the vanguard of the free-agent mind-set and self-directed career path, shrugged: “Downsize me. Whatever.”

Now there is Generation Y.

Although demographers often differ on the exact parameters of each generation, there is a general consensus that Generation X ends with the birth year 1977. Some suggest anyone born between 1978 and 2000 belongs in the Millennial Generation. Given the accelerating pace of change, I think this group is too large. I prefer to break the so-called Millennials into two cohorts: Generation Y (people born between 1978 and 1990) and, for now, Generation Z (anyone born between 1991 and 2000). The oldest among Generation Y are reaching their thirties, but this book is really about the

heart of Generation Y, those born during the Reagan years, who grew up mostly in the 1990s, came of age in the 2000s, and are filling up the youth bubble in today's workforce.

Here's the short story with Generation Y. If you liked Generation X, you are going to love Generation Y. Generation Y is like Generation X on-fast-forward-with-self-esteem-on-steroids.

Gen Yers' childhood was defined mostly by the 1990s, and they are reaching their early stage of adulthood amid the profound changes of the 2000s—this era of uncertainty. One could say that the same major historical forces that shaped Generation X are also shaping Generation Y: Globalization and technology, institutions in a state of constant flux, the information tidal wave, and the growing immediacy of everything. But those forces have picked up so much velocity in just one generation that I would argue there is a profound difference in the life experience of Generation Y—a true generational shift.

Globalization and technology have been shaping change since the dawn of time. But during the life span of Generation Y, globalization and technology have undergone a qualitative change. After all, there is only one globe, and it is now totally interconnected. Gen Yers connect with their farthest-flung neighbors in real time regardless of geography through online communities of interest. But as our world shrinks (or flattens), events great and small taking place on the other side of the world (or right next door) can affect our material well-being almost overnight. World institutions—nations, states, cities, neighborhoods, families, corporations, churches, charities, and schools—remain in a state of constant flux just to survive. Authority is questioned routinely. Research is quick and easy. Anyone can get published. We try to filter through the endless tidal wave of information coming at us from an infinite number of sources all day, every day. Nothing remains cutting edge for very long. What we know today may be obsolete by tomorrow. What is beyond belief today may be conventional wisdom by tomorrow. Meanwhile, the pace of everything continues to accelerate. A year is long term, and five years is just a hallucination. Short term is the key to relevance.

In a world defined by constant change, instantaneous response is the only meaningful time frame.

Gen Yers are comfortable in this highly interconnected rapidly changing web of variables. They've never known the world any other way. Uncertainty is their natural habitat. Globalization does not make Gen Yers feel small. Rather, it makes them feel worldly. Technological change does not make them feel as if they are racing to keep up. Rather, it makes them feel connected and powerful. Institutions may be in a state of constant flux, but that's no problem. Gen Yers are just passing through anyway, trying to squeeze out as much experience and as many resources as they can. Authority figures and celebrities may disintegrate for all to see. But this doesn't make Gen Yers cynical. Rather, it gives them faith in everyday heroes. The information tidal wave may inundate us all with more data in one day than anyone could possibly sort through in a lifetime. But this doesn't make Gen Yers feel overwhelmed or uninformed. Rather, it makes them would-be experts on everything. The pace of everything may be accelerating to the point where we expect immediacy in all of our doings. But this doesn't make Gen Yers feel slow. Rather, it makes them impatient. Right now is the only real time. Constant change means you can't count on anything to stay the same. But this doesn't make Gen Yers feel nostalgic. Rather, it makes them feel liberated to abandon what bores them, embrace new things wholeheartedly, and reinvent themselves constantly.

Why are Gen Yers so confident and self-possessed, even in the face of all this uncertainty? One reason is surely that they grew up in the Decade of the Child. Gen Xers were the great unsupervised generation (we made the latchkey into a metaphor). But Generation Y was the great oversupervised generation. In the short time between the childhood of Generation X and that of Generation Y, making children feel great about themselves and building up their self-esteem became the dominant theme in parenting, teaching, and counseling. Throughout their childhood, Gen Yers were told over and over, "Whatever you think, say or do, that's okay. Your

feelings are true. Don't worry about how the other kids play. That's their style. You have your style. Their style is valid *and* your style is valid." This is what child psychologists called "positive tolerance," and it was only one small step to the damaging cultural lies that somehow "we are all winners" and "everyone gets a trophy." In fact, as children, most Gen Yers simply showed up and participated—and actually *did* get a trophy.

Every step of the way, Gen Yers' parents have guided, directed, supported, coached, and protected them. Gen Yers have been respected, nurtured, scheduled, measured, discussed, diagnosed, medicated, programmed, accommodated, included, awarded, and rewarded as long as they can remember. Their parents, determined to create a generation of superchildren, perhaps accelerated their childhood. On one hand, kids grow up so fast today (I often say that twelve is the new nineteen); on the other, they seem to stay tightly moored to their parents throughout their twenties. Their early precociousness, in fact, turns into a long-lasting sophomorphism. Many psychologists have observed that Gen Yers act like highly precocious late adolescents well into adulthood. (I often say that thirty is the new twenty.)

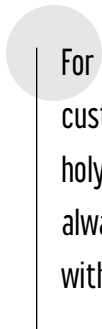
The power of diversity has finally kicked over the melting pot. Generation Y is the most diverse generation in history in terms of ethnic heritage, geographical origins, ability/disability, age, language, lifestyle preference, sexual orientation, color, size, and every other way of categorizing people. But this doesn't make Gen Yers feel alienated and threatened. Rather, they take the concept of diversity to a whole new level. (I call it *infinite or total diversity*.) To Gen Yers, every single person, with his or her own combination of background, traits, and characteristics, is his or her own unique diversity story. Gen Yers feel little need to conform for the purpose of gaining entry to institutions. For Generation Y, difference is cool. Uniqueness is the centerpiece of identity. Customization of the self is sought after with great zest and originality, through constant experimentation. In the world of Generation Y, the menu of selfhood options is extraordinary and the range of possible combinations infinite.

How do Gen Yers continually shape and reshape their uniqueness? They want to customize anything and everything they possibly can. This goes beyond the services and products they buy. It goes very deep. Gen Yers want to customize their very minds, bodies, and spirits.

Gen Yers customize their minds by customizing their information environment on the Internet. They voraciously pursue an ever-increasing array of mind food—images, sounds, experiences, texts—in an ever increasing range of media and formats, from an ever increasing number of sources, for an ever increasing number of purposes (education, skills training, self-help, health, entertainment, news, household matters, consumer interests, life planning, death planning, spirituality, and so on). They are info junkies compulsively pouring through bits and bytes, mixing and matching the perspectives that appeal to them. Gen Yers know they have more and more information available to them, right at their fingertips, from more and more sources on every conceivable subject. In this environment, Gen Yers have always had the ability to create their own ever-changing personal montage of information, knowledge, and meaning. The ability to access and manipulate information from a wide range of sources gives every individual the opportunity to identify and create meaning with genuine use value and resonance, at least to some online community of interest they can locate or build. In a world with so much perspective, traditional thinking, knowing, and believing are impossible.

They customize their bodies by availing themselves of the wide range of natural and artificial tools and techniques, going way beyond tattoos and piercing and fashion statements. Their efforts range from food obsession to surgery; from Ritalin to naturalism; from yoga to steroids; implants, teeth whitening, tanning cream, and on and on.

Beyond family, they customize their primary relationships across space and time in personalized networks. They even customize spiritual lives of their own devising. Gen Yers often put together bits



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and pieces of the teachings of one or more religious traditions, rejecting others, and ultimately settling on their own selection of values and beliefs and religious or spiritual practices.

For Generation Y, customization is the holy grail, and it has always been right there within

their grasp. From the first day, they arrive in the workplace, they are scrambling to keep their options open, leverage their uniqueness for all its potential value, and wrap a customized career around the customized life they are trying to build.

Who Generation Y Is—and Isn't—at Work

Gen Yers don't look at a large, established organization and think, "I wonder where I'll fit in your complex picture." Rather, they look at an employer and think, "I wonder where *you* will fit in *my* life story." Every step of the way, Gen Yers want to find a work situation they can fit into the kind of life they are building for themselves. Because they grew up overly supervised, coached, and constantly rewarded by their parents, Gen Yers will never be content to labor quietly and obediently in a sink-or-swim environment. They are less likely to trust the "system" or the organization to take care of them over time and thus less likely to make immediate sacrifices in exchange for promises of long-term rewards. In fact, the Gen Yer's career path will be a long series of short-term and transactional employment relationships: "What do you want from me? What do you have to offer in return now and for the foreseeable future? I'll stay here as long as it's working out for both of us."

They have very high expectations, first for themselves, but also for their employers. And they have the highest expectations for their immediate bosses. And yet they are more likely to disagree openly with employers' missions, policies, and decisions and challenge

employment conditions and established reward systems. They are less obedient to employers' rules and supervisors' instructions. They are less likely to heed organizational chart authority. After all, they had incredibly close relationships with their previous authoritative role models, their parents, who treated them as equals. Instead, Gen Yers respect transactional authority: control of resources, control of rewards, and control of work conditions. Because they look to their immediate supervisors to meet their basic needs and expectations, they freely make demands of them. These are some of the things that Gen Yers tell us in our interviews:

"My boss keeps telling me, 'This is where you are going to be in five years.' I'm dying to tell him, 'I hate to tell you pal, but you don't know where you're going to be in five years.'"

"I know they think they are masters of the universe, but, gee, the Soviet Union disappeared overnight. So could they."

"My boss thinks I have a bad attitude. I don't know why he thinks I have a bad attitude! I told him I'll work alongside him on any project until he drops from exhaustion."

"They keep telling me, 'This is what you get in five years, ten years, twenty years.' I feel like—what's that expression—they are trying to sell me a bridge."

Precisely because Gen Yers seem to both disregard authority figures and at the same time demand a great deal of them, leaders and managers often find Gen Yers maddening and difficult to manage. Meanwhile, the truth, of course, is more complicated. You see, Generation Y has been much analyzed but, I believe, largely misunderstood. Though in recent years many so-called experts have jumped on the bandwagon of tackling the challenge of "managing Generation Y," nearly everyone I know of is simply reinforcing prevailing misconceptions about Generation Y.

Here are the fourteen most common myths about Generation Y's attitude toward work and career:

Myth #1: Gen Yers are disloyal and unwilling to make real commitments to their employers.

Reality: They can be very loyal. But they don't exhibit the kind of loyalty you find in a kingdom: blind loyalty to hierarchy, tight observance of rites of passage, patience for recognition and rewards. Instead, they offer the kind of loyalty you get in a free market—that is, transactional loyalty (whatever you can negotiate). This is the same kind of loyalty you extend to your customers and clients. We call it “just-in-time loyalty.”

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Myth #2: They won't do the grunt work.

Reality: They are so eager to prove themselves—to you and to themselves—that they will do anything you want them to do. But they won't do the grunt work, or anything else, if they start to fear that nobody is keeping track of what they are doing and giving them credit. They are not about to do the grunt work in exchange for vague, long-term promises of rewards that vest in the deep distant future.

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Myth #3: They don't know very much and have short attention spans.

Reality: They may not have the same shared knowledge base that people with a certain level of education used to take for granted, but they walk in the door with more information in their heads and more information available at their fingertips than anyone ever has before. They think, learn, and communicate in sync with today's information environment.

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Myth #4: They want the top job on day one.

Reality: They have no interest in taking their time to “get a feel for the place.” They want to hit the ground running on day one. They want to identify problems that nobody else has identified,

solve problems that nobody else has solved, make existing things better, invent new things. They want to make an impact.

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Myth #5: They need work to be fun.

Reality: Gen Yers don't want to be humored; they want to be taken seriously. But they do want work to be engaging. They want to learn, to be challenged, and to understand the relationship between their work and the overall mission of the organization. They want to work with good people and have some flexibility in where, when, and how they work.

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Myth #6: They want to be left alone.

Reality: If they actually care one bit about the job, they want managers who know who they are, know what they are doing, are highly engaged with them, provide guidance, help them solve problems, and keep close track of their successes.

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Myth #7: They want their managers to do their work for them.

Reality: They want managers who will spend time teaching them how to do their work very well and very fast.

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Myth #8: They don't care about climbing the proverbial career ladder.

Reality: Gen Yers' career paths will be erratic and eclectic, but that doesn't mean they won't be progressive and developmental. Theirs will be what I call a self-building path made up of learning, relationships, proof of their ability to add value, and lifestyle flexibility. Instead of climbing a ladder, they are making a tapestry.

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Myth #9: Money and traditional benefits don't matter to them.

Reality: Of course, money and benefits matter to them. They want to get the best deal they can get. In fact, they are usually quite savvy about comparing what each employer offers. But money and benefits are only a threshold issue. If you offer money and benefits that are competitive with other comparable employers, then you can keep the conversation going.

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Myth #10: Money is the only thing that matters to them (the opposite of the previous myth, but also widely held by managers who can't believe how brazenly Gen Yers demand money).

Reality: Again, money is a threshold issue. If they are asking for more, what they are really asking is, "What do I need to do to earn more?" Once you meet the threshold of competitive money and benefits, Gen Yers care about five other things: schedule, relationships, task choice, learning opportunities, and location.

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Myth #11: They don't respect their elders.

Reality: They do respect their elders. They are closer to their parents than any other generation has ever been! But they want respect too. Their parents, teachers, and counselors have always treated them with respect, so they feel they deserve respect from their managers, too. Bottom line: they respect what you bring to the table and they want you to respect what they bring to the table.

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Myth #12: They want to learn only from computers.

Reality: From computers, they want to learn stuff that is easy to learn from computers. But, they absolutely need the human element to do their best learning. They learn best from a combination of the human element—coaching, direction, guidance, support, shared

wisdom—and the powerful capacity of menu-driven information systems to guide them through the tidal wave of information available at their fingertips.

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Myth #13: It's impossible to turn them into long-term employees.

Reality: You can turn them into long-term employees. You'll just have to do it one day at a time.

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Myth #14: They will never make good managers because they are so self-focused.

Reality: Of course, they can be good managers. They just have to learn the basics and then practice, practice, practice.


Bringing Out the Best in Generation Y

The premise of this book is that most of the so-called experts on Generation Y have got it wrong. They argue that since Gen Yers have grown up with self-esteem parenting, teaching, and counseling, the right way to manage them is to praise them and reward them with trophies just for showing up. These “experts” tell managers to create “thank-you” programs, “praise” programs, and “reward” programs. They recommend turning recruiting into one long sales pitch; transforming the workplace into a veritable playground; rearranging training so it revolves around interactive computer gaming; encouraging young workers to find a “best friend” at work; and teaching managers to soft-pedal their authority. In my view, this approach is out of touch with reality.

I tell employers that what Gen Yers need is not always the same as



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If you want high performance out of this generation, you better commit to high-maintenance management.

what they want. The problem is that giving them what they need successfully is much harder than simply handing them what they want. The high-maintenance Generation Y workforce calls for strong leadership, not weak. Managers should never undermine their authority; should never pretend that the job is going to be more fun than it is; never sug-

gest that a task is within the discretion of a Gen Yer if it isn't; never gloss over details; never let problems slide; and should never offer praise and rewards for performance that is not worthy of them. Instead, managers should spell out the rules of their workplace in vivid detail so Gen Yers can play that job like a video game: if you want A, you have to do B. If you want C, you have to do D, and so on.

The rest of this book is meant to help managers and leaders get past the myths about Gen Yers and tackle the issues that make managing them so challenging. In the chapters that follow, I offer nine proven strategies for managing Gen Yers through every step of the employment cycle:

1. Get them on board fast with the right message.
2. Get them up to speed quickly and turn them into knowledge workers.
3. Practice in loco parentis management. Take a strong hand.
4. Give them the gift of context. Help them understand their role in your company and where they fit in *your* picture.
5. Get them to care about great customer service.
6. Teach them how to manage themselves.
7. Teach them how to be managed by you.
8. Retain the best of Generation Y one day at a time.
9. Build the next generation of leaders.

The message of *Not Everyone Gets a Trophy* is simple: if you want high performance out of this generation, you better commit to high-maintenance management. Whether you like it or not, Gen Yers need you to help them form new bonds with your organization, their new roles, new colleagues, and you, their manager. They need you to guide, direct, and support them every step of the way. In return, you'll get the highest-performance workforce in history.

