Attraction and Retention of Generation Y Employees

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Abstract

The purpose of this thesis is to present a discussion about the organizational conditions that attract and retain Generation Y employees. This is done using an abductive research method. The work and career preferences of Generation Y are clarified using secondary data. The data is then analyzed and tested empirically at WSP Flack+Kurtz in New York City. The results show organizations can meet Generation Y’s wishes by, for example, offer extensive growth opportunities, frequent feedback, and an excellent social environment.
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1 Introduction

Are they better, worse, or just different? Opinions vary. Whatever you think, they are entering the workforce, quickly replacing the Baby Boomers...

(Coleman, 2008, p.62)

In the late 1940s the industrialized world had just seen the end of World War II. It was a time when the outlook on the future was positive and the economy could thrive once again. During the following decade the number of babies born increased greatly, creating one of the largest generations of our time. We call this generation the Baby Boomers, and define it as the generation born 1946-1964 (census.gov).

Some characteristics are typical for the Baby Boomers’ generation. Growing up in a post-war era, they were taught by their parents to appreciate and make use of the scarce resources at hand (Stern 2008). But they also grow up with a positive view on the future – they wanted more and they were prepared to work hard for it. The Baby Boomers’ background and upbringing led them to value certain aspects of their working life. For example they have a great respect for authority (Reynolds, Bush & Geist, 2008) and they value security, often pursuing a career within one organization (Stern, 2008).

2008 is the year when the first Baby Boomers in the United States reach retirement age (Meisinger, 2008). Over the next decades, a majority of the Baby Boomers will leave the labor force. In the United States, the Bureau of Labor Statistics (BLS) estimates that replacement needs alone will generate 33.4 million job openings during the next decade (Dohm & Shniper, 2007). Add to that the just over 17 million job openings that economic growth is projected to generate, and it is clear that many organizations will need to recruit new employees in a near future. These projections were made by the BLS before the crisis that shook our economy in the fall of 2008. The economic turmoil is sure to change the need for new labor, at least in the short run. However, the fact that over 30 million Baby Boomers will retire over the next years remains. When the current recession ends, the need for skilled labor will increase rapidly. During the same time our next large generation, Generation Y, will enter the labor force. Generation Y is defined as the generation born approximately 1980-1995\(^1\). It is almost as large as the Baby Boomers, and the Y’ers will be able to fill most of the job openings created by Boomers’ retirement. The Y’ers entrance on the labor market will, however, create a change not only in the age of the labor force, but also in values and preferences when it comes to career and working life. Generation Y’ers put emphasis on personal development and rapid advancement (Bassett, 2008). Their ambition is not to stay within one organization for security, but rather to change workplace or even business field often.

\(^1\) The definitions vary from 1978-1984 (Martin & Tulgan, 2001) to simply those born after 1980 (Deloitte) and everything in-between. 1980-1995 is therefore an approximation.
With an estimated labor shortage in a few years, the importance of recruiting the right people will be high. Considering the shift in generations, and Generation Ys’ aspiration to change positions and organizations, I believe that retaining new employees will be of even greater importance. The different values of the coming generation of employees are sure to bring about different demands on managers and organizations.

The coming generational shift in the labor force will not only occur in the U.S., it is a worldwide phenomenon. Since this thesis is written at a Swedish university the obvious country to study might appear to be Sweden. However, according to Arbetsmarknadstyrelsen (AMS) the shortage of labor will decrease in Sweden over the next decade (ams.se), whereas in the U.S. the Bureau of Labor Statistics estimates an increase in the labor shortage (bls.gov). The challenge to attract and retain Generation Y’ers will therefore be a more urgent matter in the U.S. which is why I have chosen to focus this thesis on the American labor market.

1.1 Problem Analysis

For decades, organizations have adjusted their structures, strategies, compensation programs, management styles, etc. to fit the mindset of their employees, i.e. the Baby Boomers (Risher, 2008). The coming shift in generations will not only result in a younger labor force, it will also mean a need to adjust to the values of that labor force. Y’ers will not have the same expectations on their employers as the employers are used to, working with Baby Boomers.

The Baby Boomers grew up in a post-war era when “workers saw loyalty and job commitment as a path to the American dream. … That meant waiting in line for promotion and a clear expectation that conforming to expected behaviors would pay off.” (Risher, 2008, p.43). Generation Y’ers, on the other hand, “look at what can be gained in the short run … They view a job as a job, not a career. … They want a future that gears around their needs instead of their employers. If they don’t like a position, they’ll move on until they find one they do” (Bassett, 2008, p.18). It is important that employers are aware of these differences and make adjustments to be able to attract and retain new employees when people are a scarcest resource.

The adjustments necessary could be of different natures. Reynolds, Bush and Geist (2008) argue for the need of new communication strategies when Generation Y enter the labor force. They say that frequent updates and authentic communication will be necessary to keep Generation Y engaged. The Y’ers are used to real-time access to information and will expect the same access from their employer. Gallo (2008) agrees with this view and argues for the development of a more advanced two-way communication between employer and employee. She says that Generation Y employees need to feel that they have a chance to express their opinion and that the communication occurs frequently. Other

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2 Comparable to the American Department of Labor
writers argue for other adjustments. Meisinger (2008) discusses the challenge of transferring knowledge from retiring to new employees. Ericson (2004) also discusses this problem, saying that if the Baby Boomers retire before they have had the chance to transfer their knowledge to younger employees, it will have a negative effect on productivity. Knowledge transfer has been discussed in management literature, under the name of organizational learning, for a long time and the interest for the area of research has escalated since the beginning of the 1990s (Palmer & Hardy, 2000). Despite of this, many organizations are unprepared for the generational shift in the labor force (Leonard, 2008). Ericson (2004) also presents yet another aspect of the generational shift: how the increased number of retirees and elderly will affect the economic system of a country. All of these aspects present problems related to the generational shift in the labor force, and they have all been discussed in books and articles over the last year. Another aspect, that has not yet been as thoroughly discusses, is what adjustments might need to be made by organizations in order to retain their Generation Y employees.

Many articles focus on how to recruit Generation Y’ers, for example saying that organizations must “ensure that they are perceived as a desirable place to pursue a career” (Yeaton, 2008, p.69), and that they have to find new ways to get in contact with prospective employees, naming Facebook as one example (Robbins, 2008, p.20). However, I have to question if that is enough. Consider the quote from Bassett above: “If they don’t like a position, they’ll move on...”. Generation Y’ers will not settle down, hoping that one day their dream job will come looking for them, they will go look for that dream job, and they will not stop until they find it (Coleman, 2008). So, being perceived as a desirable employer will not be enough, if the organization does not live up the Y’ers’ expectations, she will leave. Instead, the organization has to be a desirable place for the Y’er all through her career. The structures, strategies, compensation programs, management styles, etc. will need to be adjusted to fit the mindset of a new generation of employees.

To accomplish this, the first thing to do is to clarify what it is Generation Y’ers want from their organizations. Only then is it possible to see how well an organization lives up the expectations. Only limited such clarifications exist in the literature of today. Several institutes have surveyed the values of Generation Y (e.g. Robert Hall International in the U.S., and Trendence in Europe). By translating those values into organizational conditions it is possible to examine how well organizations of today are prepared for the next generation of employees.

**Importance of the problem**

According to estimates made by the Bureau of Labor Statistics, there will be a shortage of around 3 million people in the American labor force by 2012 (bls.gov). Generation Y constitutes the next generation of employees, and will therefore be the labor that organizations need to compete about in the time of labor shortage. In order to compete about prospective employees, organizations have to be able to appeal to the Y’ers. In order to retain them, they need to live up to the Y’ers’ expectations and satisfy their needs. Attracting and retaining emerging generations of employees may require organizational changes for some organizations. To initialize those changes in 2012 would be a great
mistake. It would result in the organization falling behind in the competition for scarcest human resources.

**Research Questions**
In this thesis, I will answer the following research question:

- What organizational conditions attract and retain Generation Y employees?

**1.2 Purpose**
The purpose of this thesis is to present a discussion about the organizational conditions that attract and retain Generation Y employees.

**1.3 Delimitations**
Many things, other than organizational conditions, can have an effect on a person’s choice of employer. These things could include the type of positions available, the organization’s reputation, or the location of the workplace. These are things that cannot be generalized to a majority of organizations. The preferences regarding them are also highly individual depending on the Y’ers life situation. Therefore, I have chosen not to include such variables in my discussion. I will instead focus on general organizational conditions which can be applied to organizations of different sizes and locations.

**1.4 Thesis Outline**
Chapter two of this thesis contains a description of the research methods I have used, and a discussion about the quality of the data collected. The following chapters – chapter three through seven – will each describe one organizational condition. In the chapters the preferences of Generation Y are presented followed by a theoretical analysis of those preferences. An organizational example of that condition is then presented. The final chapter in the thesis – chapter eight – presents a discussion about the organizational conditions, aimed at giving an answer to the research questions.
2 Methodology

This chapter explains my research design, and the measures I have taken to ensure the quality of my research. The research questions and the results sought must be guiding the decisions regarding research design (O’Leary, 2004). Hence, I used the purpose of my thesis as a starting point when designing my research. The purpose is to present a discussion about the organizational conditions that attract and retain Generation Y employees. A prerequisite for a discussion is that different voices are expressed. Since I believe that the attraction and retention of Generation Y is something that concerns real organizations, I wished to present an organizational voice in the discussion. I also believe that theories are excellent for explaining phenomenon such as organizational conditions, and I therefore wished to present a theoretical voice as well. The work and career preferences of Generation Y formed a natural base for the discussion.

In order to fulfill the purpose of my thesis, I decided to design my research in four steps: The first step was to collect secondary data about the work and career preferences of Generation Y. The second step was to use relevant theories to analyze that data. The second step concluded in a number of organizational conditions I believe to be important in the attraction and retention of Generation Y employees. The third step was to investigate these conditions in an actual organization, i.e. to test the preliminary conclusions drawn in step two on primary data. The fourth and final step was then to analyze the primary data in order to refine the conclusions.

2.1 Methodological approach

Depending on the research question and the purpose of the study, it is possible to approach the research design in different ways. When designing my research, I have used the abductive approach. Before I explain my choice, I will present the most commonly used approaches: With an inductive approach, the researcher starts her research process by collecting empirical data. She then analyzes that data in order to draw conclusions or design a new theory (Bryman & Bell, 2005; Walliman, 2006). The deductive approach starts in the other end. The researcher uses existing theories to form hypotheses that are then tested empirically (a. a.). With an abductive approach the starting point of the research is an observed phenomenon (Locke, Golden-Biddle & Feldman, 2004; Niinilouto, 2002; Haig, 2008). The researcher can obtain the observation by collecting empirical data. The researcher draws conclusions, or forms hypotheses, based on the observation (a. a.). These conclusions are the most plausible, however they are not confirmed. The researcher therefore tests the conclusions empirically, and refines her conclusions based on the new results.

As I described above, I performed my research in four steps. The first step – collecting secondary data – was aimed at getting an overview of the preferences of Generation Y. In other words, to observe the phenomenon. In the second step, I analyzed the data that was collected in the first step. This resulted in
conclusions about what organizational conditions the preferences correspond to. The third step was
empirically testing the organizational conditions derived in the second step. I did this by interviewing
employees at WSP Flack+Kurtz in New York City (described below). In the last step, I used the
information to refine my conclusions in a discussion about what organizational conditions that attract
and retain Generation Y employees. Below, the methods of my data collection will be described
thoroughly.

2.2 Secondary data collection
The first step of my research was to get an overview of the work and career preferences of Generation
Y. When trying to find out the preferences of a large group of individuals – a population – a quantitative
research method is the most suitable (Brewerton & Millward, 2001). Quantitative research can be
defined as research with a main purpose to quantify data collection and analysis (Bryman & Bell, 2005).
By conducting for example a survey, a large sample gives the researcher the opportunity to get an
accurate picture of the preferences of the population (Brewerton & Millward, 2001). However, a large
scale quantitative study, which is required in order to get a correct result, can be costly and takes a lot of
time and effort for the researcher (Bryman & Bell, 2005). Considering the time limitations for this thesis,
it would have been impossible for me to perform the research I need in order to answer my research
questions if I were to perform a large quantitative study myself. Luckily, the information I needed has
already been collected by other researchers. Using other researchers results is called collecting
secondary data (a. a.). To use secondary data has several benefits, according to Bryman and Bell: it saves
the researcher time and money, giving her more time to perform the analysis, and it often offers the
researcher data of higher quality. By using secondary data, I have been able to use information collected
from over 92 200 respondents. Even if I had decided to only perform a quantitative study, I would not
have been able to process that much information in the given time. However, secondary data also has
its limitations (a. a.): since the researcher has not designed the questions herself, some variables of
interest to her research might have been left out. Also, the researcher cannot be entirely sure of the
quality of the research since she has not conducted it herself. For the purpose of my research, the
benefits of secondary data outweigh the limitations. I will, however, discuss the quality of the data in
detail below.

Quality of the data
To ensure the quality of my secondary data, I have used several surveys published online or in books.
The preferences that I have based my analysis on have occurred in several of the surveys. Since this
thesis is focused on the American labor market I have tried to use as many American surveys as possible.
Unfortunately, many American institutes charge large fees for their surveys, which has made it
impossible for me to use them. My secondary data therefore consists of three surveys conducted with
American Y’ers as respondents, one survey conducted in Sweden, one in Ireland, and one targeted at
students from all over Europe. I have chosen to include the non-American surveys since they give me a
larger total sample. The results of the non-American surveys confirm the results of the American ones.
The quality of quantitative research is discussed in terms of reliability and validity (Bryman & Bell, 2005). Since my research consists of secondary data, I will discuss the reliability and validity of the data as a whole. I will not discuss the reliability and validity of the individual surveys, both because that is discussed in the surveys themselves, and because it is the sum of the information that is relevant for my research, not the individual parts.

Reliability refers to the extent to which a study can be repeated with the same result (Bryman & Bell, 2005). I believe that the reliability of my secondary data is high, since I have only used information that has been confirmed in several studies, independent of each other. The validity of a study is concerned with whether the indicators used to measure a variable really reflect that variable (a. a.). I believe the validity of my secondary data to be high. Again, the results have been confirmed in several studies. The different surveys have measured the same variables, for example job satisfaction and career planning, and they have used essentially the same indicators.

To collect my secondary data, I have used the following surveys:

**Robert Half International** (RHI) – The report “What millennial workers want” was presented by RHI and Yahoo!Hotjobs in 2007. The report is based on a survey of 1,007 American respondents conducted in 2007. It studies Generation Y’ers preferences when it comes to salary and benefits, career planning, working environment, etc.

**Deloitte** – Deloitte is an international organization operating in audit, tax services, consulting and financial services (deloitte.com). The Deloitte survey was conducted in 2007, with 225 respondents, all from Ireland. The survey studies job satisfaction, career plans, preferences in communication, etc.

**2006 Generation Next Study** (GNS) – This survey was released by The Pew Research Center for the People and the Press in 2007. The survey studies the opinions and values of American Generation Y’ers in four categories: Outlook and World View, Technology and Lifestyle, Politics and Policy, and Values and Social Issues. The survey compares answers from Generation Y respondents with answers from older respondents. The total number of respondents in the surveys was 1,501. 579 of these were Generation Y’ers.

**European Student Barometer** (ESB) 2008 – A survey with over 90,000 respondents from 20 European countries. The survey focus on college and university students. The survey studies the choices and performance of the students, their future expectations regarding job application and career, and which organizations that are perceived as attractive employers. I have only used parts of this survey, namely the parts concerned with the students’ future expectations regarding job application and career. The ESB 2008 was conducted by Trendence, one of Europe’s leading research institutes.

**Managing Generation Y** – is a book focusing on the characteristics and preferences of American Generation Y’ers. It is written by Carolyn A Martin and Bruce Tulgan, and published in 2001. The book does not have a section describing how the information that the book is based on was collected. To find that out, I contacted the publisher, where I was referred to an organization called Rainmaker Thinking.
Rainmaker Thinking is an organization founded and run by Bruce Tulgan. It is performing ongoing research about the changing workplace and also offers consulting services (rainmakerthinking.com). Jeff Coombs\(^3\) at Rainmaker Thinking told me that the book was based on the ongoing research of Rainmaker Thinking. The organization does not keep track of their research in terms of precise number of respondents, however Coombs described the research like this: “We conduct qualitative interviews, so far with more than 10,000 individuals ... We collect detailed management practices questionnaires completed by senior executives, so far from more than 700 different organizations since 1997 ... We conduct focus groups and surveys, including thousands of respondents each year ... We consistently review available published data”\(^4\). Given this, I believe the research that the book is based on can be considered reliable. When referring to this survey in the chapters below, I will refer to the authors.

**Generation Y** – is a book written by the Swedish author Anders Parment. It was published in 2008. The book explains Generation Y as consumers and employees. I have used the information describing Generation Y as employees. The information in the book is based on focus group interviews with Swedish Generation Y’ers, and a questionnaire survey with 433 valid respondents. The author also compares information collected from a survey targeted towards persons 55 years and older with the Generation Y information. When referring to this survey in the chapters below, I will refer to the author.

*Managing Generation Y* by Martin and Tulgan, and *Generation Y* by Parment, are both books. It could therefore be argued that they are not secondary data and should instead be used as theoretical references. The books do, however, present information that is derived directly from the surveys they are based on. I have, as far as possible, avoided any conclusions that have been drawn by the authors. I therefore consider the books to be valid secondary data.

### 2.3 Primary data collection

As described above, the third step in my research was to investigate the organizational conditions derived in step two in an actual organization. I was looking to find out both what formal ways an organization has to realize the conditions, and the informal ways that can help the organization achieve them. I was not just interested in hard facts, as was the case with the secondary research, but for the informants’ opinions. Hence a qualitative research method was preferable in this step. Qualitative research is sometimes defined as everything that quantitative research is not, i.e. research concerned not with numbers but with words (Bryman & Bell, 2005). Qualitative research offers the researcher a chance to focus on the social context of the phenomenon or persons being studied, and on the feelings of those persons (a. a.). Some commonly used practices in qualitative research are participative observations and different kinds of interviews. I decided upon using interviews, since they offer a way to get qualitative information without taking up too much of the interviewee’s or the researcher’s time.

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\(^3\) E-mail conversation December 11\(^{th}\) 2008.

\(^4\) E-mail conversation with Jeff Coombs, Rainmaker Thinking December 11\(^{th}\), 2008.
Sampling
Sampling is the process by which the informants are selected (Brewerton & Millward, 2001). In quantitative research the sampling process is of great importance, since it is significant to try to obtain a representative sample of the population (Walliman, 2006). However, in qualitative research the question of representation is inferior to obtaining detailed information about facts and feeling from the persons in the study (Bryman & Bell, 2005). The sampling process is nevertheless important in qualitative research, since the informants should be the best suited to provide information that will answer the research questions (O’Leary, 2004). My purpose with the qualitative data was to empirically test my preliminary conclusions, drawn after analyzing the secondary data. For the findings to be meaningful I considered it to be central that attraction and retentions of Generation Y employees actually was important to the organization I chose to study. A middle-aged, self-employed entrepreneur would for example not have fulfilled that condition. Hence, a main concern for me was to study an organization where employees are considered an important asset. Since that asset is often managed by a human resources person, I wished to speak to someone working in that field. To get different perspectives on the organizational conditions, I also wished to speak to employees of the organization.

To find suitable interviewees, I used what Brewerton (2001), and Bryman and Bell (2005) call convenience sampling. This means using people who are conveniently available to obtain a sample. In my case, a friend could negotiate a contact with the Vice President of Human Resources at WSP Flack+Kurtz in New York City. WSP Flack+Kurtz is an engineering firm with offices in New York City, San Francisco, Boston, Seattle, Las Vegas, Houston, and Washington DC. The company was founded in 1969 as Flack+Kurtz, and joined the worldwide WSP Group in 2001. WSP Flack+Kurtz employs over 600 people at its offices around America (wspfk.com). The WSP Group employs around 10 000 people all over the world (wspgroup.com-a). The employees are the organization’s most important assets. WSP Flack+Kurtz therefore fulfills my condition that attraction and retention of employees should significant to the organization I study.

To obtain further interviewees I used the practice of snowball sampling (Brewerton & Millward, 2001), i.e. I asked the Vice President of Human Resources to suggest employees from her organization that could be interested in participating in an interview.

Interviews
A qualitative interview can be performed in different ways. The structured interview uses “pre-established questions, asked in a predetermined order” (O’Leary, 2004, p. 164). In an unstructured interview, on the other hand, there are no predetermined questions (Bryman & Bell, 2005). The interviewer might have one opening question, or an idea of what topic to discuss, and let the interview evolve like a conversation from there. The semi-structured interview is a blend between the structured and the unstructured interview (O’Leary, 2004). In this kind of interview the interviewer has an interview outline with themes or general questions that she wishes to have answered, however there is

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5 Susan Martins, interview December 13th, 2008
no predetermined order of the questions and there is plenty of flexibility to ask follow-up questions (Bryman & Bell, 2005).

Considering the purpose of my interviews (to investigate specific organizational conditions in an organization) unstructured interviews would not be of great use. When considering what kind of information I wish to receive from the interviews I concluded that semi-structured interviews would fit my purpose the best. The semi-structured form of interviewing allowed me to set a frame-work for the interview, while still allowing the interviewee’s opinions to guide the conversation. I designed an interview outline with general questions based on the organizational conditions derived in step two of the research process.

**Interviewees**

On December 13\(^{th}\), 2008, I interviewed three employees at WSP Flack+Kurtz in New York City:

- **Susan Martins** – Vice President of Human Resources. Martins has been working at WSP Flack+Kurtz for four months.
- **Trevor Boz** – Engineer. Boz is a recent college graduate who has been working at WSP Flack+Kurtz for three months.
- **Dennis Yuan** – Engineer. Yuan has been working at WSP Flack+Kurtz for two years and three months. Yuan joined WSP Flack+Kurtz right out of college.

**Quality of the data**

Quality assessment of qualitative data is not as defined and straightforward as the assessment of quantitative data. The terminology of quantitative data assessment – reliability and validity – can be used for qualitative data assessment too, however with slightly different implications. As mentioned above, reliability refers to the extent to which the research can be repeated with the same results (Bryman & Bell, 2005). Since qualitative research considers the social context of the object being studied, the reliability of the research can only be assessed in similar social contexts. A researcher can ensure the reliability of her research by thoroughly describing the research process (a. a.). That will increase the transparency of the research. In this chapter, I have described the different steps of my research, and analyzed those steps with the help of methodology textbooks, in order to guarantee the reliability of my research if anyone would wish to repeat it.

The validity of qualitative research refers to the credibility of its results (Bryman & Bell, 2005). The credibility is affected by the appropriateness of the informants and the connection between the result of the research and the researcher’s conclusions. As I described above, it was important to me to study an organization where the attraction and retention of employees is important. WSP Flack+Kurtz is an engineering firm. Their outcome, e.g. a new construction design, depends solely on their employees’ performance. As a result, attracting and retaining the right people is a top concern for the organization. I believe that WSP Flack+Kurtz is therefore a suitable organization for me to study. In order to discuss
organizational conditions connected to retention of employees, I wished to speak with someone working in Human Resources. Susan Martins is Vice President of Human Resources, the top manager of that field within the organization. To get another perspective on the organizational conditions, I also wished to speak to regular employees of the organization. The two engineers I spoke to were both Generation Y’ers, which I believe to be a great benefit.

Bryman and Bell (2005) wrote that a third variable is necessary when it comes to assessing qualitative data. The third variable is authenticity, and it refers to the researcher’s ability to present a fair description of the opinions and information expressed by the persons in the study. Authenticity also includes what benefits the persons or organizations participating can obtain from the study. To ensure the authenticity of my research, I have recorded all my interviews and made transcripts of them rather than just taking notes during the interview. This had two benefits: it allowed me to listen more carefully during the interview; and it guaranteed that I did not miss any information in my analysis. I hope that WSP Flack+Kurtz will be able to use the result from my research in their daily efforts to improve their organization.

2.4 Methodological criticism
As a researcher, it is good to have a critical approach to one’s own research. This means questioning and discussing the methodological choices that has been made. My conclusion drawn from my critical assessment of my research is that the data I have collected is not completely exhaustive, however it is fully sufficient to fulfill the purpose of this thesis.

Secondary data
The surveys that I have used as a basis for my description of Generation Ys preferences are mainly targeted at students and young professionals aiming for an office job. Since this does not include for example nurses and school teachers, it bothered me a little. I decided to conduct a small email questionnaire to nursing students to see whether their opinions differed from the opinions expressed in the surveys. If that would have been the case, I would have collected alternative answers from a larger sample. The answers from the questionnaire, however, coincided with everything the surveys point out with the exception of the wish to be able to perform work tasks at any location, which I will point out in the discussion below. The answers from the questionnaire have only been used to confirm the results in the surveys, and I have not included the answers in the discussion below.

Interviews
My interviewees were all very positive about the conditions at WSP Flack+Kurtz. Since my initial contact at WSP Flack+Kurtz, Susan Martins, referred me to the other interviewees, it is possible she chose to refer me to employees she knew would express positive opinions about the organization. Dennis Yuan and Trevor Boz had, however, not had time to prepare for the interview since they did not receive the
interview outline in advance. They did express similar opinions and gave me spontaneous answers to my questions, which makes me confident that they did express their honest opinion.
3 Compensation

Salary and other monetary benefits have been important incentives for employees since the creation of the labor market, and it is a significant factor for Generation Y too (RHI; Deloitte; Parment, 2008; Martin & Tulgan, 2001). I have used the collective name of compensation to describe base salary, monetary benefits, and monetary rewards. In this chapter, Generation Y's preferences about compensation will be described and analyzed, followed by a description of the compensation packages at WSP Flack+Kurtz.

3.1 Generation Y about Compensation

Like for generations before them, one top concern for Generation Y'ers is their salary (Deloitte). The Y'ers have grown up getting rewards for good behavior and they are expecting the same thing in their working life (RHI). While in their childhood the rewards might have been a big smile or encouraging words, at the job the Y'ers are expecting mainly financial rewards. Although the salary itself is important to the Y'ers, they also rank other benefits, for example health and dental care, and paid vacation, as important incentives when looking for, and staying at, a job (Deloitte; RHI).

A majority of the Y'ers in the surveys are not expecting to “pay dues” to their organization, i.e. they will not accept a low salary with a promise of raises to come later (Martin & Tulgan, 2001; Parment, 2008). Instead, they expect the effort that they put in to pay of instantly (a. a.).

3.2 The Condition: Compensation

Through Generation Y’s entrance on the labor market, employers will experience a change in the way employees view themselves and their relationship with an organization (Gherson, 2001). Gherson writes: “Increasingly, employees are behaving more like investors than assets, and are seeking the best return on their investment of time and energy with an employer” (p. 39). As a result, organizations must offer an appealing compensations package to attract and retain employees A compensations package is a combination of different rewards and can include tangible rewards, such as pay – base salary, variable pay, stock etc; and benefits – health care, retirement savings, paid vacation etc; and intangible rewards, such as learning and development, and a satisfying work environment (Gherson, 2001; Jensen, McMullen & Stark, 2007). This chapter will describe the practices an organization can use to fulfill the Y'ers wishes about tangible rewards. Intangible rewards will be described in chapters below.

Even though money is not the only incentive for staying at a job (Taylor, 2000), a fair compensations package is a basic condition for employee satisfaction. Generation Y is expecting to receive both a competitive base salary, and monetary benefits such as health insurance or college tuition reimbursement. Hertzberg (1966/1997) discussed salary as one of five hygiene factors, or dissatisfiers.
By that he meant that salary is something which is expected. If the expectation is not met, employees will be dissatisfied. Even though base salary and benefits constitutes hygiene factors for the Y’ers, other parts of the compensation package will work as motivators. That includes, for example, monetary rewards for good performance.

**Design approach**

An organization can design its compensation packages in different ways. The main difference and source of debate in management literature is between ‘best practice’ and ‘best fit’ (Taylor 2000). The best practice approach to compensation focuses on the best way to design a compensation package, with the employees’ wishes in mind and without concern for company strategies or policies. The best fit approach, on the other hand, emphasizes the importance of designing the compensation package on the basis of the company’s strategy. At a first glance, the best practice approach appears to best accommodate Generation Y’s wishes, however I do believe that the best fit approach is more suitable. By using that approach to accommodate the Y’ers, an organization needs to consider how its’ strategies coincides with the values of its’ employees. I do believe an organization can use the best fit approach to design the compensation package to reward behaviors and practices that are valued by the Y’ers, e.g. creativity and team work.

Jensen, McMullen & Stark (2007) argue for the best fit approach, saying that “for compensation to be effective, you need to identify what drives value in the organization and then relentlessly and consistently reward these outcomes” (p. 5). This does not only mean that an organization should reward performance that can increase the organization’s profit, it is just as important that desirable behavior is rewarded. For example, if an organization stresses the importance of being a team player but reward employees based on individual performance, the reward does not support the goal and the employees will not know which value is actually appreciated. According to Jensen, McMullen & Stark (2007), an effective compensation packages need to reflect the company’s values and its philosophy about human resource management. It should be aligned with other management systems within the company, be competitive with market compensation, and make use of the company’s unique opportunities for both tangible and intangible rewards.

**Designing the compensation package**

When it comes to tangible rewards, many writers agree that a *balance* between base salary and benefits is most advantageous (Jensen, McMullen & Stark, 2007; Taylor, 2000; et al) but, as Gherson (2001) points out, “not all employees value rewards in the same way” (p. 42). One way to appeal to the individuality of the Y’ers is by offering individualized compensation packages (Gherson, 2001). Gherson calls it ‘mass customization’ and says that “mass customization provides a mechanism for employees/ investors to choose their own portfolio of investments based on their individual risk/return profile” (p. 50). It is a way for the employer to increase employee satisfaction. The individualized compensation package can also improve satisfaction and performance. The first step towards implementing such customized compensation package is to monetize all available tangible rewards that can be a part of the compensation package (Gherson, 2001). The employer also has to decide the maximum cost for rewards.
for each employee. The employees will then combine their own compensation package by making trade-offs between tangible rewards within their cost limit. The employees will need thoroughly information about their options before being expected to make the choice. Gherson (2001) suggests that employees are given the opportunity to make irrevocable decision about their compensation packages before the beginning of each year.

**Pay for performance**

One current trend, that coincides with Generation Ys desire to be instantly rewarded for good performance, is pay for performance (PFP) policies (Gherson, 2001). PFP means setting different pay levels connected to different performance targets for employees or work teams (Lagace, 2003). When an employee or a team reaches the target within the set time frame, they receive the higher pay level. A well executed PFP policy have many benefits: it can retain good performers, motivate employees, increase productivity, clarify job roles, and link efforts to organizational objectives (Taylor, 2000). However, the policy can backfire, creating undesirable and unproductive behavior (Lagace, 2003) if it is not planned and communicated carefully. I do believe that employers can benefit from a PFP policy, when it comes to retaining Generation Y. A PFP policy offers direct feedback on employee performance, which is something Generation Y values. It also offers the Y’er a chance to put her best foot forward, while earning more money. It is important however, that the organization considers the downsides of a PFP policy and plan to avoid those downsides. This can be done by implementing performance planning to define expectations and by giving regular feedback on the employees performance (Risher, 2008). The organization also has to consider whether to apply the PFP policy to individual employees or to teams. Again, the compensation package should reflect company policies and objectives. The design of the PFP policy should therefore be based on the organizations strategies and values.

### 3.3 An organizational example

Susan Martins, Vice President (VP) of Human Resources at WSP Flack+Kurtz, explained to me how the compensation packages at her organization are designed. A compensation package consists of salary, monetary rewards e.g. employee of the year, and monetary benefits e.g. a gym membership. Martins, Trevor Boz, and Dennis Yuan all agree that the compensation packages offered by WSP Flack+Kurtz are competitive. Boz and Yuan both told me that the compensation package at WSP Flack+Kurtz was one of the things that made them decide to join the organization. Below, the different parts of the compensation packages are described thoroughly.

**Salary**

WSP Flack+Kurtz offers their employees a base salary that corresponds to competitive salaries in the market place. The level of an employee’s base salary is decided by her position within the organization, and the competencies that she has. WSP Flack+Kurtz has an internal document describing every position in the organization, from entry level to CEO. For every position it has a description of the qualifications and competencies needed to attain that position, and what the employee should strive for in order to
develop further in her career. The document is used as a starting point when deciding an employee’s base salary.

In addition to the base salary, employees up to the senior engineer position are paid overtime. Employees working in position classified above senior engineer, i.e. on associate level and up, are not paid overtime, but are instead bonus eligible. WSP Flack+Kurtz appropriate 25 % of the profit each year to the bonus eligible staff.

Monetary benefits and rewards
WSP Flack+Kurtz offers many different monetary benefits and rewards. The organization offers medical and dental insurance. The extent of the insurance is based on the employee’s salary and contribution. However, employees can choose between a high and a low plan, which is beneficial for the lower salaried employees, explained Susan Martins. WSP Flack+Kurtz also offers life insurance, and compensation for long term and short term disabilities. The organization offers their employees a chance to save for retirement, i.e. a 401K plan, which Martins describes as “very healthy”. Other monetary benefits include gym memberships and partial tuition reimbursement.

WSP Flack+Kurtz has monetary rewards for good performance. Every year, an employee of the year is picked. That employee receives a $5000 ticket for two anywhere around the world. WSP Flack+Kurtz has other recognition rewards as well, which offers employees rewards for good performance. The size of the rewards vary depending on the nature of the project, and the value the employee has added to that project.

3.4 Conclusion: Compensation
A compensation package can consist of base salary, monetary benefits, and monetary rewards. Generation Y considers a fair and competitive compensation package to be important in a future employer. By using the best fit approach an organization can design the compensation package to best accommodate Generation Y’s wishes. The compensation package is, however, a basic condition that needs to be fulfilled as to not dissatisfy employees. In order to motivate the Y’ers further, organizations need to provide additional organizational conditions.
4 Opportunity to grow

In the previous chapter, fair compensation was described as a hygiene factor, i.e. a basic condition that needs to be fulfilled (Hertzberg, 1966/1997). Growth, through for example career development or job enrichment, is the contrary, i.e. something that will increase the employee’s satisfaction. Being offered a variety of growth opportunities is important to Generation Y. This chapter will explain and analyze Generation Y’s wish for development. It will also explain the development opportunities offered by WSP Flack+Kurtz.

4.1 Generation Y Wants to Grow

Generation Y wants personal and professional development (Deloitte; RHI; Parment, 2008; Martin & Tulgan, 2001; ESB). The average Generation Y’er is planning to stay on his first position one-two years (Deloitte; RHI; ESB). Then he believe to have learned everything he can on that position and it is time to move on, either to the next level within the organization or to a different organization altogether. For the Y’ers, the opportunity to grow, through for example promotion, in-house training or mentoring, is the most important incentive according to the Deloitte survey, and the second most important (after compensation) according to RHI.

Generation Y’ers have an idea of what their career might look like, and they know that they would rather be loyal to their career than to the organization which employs them (Parment, 2008; RHI). That means that if the organization cannot provide the opportunities they seek, they will move on. The Deloitte survey shows that even though most Generation Y’ers have an idea of their career, they do not have a clear picture of it, nor career plan. This gives managers the opportunity to help their Generation Y’er employees develop a career plan with their organization, both giving the Generation Y’er a path to follow and enhancing the chances of him staying with the organization (Deloitte).

Generation Y’ers do not see moving forward in their career as the only important growth opportunity. They also want on- or off-the-job-training, mentoring, and other job enrichment initiatives, and they will not settle for a job that does not offer those opportunities (RHI; Deloitte; Martin & Tulgan, 2001).

4.2 The Condition: Growth

The way employees view jobs and career is changing. According to Zemke, Raines & Filipczak (2000), Generation Y’ers “have a bright, clear picture of what work ought to be, and they’re used to getting what they want” (p.145). One of the things they want is continuous professional growth (Deloitte; RHI; Martin & Tulgan, 2001) through career development, training, mentoring, and job enrichment. For the organization to be able to provide this is especially important considering that employee loyalty is
changing (Gherson, 2001) towards devotion for the own career, not the organization. Zeiss (2004) expresses this in different words by advising manager to “keep in mind that you may own their jobs, but they own their careers” (p. 10).

**Career Development**

Generation Y does not wish to stay at the same position for a long time. Instead they want change and development, preferably rapid (Deloitte; RHI; ESB). That the only way to grow is up is no longer true, there are many career options available for an employee (Kaye & Jordan-Evans, 2002). One way to help employees plan their careers is through a career conversation. Kaye & Jordan-Evans describe the career conversation as a five step dialogue between a manager and an employee. The first step is to know the employee’s talent, i.e. what he knows and can do, and how he can develop. Second, the manager offers her perspective and feedback on the employee’s talents and goals. It is very important for the manager to be honest, and give both positive and negative feedback. The next step is to discuss present and future trends in the organization and in the business as a whole. This can help clarify what competence and knowledge will be needed in the future. It also takes the conversation to the next step – to discuss multiple options. As stated above, there are many career options available for an employee. The traditional career move up the hierarchy is one option that is still desired. Another option is lateral movement, which offers a “breadth of experience” (Kaye & Jordan-Evans, 2002 p. 60). Yet another career move is for the employee to try new things, without necessarily changing jobs. Kaye & Jordan-Evans call this exploration, and it could for example include being assigned to a project in a different part of the organization. Exploration would provide the Y’ers with a desired change. Realignment is less common, but an option for employees who wish to develop their career in a new direction. Realignment means taking a step backwards, i.e. down the hierarchy, to be in a position to try a new path. Job enrichment is another way for employees to develop. It can be part of a career plan, or something employers offer their employees to keep them motivated and satisfied. Job enrichment is prominent retention strategy, which is why it has its own section below. A final option for career development is relocation. Suggesting relocation might seem like the complete opposite to retention, but sometimes it is the best choice for both employer and employee. If an organization cannot offer the employee the development opportunities that he needs to be satisfied, a manager can suggest that the employee consider relocation to a different organization. If the manager tries to keep the employee at any cost, he will most likely be unsatisfied and eventually leave the organization with a negative view of it. By suggesting relocation, the manager increases the chances that the employee has a positive view on the organization, even after he has left it.

**Training**

The chance to receive training is another development opportunity greatly appreciated by Generation Y. Over 80 % of the respondents in the Deloitte survey ranked training as an important or very important incentive. Offering employees the opportunity to increase their knowledge through training, both on the job and by attending for example conferences or taking university courses, is a good way for organizations to attract, retain and motive their employees (Tannenbaum, 2002). Training can also be a
part of an organization’s competitive strategy. Tannenbaum (2002) wrote: “strategic learning imperatives are high-level, learning-related actions that an organization must take to ensure continued success” (p. 10). The success Tannenbaum is referring to could be competitive advantages, e.g. knowledgeable employees in the R&D department, better customer service, or lower turn-over.

There are many ways for an organization to offer its employees training. When an employee first start working with an organization orientation training often consists of information about the organization’s history, vision, mission and strategy, combined with on-the-job training to learn how to perform the job (Rothwell & Kazanas, 2004). After that initial training, Generation Y’ers want continuous training to update their knowledge. Training can be achieved in different ways. There are two broad categories of training: planned and unplanned training (Rothwell & Kazanas, 2004). When discussing employee training, it is most common to be talking about planned training, or formal training as Tannenbaum (2002) calls it. This kind of training is usually planned by the management, and could be individualized or given to a group of employees (Rothwell & Kazanas, 2004).

On-The-Job Training (OJT) is a form of planned training that occurs while the employees are working (Rothwell & Kazanas, 2004). Rothwell & Kazanas cautions the reader to avoid one-size-fits-all solutions and instead individualize the OJT so that the training can focus on “what the learner needs to know and do to perform the job, why these activities are important, and what work results should be obtained” (p. 6). These opinions are shared by Tannenbaum (2002), who says that in order for employees to remember and use their new knowledge, it has to be closely connected to their work situation and the employees need to know the purpose of the new knowledge. By offering training on the job, I believe a company can increase the chances that the employees use their new knowledge, since it is learned in connection with their work activities.

According to Rothwell & Kazanas (2004), an OJT program is established in five steps: 1. Determine the purpose of the OJT program; 2. Clarify program goals and objectives; 3. Identify program customers; 4. Formulate program policy and philosophy; and 5. Develop a program action plan and schedule (p. 14). I have to question whether it is possible to develop individualized training through these five steps, since determining the purpose, goals and objectives of the programs comes before identifying who is receiving the training. I do, however, believe that it is possible to use the ideas presented by Rothwell & Kazanas to design a OJT program that the employee can alter to fit his individual needs. It is repeated many times throughout this thesis that Generation Y’ers know what they want.

Another form of planned training can be offered outside of the workplace. This form of planned training could for example be a company conference, or a seminar that some employees are sent to. This form of training has the benefit of offering the employees a chance to get away from the workplace and experience something new. However, it also has a downside, it is not directly connected to the employee’s daily activities which may increase the risk that the employee works they way she has always done, even after the training (Tannenbaum, 2002).
Unplanned training happens through daily activities (Rothwell & Kazanas, 2004). Unplanned training is hard for management to control, but it is very common and a good source of learning for employees and managers alike (Tannenbaum, 2002). This kind of training can be encouraged by fostering an open environment where information sharing comes natural to employees.

**Mentoring**

A mentoring program can help provide the development and guidance many Generation Y’ers wish to receive from their managers and their organizations. Intra-organizational mentoring programs have become increasingly common and “a way not only to transfer crucial skills and knowledge but to inspire loyalty in new employees and emerging leaders” (Keye & Jordan-Evans, 2002, p. 117). Bell (2002) defines a mentor as “simply someone who helps someone else learn something that would have otherwise been learned less well, more slowly or not at all” (p. 5). A mentor could, by that definition, be anyone, whether they are in the organization or not. Usually, though, the mentor is a manager somewhere in the organization, although not necessarily the manager of the person who is being mentored.

It is important that the relationship between the mentor and the mentee is one of partnership and not one where one part (usually the mentor) has power over the other part (Bell, 2002). The main purpose of mentoring is learning and growth, and the mentor has to be knowledgeable in how to transfer knowledge to adults. Bell writes: “most adults are motivated to learn if the effort have a clear payoff in the present or – at most – in the very near future” (p. 12). For this reason it is important that both mentor and mentee have a clear view of the purpose of the mentor program.

In order for the mentor to guide the mentee, it is important to establish a trusting relationship (Bell, 2002). This can be established by a mutual agreement that the things that are discussed within the mentoring relationship are confidential. Once trust is established, the mentor can use open-ended questions to both get information about the mentee’s situation, and to get her to think about her situation in new ways (a. a.). The mentor can also use his own experiences, both good and bad, to guide and advice the mentee.

As discussed above, Bell (2002) presses the importance of a partnership relationship between the mentor and the mentee. In order to avoid any role conflict, I believe that the most suitable mentor program should offer employees mentors who are managers in other parts of the organization. That way, the mentor and the mentee will not have to struggle with conflicting roles because they have a partnership relationship sometimes and a subordinate-superior relationship other times. This will not be possible for all organizations. I believe that intra-organizational mentoring programs can be a good option for larger organizations that have managers in different departments and on different levels. Smaller organization might have to look beyond their own organization in order to run a successful mentoring program.
Job Enrichment

The development and challenge the Generation Y’ers seek does not have to come from a formal program. Job enrichment can mean any way that an organization is working to increase the employees’ opportunities for growth, challenge, and renewal without changing position (Kaye & Jordan-Evans, 2002). Job enrichment initiatives need to be individualized, since what might be challenging for one employee is another employee’s nightmare. The best way for a manager to get the information needed to design individualized job enrichment programs is through conversations with individual employees. In such conversation, the manager and the employee can discuss the employee’s job situation, and what options are available to enrich that situation.

Job enrichment initiatives can, as said above, be anything an organization does to improve an employee’s job situation. Kaye & Jordan-Evans (2002) give some common examples of job enrichment: By combining tasks an employee can follow a work process from beginning to end. Compared to the habit of dividing a process so that different employees perform different parts of the process, combined tasks offers the employee more variation and a greater responsibility for the process. Employees who are working with for example developing new products for an organization can be challenged and motivated by contact with customers. This can give employees new ideas, and new solutions to problems. To rotate assignments is a popular job enrichment initiative. It offers the employees a change in the old routine, and the opportunity to gain new knowledge. To establish widespread participation, i.e. let employees participate in decisions that will affect their work situation for example budget and hiring decisions, will allow employees to affect their work situation and can motivate them to work harder. Managers can also nurture creativity by asking for and rewarding new ideas, and fostering an allowing environment. Kaye & Jordan-Evans also mention feedback as a job enrichment initiative, however, as explained below, Generation Y views feedback as a basic requirement. Managers need to reassess feedback not as an enrichment strategy, but as something their employees’ expect. As a final job enrichment initiative, Kaye & Jordan-Evans mention working teams. To structure the organization in teams is becoming more popular (Palmer & Hardy, 2000) and it is a way of working that many Generation Y’ers prefer (Martin & Tulgan, 2001).

4.3 An Organizational Example

WSP Flack+Kurtz offers a variety of development opportunities for their employees. In chapter 3, I described a document used in the organization to determine compensation levels. The document describes all the different positions within WSP Flack+Kurtz, and the competencies needed for each position. In addition to providing a base for compensation levels, the document also offers career guidance for the organization’s employees. During the annual review, the employee and her superior discuss career development based on the document. The review offers a chance for the employee to discuss her current situation and competence level, and what she need to accomplish in order to reach the next step in her career plan. WSP Flack+Kurtz is a member of the WSP Group, a worldwide organization with offices in 35 countries and over 10 000 employees (wspgroup.com-b). The
advancement opportunities are vast. Trevor Boz also explains how the managers in the organization can help employees develop in their current position by making use of their skills and specific interests. He said “if you’re strong with communication they’ll have you talk to more people. If you’re good with organization they’ll put you in a role where you’ll be more in charge of organizing, whether it be for a specific project or an area”.

Engineers need certain certificates and accreditations in order to be allowed to work at certain levels. WSP Flack+Kurtz offers their employees a take courses and training in order to attain the accreditations they need both in order to perform their current tasks and in order to develop further in their careers. Both Dennis Yuan and Trevor Boz, engineers at WSP Flack+Kurtz, explained how they got their lead-accreditation when they first started working with the organization. Boz said “they got me all the books, showed me exactly how to prepare for it and when I took the test, they got my certification and they’re happy about it”. Susan Martins, VP of Human Resources, also explained that WSP Flack+Kurtz helps employees receive other kinds of courses and training. “We have a terrific educational assistance program here, where we will pay for courses that are work related and we reimburse up to 100% based on the grades that you receive”, she said. The initiative to take courses and training does not necessarily have to come from the employee. Yuan explained how older and more experienced coworkers have suggested courses or pushed him to take advantage of other development opportunities. Boz gave a similar picture, saying that “They encourage you to certify in things that relate to your professional development ... They just keep pushing you to get as much as you feel comfortable with”.

Dennis Yuan told me how WSP Flack+Kurtz has offered him and his coworkers training that is not only related to their professional life, but that they can benefit from personally, too. “There are seminars about self confident, and there are always newsletters about helping yourself ... Right now we’re in this economic crisis, and there have been new letters sent to us about how to survive rough times and what recession really means to you and your family” he said, and concluded “The company really takes care of you even beyond these walls, which I think is great”.

One renowned development opportunity in WSP Flack+Kurtz is the task force. Every year, the best and the brightest employees form all the WSP offices in the U.S. are offered the chance to be part of the task force. The task force employees work in a team to come up with ideas to develop the organization. The team travels to all the WSP offices in the U.S. to present their ideas, and they also have a presentation for the CEO and the board of directors. The employees in the task force get a chance to be creative and put their best foot forward. They also get a chance to socialize to upper management. “If you’re looking for career development, that would be the opportune thing”, Trevor Boz told me.

Susan Martins told me that WSP Flack+Kurtz has just developed a mentoring program, that will be launched in January of 2009. It will be the first formal mentoring program in the organization, even though the matter has been discussed several times over the last years. Martins is excited about introducing a mentoring program, and said that this is the perfect time to launch it. Over the last years, managers and employees alike have been incredible busy, and there has not been time for initiatives such as the new mentoring program. With the economic crisis affecting the demand for their services,
however, it is now possible to get managers and employees to commit to the time. The mentoring program is organized according to the principle that the mentoring relationship is the mentee’s responsibility. The mentee can contact prospective mentors, inside or outside the organization, to suggest a mentorship. Once a relationship is established, WSP Flack+Kurtz offers guidelines on how to get the most out of a mentoring relationship, for both the mentor and the mentee. Among other things, the guidelines discuss the roles of mentor and mentee, and important things to discuss during the first meeting. The guidelines stress the importance of confidentiality between the mentor and the mentee. They also describe important characteristics of the relationship, e.g. honesty, trust, and the necessity of being prepared before a meeting in order to get the most out of it. In the guideline for future mentors, some important behaviors and practices of mentorship are described – always listen with empathy, use coaching behavior when appropriate, and never try to supervise or discipline the mentee, to mention a few.

Even though WSP Flack+Kurtz has never had a formal mentoring program, Dennis Yuan describes the mentoring environment of his workplace as an important part of the development opportunities in the organization. He said “here it’s a great mix of people. You can share the experiences that the older people have in terms of jobs and what they have experienced through various projects”. He also explained how more experienced coworkers have helped him with his career development. When discussing the opportunities available to him, he told me “when I first entered this industry, I wasn’t sure [about what opportunities I have] because like I said I haven’t done anything prior to this. But that’s where the older people come in. They say things like ‘you should go along this path, it would really help you’”.

Another development initiative that is “on the horizon” according to Martins, is a leadership development program. Such a program will help the organization to identify prospects for future leaders. The organization can then invest in them, both to develop them faster and to insure that they are interested in staying with the organization.

WSP Flack+Kurtz informs employees about the development opportunities available through internal communications, e.g. emails, or through meetings or managers informing their subordinates in other ways.

4.4 Conclusion: Opportunity to Grow

An employer can increase retention of Generation Y employees by offering various growth opportunities such as career development, mentoring, and training. In order to develop professionally, employees will also need to receive feedback on their performance. Feedback is, however, such an important aspect for Generation Y that it will be discussed in its own chapter.
5 Frequent feedback

The development opportunities described above will all offer some kind of feedback to the employee. For Generation Y, however, that is not enough. The chance to receive, and give, feedback as often as every day is important to Generation Y employees. In this chapter Generation Y’s preferences regarding feedback will be described, along with an organizational example from WSP Flack+Kurtz.

5.1 Generation Y about Feedback

Generation Y has sometimes been called “the internet generation” (GSN). They have grown up with personal computers, cellular phones and they are used to communicating using technology. They use the internet for socializing, shopping, looking for jobs, researching future employers and much more. They are also used to a close relationship to and a constant involvement of their parents. These two factors combined explain why Generation Y is used to frequent communication and feedback. Feedback can be given in many different ways: annual (or more often) formal reviews, on staff meetings, while performing a task together, when running into each other by the coffee machine, etc. Feedback can be given by many different people: manager, coworkers, customers, etc. Generation Y’ers want all of the above, and they want it as often as every day (RHI; Deloitte; Parment, 2008; Martin & Tulgan, 2001).

5.2 The Condition: Feedback

Feedback on performance has two main purposes. It can stimulate the employees’ growth and development (Kaye & Jordan-Evans, 2002), and it is a way to recognize and reward good performance (Jensen, McMullen & Stark, 2007).

When giving feedback, whether formal or informal, a few key points are important to remember. First and foremost, feedback should always be honest (Kaye & Jordan-Evans, 2002). That does not mean complaining, but offering constructive thoughts and advice. In a setting where truth is missing “people may feel demoralized, less confident in their leaders, and ultimately less loyal to the organization” (a. a. p. 184). It is also important that feedback is allowed to be mutual (a. a.).

Generation Y employees expect the chance to give and receive information feedback from their managers and peers. Meeting those expectations is primarily a matter of fostering an environment where giving feedback to employees and coworkers is a part of everyday life. The practice of management by walking around (Beil-Hildebrand, 2006) can help foster such environment. Management by walking around (MBWA) is an approach to management in which managers spend a good part of their time making informal visits to employees (BusinessDictionary.com-a). The practice has several purposes, it offers managers a chance to collect information, suggestions and complaints, it gives
employees a chance to air their concerns and ideas about the organization (a. a.), and it offers an excellent opportunity for informal feedback. Beil-Hildebrand (2006) wrote: “MBWA aims not only to increase trust levels but also aims to improve attitudes, motivation, commitment, loyalty, and job satisfaction” (p. ii). I believe MBWA to be an effective practice to satisfy Generation Y employees, both regarding feedback and their wish for an easy-to-get-along-with manager (see chapter 6).

Generation Y also wish to receive formal feedback. Formal feedback can be delivered in different ways. A performance appraisal is a common way for organizations to evaluate employees for the purpose of providing feedback to the employee and information to management as a base for decisions about promotion, training, etc. (BusinessDictionary.com-b). Feedback can also be given more frequently by for example email or trough formal conversations. On practice aimed to provide detailed information about an employee’s performance is multisource feedback or 360 degree feedback as it is also called (Zimmerman, Mount & Goff, 2008). Instead of the employee receiving feedback only from her superior, multisource feedback includes feedback from all around the employee, i.e. coworkers, customers etc (Edwards & Ewen, 1996). Zimmerman, Mount, and Goff (2008) discuss multisource feedback as a practice for leader assessment, however I believe it can be used for superiors as well as subordinates. The feedback received trough multisource feedback is anonymous, and aims at facilitating personal growth and career planning (Zimmerman, Mount & Goff, 2008). When implementing such a feedback practice, it is important that the organization has a well-designed system for giving and receiving feedback, and that employees and managers are informed about how the system works and what is expected from them (Edwards & Ewen, 1996).

5.3 An Organizational Example

At WSP Flack+Kurtz the formalized feedback consists of an annual review. As described above WSP Flack+Kurtz has a document describing the different positions within the organization, and the competencies that each position require. Evaluations of the employees are based on that document. Each competency is broken down into proficiency levels which gives the employee a rating for each competence. That rating is then weighed against how important the specific competence is for the tasks the employee is performing on a regular basis. Dennis Yuan illustrates this by giving an example. He said “there are things, for example calculation programs, that we don’t use on a daily basis. I might just get a rating of 2 – but that impact is only maybe 1 – so it’s not a big slap in the face if I don’t get a 5”. WSP Flack+Kurtz has the intention of performing the evaluations in the 360° way, i.e. the employee is evaluated by people all around him, for example his managers, coworkers and customers. Once the information for the evaluation is gathered the employee sits down with his manager to discuss the results of the evaluation.

What is described above is how WSP Flack+Kurtz has planned the review process, and how they would like it to work. However, Susan Martins, VP of Human Resources, told me it does not always work that way. “People have been so incredible busy working, they just don’t take the time” she told me, “they are always looking for feedback”. Since she started working for the organization four months ago, Martins
has developed several plans to implement new HR initiatives, among those is a better review system. She sees the current economic turmoil as a great opportunity to make time for these initiatives. Even though the review process does not work as it should in the whole organization, Dennis Yuan is satisfied with the way he receives formal feedback. He has been working at WSP Flack+Kurtz for over two years and has had time to receive more than one review. He has discussed his evaluation with his immediate supervisor and with his department head. This gave him a chance to both discuss his future in the organization with two different people, and to give feedback on his supervisors. Yuan is happy with the effect that the review has had on his working life. He gave an example: “When I had been working here for a year” he told me, “I said ‘it feels like I’m just doing the same things over and over. It’s getting repetitive and I’m getting bored’. After a few months I was able to have my own projects and work on bigger things”.

Trevor Boz, who has worked at WSP Flack+Kurtz for three months, just missed the formal review process. He told me, however, that he is satisfied with the informal feedback he receives on a regular basis. “They tell you when you’re doing well and then tell you where you need improvement” he told me.

5.4 Conclusion: Frequent Feedback

Generation Y employees want to be told how they are doing. This could be done by informal feedback, as often as every day, and through formal reviews. Feedback, whether it is formal or informal, should always be honest and constructive. How the employees receive formal feedback is often stipulated by the organization. Informal feedback, on the other hand, is an outcome of the work environment, and can be encouraged by the management practices applied in the organization.
6 Good management

To work with good managers is something that most employees appreciate. For Generation Y, the management style of their superiors is of great importance (RHI; Martin & Tulgan, 2001). Company leadership comes in 5th place when the Y’ers rank what they consider to be important in a future employer (RHI). This chapter will present Generation Y’s ideal manager and analyze it using relevant management literature. The management practices at WSP Flack+Kurtz will then be explained.

6.1 Generation Y’s Ideal Manager

Some management characteristics emerge from the surveys as especially important to Generation Y. Martin and Tulgan (2001) describes the Y’ers ideal manager as “a knowledgeable adult who jumps in as a team player when needed, listens to their ideas, recognizes and mentors them, and inspires and motivates them to excel at work” (p. 50). This description is confirmed by other surveys, e.g. the RHI survey that states that Generation Y’s dream boss has good management skills, and is easy to get along with, understanding, supportive, and open-minded. The management characteristics of Generation Ys ideal manager can be arranged under three headlines:

Nice Guy

Generation Y’ers want a manager they can get along with (RHI). This is a reoccurring statement in the surveys. There are several aspects of this feature. For example, the Y’ers want a manager who is concerned not only with their professional life, but also their personal life (Martin & Tulgan, 2001). Another aspect of this feature is the manager’s ability to be personal and have a sense of humor while maintaining focus on the tasks ahead (a. a.). Yet another aspect is being part of the team, not just when it comes to working, but also in a social sense (RHI; Martin & Tulgan, 2001). Generation Y values having a manager who they can socialize with at work, and possibly also after work.

Support/mentoring

As described in chapter 4, an organization can implement a mentoring program to provide the development and guidance many Generation Y’ers seek. A formal mentoring program initiated by the organization’s management often has rules or guidelines for how the mentoring should be carried out (Bell, 2002). Mentoring can also occur in the informal settings of everyday work. This kind of informal mentoring is highly appreciated by Generation Y (RHI; Martin & Tulgan, 2001). It can include giving advice on projects, explaining how to do new things, or offering guidance about development opportunities within the organization (a. a.).
Free rein

One important characteristic of Generation Y’s ideal manager is the ability to balance the roles of boss and team player (Martin & Tulgan, 2001; RHI). The Y’ers want their manager to provide a structure for their work. They want guidelines and a deadline to work with, but they want to be given free rein to solve the problem and deliver the sought outcome in the way they see fit (a. a.). This applies not only to tasks, but also to time and space. When the Y’er is given a task to solve within a certain time, he wishes to work on solving it whenever and wherever he wants, not necessarily being bound by the traditional 9-5 in the office. This, of course, applies primarily to Y’ers working, or planning to work, in an office. Y’ers employed in the service business, for example chefs or nurses, would have a hard time trying to take their work elsewhere. Giving free rein to employees is a way for the manager to share responsibility for the tasks. Generation Y’ers value receiving the responsibility both as a way to develop professionally, and as a sign of recognition. In the latter sense shared responsibility could also be seen as a reward for good performance. Another aspect of the boss-team player balance is the manager’s willingness to help the employees complete a task or meet a deadline when it is needed (Martin & Tulgan, 2001). This aspect is primarily mentioned in Martin and Tulgans book, however, it is mentioned in the RHI survey and Parment’s (2008) book too.

6.2 The Condition: Management

There are a variety theories about management and leadership in management literature. They promote all different kinds of leaders, from Weber’s bureaucrat (1924/1997) to the ideal leader of the leadership grid model, which has a high concern for both people and production (Svedberg, 2007). The picture of the ideal manager has changed throughout time but it also differs depending on culture, or management school. Therefore, I believe that describing one-size-fits-all theories of the perfect manager lacks a purpose for this thesis. Instead, I will present some theories that can be generalized to apply to different kinds of management schools.

Being a good manager

The manager’s behavior is a highly important factor affecting employee satisfaction, and it is one main reason for voluntary turnover (Kaye & Jordan-Evans, 2002). Therefore, being aware of one’s own behavior and attitudes are significant for becoming a good manager (a. a.). Zemke, Raines, and Flipczak (2000) describe how their research shows that effective managers “give those who report to them the big picture, specify goals and measures, then they turn their people loose – giving feedback, reward and recognition as appropriate” (p. 157). As mentioned above, what is an appropriate leadership style differs depending on for example national or organizational culture. Zemke, Raines, and Flipczak’s effective managers have the ability to adjust their leadership style depending on the context and the people being led. Armstrong (2004) describes how the best way to learn how to be a good manager is through experience and guidance. This could be achieved through for example mentoring (which is described in detail in chapter 4) and be receiving feedback (described in chapter 5).
**Loose-tight leadership**

The description of Generation Ys ideal manager above shows that one important characteristic is the ability to balance the role of boss and team player. Sagie and Koslowsky (2000) discuss these roles, and the balance between them, by using the expression *loose-tight leadership*. The term loose leadership represents the participative role of a leader, i.e. taking part in the work of the employees, leading through discussion, and strive for consensus. The term tight leadership represents the directive role of a leader. This role includes giving orders and controlling work outcome. The aim is to find a balance between loose and tight leadership. By discussing leadership in these terms, managers can clarify their different roles and strive to find a balance between them, thereby creating an environment where employees are given goals and direction as well as the chance to participate in decision making, as advised by Zemke, Raines and Flipczak (2000).

**6.3 An Organizational Example**

All of my interviewees describe the management style at WSP Flack+Kurtz as open. The relationship between management and employees is characterized by a mutual respect. Employees are encouraged to speak their mind and their opinions are listened to. Susan Martins, VP of Human Resources, described how the managers operate by saying “one thing I’ve learned is that they truly do listen. They’re not suppressive, because we all have to be in an agreement. They’re very driven to get a general consensus”. The interviewees agree that the open management climate allows employees to talk to their supervisors or other managers about any problem they might have. Dennis Yuan said “I think that makes it easier to convey ideas, whether it be good or bad ideas”.

As was described in chapter 4, a mentoring atmosphere characterizes WSP Flack+Kurtz, even though they do not yet have a formal mentoring program. The more experienced employees and managers offer advice to younger employees, but they also let employees try new ways to solve problems. Yuan described it like this: “They teach you the basic idea, and then let you run with it”. They are also flexible to employees’ wishes to make adjustments in their schedule. Trevor Boz explained: “If you want to work the weekends or stay late that’s fine. On the flip side of that they say that you don’t have to come in if you don’t want to”.

Another thing that was brought up by all the interviewees was that also the social relationship between management and employees is relaxed and open. Employees and managers from all levels of the organization participate in the social events arranged. They also do spontaneous social activities together, for example go out for a drink after a hard day’s work. “There has been times where we’ve been working on weekends, or working the night through, but at the same time we’d go out for drinks afterwards. It’s a very comradely type of feeling. One of the vice presidents happens to be my boss and we go out all the time. It’s a very good relationship between workers and management” Trevor Boz told me.
6.4 Conclusion: Good Management

Generation Y’s ideal manager is a nice guy who offers support and the chance to affect one’s own work. In order to accomplish this, managers need to be aware of their own behavior. A relaxed, supportive, and allowing management climate can be achieved by fostering an environment where these values are appreciated.
7 Work environment

The environment of a workplace is made up of two elements – the physical and the social environment. The physical environment contains for example the architecture of the workplace, the sound and light levels, and the furniture. The social environment contains the atmosphere, and conditions for social interaction at a workplace. It is sometimes also referred to as the psychosocial environment. The physical and the social working environments are interconnected. The physical environment can support an open, interactive social environment, or it can oppose it. It is important to be aware of the effect that the physical environment has on the social environment, however for explanation purposes, I will describe the two separately. First, Generation Y’s preferences about work environment will be presented and analyzed. Then the work environment at WSP Flack+Kurtz will be described.

7.1 Work Environment According to Generation Y

The physical and social working environment is very important for the retention of Generation Y. The Y’ers like to be surrounded by friends in their workplace and it is important to them that they are given chances of social interaction at work. From their school years, they are used to working in groups and teams, and they are comfortable with that way of working (RHI; Parment, 2008; GNS). The physical environment of the workplace is also important. The Y’ers want a nice office space, but also the chance to take work elsewhere, e.g. at home or maybe to park on a sunny day (RHI; Martin & Tulgan, 2001).

Physical environment

Generation Y’ers appreciate open workspaces, preferably surrounded by nice settings (RHI). In addition to their individual workspace, Y’ers value to be close to their coworkers and to have common areas where they can discuss work matter with coworkers, or take a break (a. a.).

Social environment

The social environment of a workplace is something more intangible than the physical environment, but that does not mean it can be overlooked. Generation Y are expecting a relaxed, friendly, fun-filled environment (RHI; Martin & Tulgan, 2001; Deloitte).

Generation Y’ers are expecting their workplace to be fun, not just in terms of fulfilling work assignments, but also as a place for social interaction and friendly conversations (a. a.). This can for example mean throwing a party for all employees. Fostering a fun-filled work environment can also include turning the time before or after a staff meeting into a break where coworkers get together to share a snack.
**Work-Life Balance**

One aspect that is of great significance to Generation Y is being able to create a balance between work and personal life is of (Deloitte; RHI; Martin & Tulgan, 2001). Work-life balance was ranked as very important or important by over 80% or the respondents in the Deloitte survey, and by 73% of the respondents in the RHI survey. Even though Generation Y’ers can agree that work-life balance is important, they have a hard time defining what work-life balance is. A likely explanation for that is that priorities in personal life are something so highly individual that general assumptions are impossible to make. For some employees, work-life balance could be to have an in-house day care center, for others the chance to take time off to visit family, yet others might appreciate to work noon-9 pm instead of the traditional 9-5 (RHI). Creating a social environment that allows individual solutions to the work-life balance problem is therefore very important.

Even though Generation Y’ers are not able to define work-life balance, one thing that is often mentioned in relation to it is flexible work arrangements (RHI; Martin & Tulgan, 2001; Parment, 2008). Generation Y’ers are expecting to receive a deadline for a task, and then be allowed to complete it in their own time and preferred space (Parment, 2008).

### 7.2 The Condition: Work Environment

**Physical environment**

To Generation Y, a satisfactory physical environment is open, light, and has a pleasant design. The physical environment is affecting employees’ physical health as well as their psychological well—being (Datta Gupta & Kristensen, 2008). The physical environment needs to meet some basic standards to ensure that employees do not get occupational injuries (Robertson et al, 2009). To make certain that the physical environment meet standards, it should be measured on a regular basis (Zeiss, 2004). Measurements should include light and sound levels, the design of the furniture, the quality of the air, etc. Ziess (2004) suggests combining measurements with work place discussions about the physical environment, where employees are offered the chance to make suggestions that would improve their work situation. The measurements, in combination with work place discussions, can provide the management with the information needed to make needed improvements in the physical environment.

**Social Environment**

The social environment, or climate as it is sometimes described, of a work place is affected by everyone who works there, and especially by the manager (Jensen, McMullen & Stark, 2007). Several factors are working together to form the social environment: the chance to control one’s own work, the management climate, how stimulating the work is, the work spirit, and the work load (Rubenowitz, 2004). In other words, the factors affecting the social environment are, to an extent, the same factors that have been described above as important organizational conditions attracting and retaining Generation Y.
A first step towards fulfilling Generation Y’s wish for an open and relaxed social environment is recognizing the people in the workplace (Kaye & Jordan-Evans, 2002). This includes simple things such as saying hello when crossing paths in the office and keeping track of employees’ birthdays in order to congratulate them. It also includes recognizing employees as individuals with different needs and wishes. A successful social environment will allow employees and managers alike to have inner space (a.a.), i.e. the space to work and solve problems in the way they see fit without a superior watching over them closely.

Even though the social environment is hard to measure (Zeiss, 2004) it cannot be overlooked. Zeiss suggests performing a social environment audit through individual, confidential evaluations. A manager can get an overview of the social environment by adding up all the individual evaluations. Rubenowitz (2004) suggests a different approach to measuring the social environment. He recommends performing a social environment inspection by combining structured group conversations with the results of a survey. Once management has an overview of the social environment in the workplace, it is possible to try to influence it. Influencing the social work environment is primarily a matter of distinguishing what behavior is desirable in the environment and then behave in that way and reward others for behaving accordingly (Zeiss, 2004).

**Work-Life Balance**

As was described above, work-life balance is important to Generation Y, however it is hard to define since it means different things for different people. Hence, to be able to offer employees a chance to create work-life balance, organizations must be prepared to create individual solutions. Offering flexible work schedules is one way that organizations can give employees a greater chance to plan their lives (Kaye & Jordan-Evans, 2002). Before implementing a flexible work schedule it is important to make sure that the idea is accepted throughout the organization (Jensen, McMullen & Stark, 2007). If an organization has introduced flexible work schedules, but the employee’s superior still expects her to be at work traditional hours, it will send an unclear message to the employees, possibly creating a stressful situation.

A flexible work schedule does not only have to mean that employees can choose what hours to be at the work place. It can also mean giving employees the opportunity to work from a different location: at home, in the park on a sunny day, or in a different city or country all together. The technology of today allows such work arrangements, and it can help increase employee satisfaction and commitment. In order to make flexible work arrangements effective, expectations both on the manager and on the employee must be clear (Kaye & Jordan-Evans, 2002). By discussing the terms of the flexible time thoroughly, most misunderstandings can be avoided. Trust is also a vital component in a working flexible arrangement. Handy (1995/1997) discusses the importance of trust in a virtual organization, which can be compared to the flexible work arrangements discussed above. Handy wrote: “if we are to enjoy the efficiencies and other benefits of the virtual organization, we will have to rediscover how to run organizations based more on trust than on control” (p. 87). By fostering a trusting environment
employees can be given the opportunity to influence their own work schedule without having their intentions questioned.

7.3 An Organizational Example

Physical environment
WSP Flack+Kurtz has recently moved to new office facilities. Before the move, many employees were dissatisfied with the physical environment of the workplace – it was crowded, had limited light supplies, and the heat and air conditioning was not always working. The new office has meant a great improvement in the physical environment, which the employees are very happy about. All of the employees are situated on the same floor, which has the benefit of making human interaction easier. Dennis Yuan describes the physical environment as bright and open. He told me that “I never really want to see myself in a cubicle space. Well, I’m in a pretty typical cubicle right now, but I can pop my head up and see people, walk around, and I can walk out and talk to someone and get work done that way”. To insure that the physical environment stays satisfactory, WSP Flack+Kurtz hires a company that will immediately do repairs if e.g. the air conditioning or a light stops working.

Social environment
When I asked about the social environment of the workplace, Trevor Boz’s first response was: “I love it, it’s great!” His response is representative for the opinions of all of my interviewees when it comes to social environment. WSP Flack+Kurtz has on open social environment, where focus on the tasks ahead is mixed with office jokes and relaxed conversations. Boz, who is new in the organization, said “I got adjusted very quickly … they’ll definitely go out of their way to include you in things”. The social environment is reflected in the management style. As was explained in chapter 6, the relationship between management and employees at WSP Flack+Kurtz is very open. It is also relaxed in the sense that position in the company hierarchy is not important when it comes to social interaction. Yuan explains it like this: “I haven’t called any management by last name with prefix in front of it … I can pick up the phone and call Susan [Martins], and Susan will know my name and we know each other”.

WSP Flack+Kurtz arrange social events for the staff, e.g. Halloween and Christmas parties, picnics, and office get-togethers. The events are usually very popular, “everybody comes, they don’t want to miss it … the senior managers, right up to the CEO, they go to every one of them”, Susan Martins told me.

Work-Life Balance

The employees at WSP Flack+Kurtz work in projects, and they can usually not decide the deadlines themselves. That means that if a deadline is hard to reach on normal working hours, the employees are expected to work as many hours as it takes to get the job done. Dennis Yuan explained it like this: “If a deadline comes in you can talk to your managers and say ‘you know, I really can’t get this done’, and they will try to give you more man power or talk to the architect, but we can’t just decide to change that
deadline. ... With that said, if a deadline can't change, we have to just provide the product”. This can sometimes mean working the night through, or working on weekends. To Yuan, this was a problem when he first started working for WSP Flack+Kurtz. “When I first started, the balancing on my part wasn’t so great. A lot of things suffered from it. I couldn’t find time for myself. ... Now, I think I have a better grasp of time management, but it’s tough. I can’t say that the company has done anything to help me balance my time better, but to defend them, I can’t really see how they would be able to do that” he told me. Trevor Boz gives a similar picture of the expectations to sometimes work late nights or weekends, and adds “on the flip side of that they say that you don’t have to come in if you don’t want to”. When there is not a deadline, or when an employee needs to leave work for personal reasons, WSP Flack+Kurtz tries to be as flexible as possible to accommodate the employee’s needs.

Martins, Boz, and Yuan all agree that work-life balance is something highly personal, and something that it can be difficult for an organization to accommodate. Dennis Yuan said “I think it would be difficult for anyone to have a plan that could benefit 235 people in an office – because what works for one person, might not work for another”. What the organization can do, Susan Martins told me, is offer flexible work hours. WSP Flack+Kurtz offers flexible work hours, but how that is designed differs in the different WSP offices in America. In the New York office, they have something called summer hours. It is the chance to, during the summer months, work additional hours during the week and get every other Friday off. Other offices in the U.S. have the same system but throughout the year, or offer the employee the chance to plan most of their work day, as long as they are in the office certain core hours in the morning and the afternoon.

7.4 Conclusion: Work Environment

The work environment consists of two elements: the physical and the social environment. The physical environment needs to be satisfactory in order to ensure the well-being of the employees. The social environment can be described as the atmosphere of the workplace. One aspect of the social environment that is important to Generation Y is the ability to accommodate work-life balance. This can for example be accomplished by offering flexible scheduling, something which is becoming more and more common.
8 Conclusion

Generation y wants many things from their employer: fair compensation, rapid and continuous development, a fun and relaxed atmosphere, and more. By analyzing the preferences of Generation Y, I have derived five organizational conditions that can attract and retain Generation Y employees. These have been described above. The purpose of this chapter is to discuss the organizational conditions further. The nature of a discussions calls for several voices to be expressed. Since I believe that the attraction and retention of Generation Y is something that concerns real organizations, I will present an organizational voice from WSP Flack+Kurtz. I also believe that theories are excellent for explaining phenomenon such as organizational conditions, and I will therefore present a theoretical voice as well.

8.1 Organizational Conditions

The discussion below will follow the same structure as chapters three through seven. I have chosen to present it that way in order to clarify the answer to the research question: What organizational conditions attract and retain Generation Y employees?

Compensation package

A compensation package consists of monetary rewards such as salary and benefits, e.g. medical insurance. Generation Y sees both a good base salary and different benefits as basic conditions at a job. This means that those parts of a compensation package will not motivate employees to perform better or stay at a job they do not like (Hertzberg; Taylor, 2000). They could, however, de-motivate employees if they are not satisfactory. This is why the compensation package is an important aspect when discussing retention of employees.

An organization can approach the design of a compensation package in different ways. Some theories argue for the best fit approach, which means designing the compensation package so that it rewards performance and behavior that corresponds to the organization’s strategy (Taylor, 2000; Jensen, McMullen & Stark, 2007). WSP Flack+Kurtz uses the best fit approach when deciding upon compensation levels. At WSP Flack+Kurtz an employee’s compensation is decided based on how well she meets the required and desired competencies specified for her position. The best fit approach has traditionally been popular in management literature since it offers managers a chance to control employees’ behavior by rewarding some activities but not others. I believe that it can also be used to increase retention of Generation Y employees. By encouraging values that are important to Generation Y, e.g. creativity and teamwork, the organization can increase the Y’ers satisfaction.

WSP Flack+Kurtz offers a competitive base salary, and a variety of benefits, e.g. life insurance and gym membership. The organization has found a good balance between base salary and benefits. This balance is something many theories argue to be important (Jensen, McMullen & Stark, 2007; Taylor, 2000;
Gherson, 2001, et al). Gherson (2001) takes the argument one step further, saying that in order for an organization to truly accommodate balance for their employees, the design of the compensation package should be individualized. In other words, employees should be allowed to design their own compensation package by making trade-offs between different monetary rewards within a certain cost limit. At WSP Flack+Kurtz most of the compensation packages offered are designed by the organization. The employees do, however, have the opportunity to affect their compensation package to some extent. They can, for example, choose between different insurance plans. Since compensation is one of Generation Ys top concerns regarding a future employment, I believe organizations can benefit from introducing an individualized compensation package. In order to implement individualized compensation packages, an organization has to go through certain steps, described in chapter three. For example, all rewards available have to be monetized and a maximum cost has to be set for each employee. WSP Flack+Kurtz has a good base if they would like to implement individualized compensation packages. The organization has specified required and desired qualities for each position within the organization, which I believe will help set maximum cost levels. WSP Flack+Kurtz also has a compensation package that is already partially individualized. Gherson (2001) discussed the importance of informing employees about the options they have before they are required to make choices, however I have to question if that is enough. Dennis Yuan described to me how many of his peers just wish to have the biggest paycheck they can get, overlooking the benefits of e.g. medical insurance and a beneficial 401K plan. To ensure that employees do not make choices they will regret later in life, I believe it to be important that the organization informs employees of the consequences of their choices as well as of their options.

In addition to the base salary and benefits, Generation Y’ers wish to be instantly rewarded for good performance. A Pay For Performance (PFP) policy could help an organization meet those wishes (Gherson, 2001; Lagace, 2003; Taylor, 2000). A PFP policy means setting performance goals that are connected to different pay levels. When the performance goals are met within a specific time frame, the employee or the team receives the higher pay level for that time. Since the Y’er can see the results of his hard work directly on his next pay check, I believe a PFP policy can satisfy the Y’er’s wish for instant rewards. WSP Flack+Kurtz does not have a PFP policy. Instead, the organization meets Generation Ys wish for instant rewards in part by offering monetary rewards for exceptionally well done projects. The size of the reward depends on the employee’s participation in the project, and his contribution to the finished product. WSP Flack+Kurtz’s strategy has one benefit a PFP policy lacks: it is truly a reward. As was discussed above, base salary and benefits are not motivators. They need to be satisfactory in order not to de-motivate employees. One risk with a PFP policy is that employees come to expect the higher pay levels. If they do, the higher pay is reduced to a hygiene factor, and it is no longer motivating. At WSP Flack+Kurtz, the rewards are not controlled by a formalized policy but by a common understanding that good performance should be rewarded, i.e. it is an environmental factor. The rewards at WSP Flack+Kurtz meets Generation Ys’ wish to being rewarded for good performance without risking that the reward is taken for granted. WSP Flack+Kurtz also has another monetary reward: employee of the year. It is a reward given to an employee with extraordinary performance throughout the year. The employee of the year reward is not directly related to a specific task or effort, which means it is not an instant
reward. It is, however, recognition for overall good performance, which I believe is a good complement to instant rewards.

Generation Y’s wish for instant rewards also makes them reluctant to the idea of “paying dues” to their organizations in forms of a low salary now with the promise of a raise to come later in their career. At first glance, WSP Flack+Kurtz seem to have a bonus system that is working precisely like that. Employees work their way up the hierarchy ladder, and when they reach an associate level they are bonus eligible. However, those positions that are not bonus eligible are instead paid overtime. Therefore, with a closer look, the bonus and overtime system at WSP Flack+Kurtz appears to give a good base for the retention of Generation Y employees: The Y’ers receive payment for the efforts now, and the promise of a bonus gives incentive to stay with the organization.

**Growth opportunities**

Generation Y wants to be offered a variety of growth opportunities at their job. An organization can accommodate this by offering various practices of for example training and mentoring. One important way to grow is through career development. A career can develop in many different directions (Kaye & Jordan-Evans, 2002). What first comes to mind when career development is discussed might be a move up the organizational ladder, however career development could also mean a lateral move in the organization, an exploration to try new things, or even taking a step backwards with the intention of moving along a different path. At WSP Flack+Kurtz career development is viewed as a vertical move. The career paths within the organization are described in an internal document explaining the different positions within the organization, and the competencies required and desired for each position. The document offers employees an overlook on their future development opportunities and what they need to achieve in order to move up the organizational ladder. In order to help employees achieve the career development they wish for, Kaye and Jordan-Evans (2002) argue that an organization should offer career conversations, where the employee can discuss her skills, and her plans, with a superior. At WSP Flack+Kurtz employees are reviewed on an annual basis. The annual review is aimed at providing the employee with feedback on her performance, and an opportunity to discuss her future career with her manager. The review process has many similarities to a career conversation, even if its purpose is slightly more encompassing, and it is used within the organization as a career development tool for employees.

Since a career is considered a vertical advancement at WSP Flack+Kurtz, other initiatives might be overlooked when discussing career development in the review. The organization is cooperative when an employee wishes to explore new things, or focus on something she is especially interested in. I believe that by incorporating such initiatives as career development WSP Flack+Kurtz will be able to offer a great variety of development opportunities to their employees.

Another growth opportunity that is appreciated by Generation Y is training. Through training employees can learn new ways solve problems, and new knowledge that will allow them to perform new tasks (Tannenbaum, 2002; Rothwell & Kazanas, 2004). Training can occur on-the-job or off-the-job, and it can be planned or unplanned. WSP Flack+Kurtz offers their employees to take courses related to their job in
order to get new knowledge and important accreditations. This can be explained as off-the-job training. Rothwell and Kazanas (2004) argue that this form of training decreases the chances that employees make use of their new knowledge. At WSP Flack+Kurtz both employees and managers are satisfied with the training opportunities offered by their organization. Since the courses are directly related to the employee’s work tasks, I believe the down-sides of off-the-job training can be avoided. I do believe, however, that is important that the managers in the organization acknowledge the risk Rothwell and Kazanas discuss. The risk can be decreased by encouraging the employees to use their new knowledge, and perhaps even share it with coworkers who have not attended the course.

Along with the planned off-the-job training, the employees at WSP Flack+Kurtz get unplanned on-the-job training while working in projects with more experienced coworkers. Tannenbaum (2002) argue that even though unplanned training is hard for managers to control, it is an excellent source of learning for employees and managers alike, and it should be encouraged.

Generation Y is seeking guidance and the opportunity to learn from older, more experienced employees, through mentoring relationships. An organization can accommodate that by offering a formal mentor program (Kaye & Jordan-Evans, 2002). At WSP Flack+Kurtz, the possibility of initiating a mentor program has been discussed for a long time. They have now made a decision and a formal mentor program will be launched in January of this year. Since a mentoring relationship is of a unique nature, I believe it is important to inform prospective mentors and mentees about what they need to know in order to experience the benefits from it. WSP Flack+Kurtz has prepared guidelines for both mentors and mentees that discuss issues such as the nature of the relationship, how to establish it, and what to discuss on the first meeting. Bell (2002) considers it to be important that the relationship between the mentor and the mentee is trusting, and equal i.e. neither the mentor nor the mentee is in a position of power. The guidelines at WSP Flack+Kurtz stress that same thing, and advice the mentee to seek a mentor outside her normal management structure. In order to ensure a trusting relationship, WSP Flack+Kurtz suggest that the mentor and the mentee should agree upon confidentiality within the mentoring relationship. Bell (2002) described mentorship as being mainly about learning. It is therefore important that the mentor is aware of how to transfer knowledge to the mentee. I believe the WSP Flack+Kurtz guidelines give extensive information that can help both the mentor and the mentee achieve learning and benefit from the relationship.

Although the formal mentor program is just about to be launched, WSP Flack+Kurtz has a tradition of a mentoring atmosphere. Experienced employees share their knowledge with younger coworkers, and they also offer advice on career development. According to Bell’s definition of a mentor, i.e. “simply someone who helps someone else learn something that would have otherwise been learned less well, more slowly or not at all” (p. 5), informal mentoring is a recognized form of mentorship. I believe a mentoring atmosphere is an excellent complement to a formal mentor program. The formal mentor program offers all employees the same chance of mentoring, which may not always be the case with informal mentoring. It also gives the mentee a chance to receive more in depth guidance about her career choices. The informal mentoring, on the other hand, offers employees a chance to obtain work-related knowledge in an informal setting. Since they do complement each other, I consider it to be
important not to believe that the mentor program will replace informal mentoring. It is therefore important to foster the mentoring atmosphere at WSP Flack+Kurtz, so that the employees will continue to benefit from the opportunity to learn from their coworkers and managers in a relaxed way.

An organization can offer other kinds of development opportunities, commonly described using the collective name job enrichment (Kaye & Jordan-Evans, 2002). Job enrichment initiatives can involve anything that enhances the value of an employee’s experience, e.g. a greater customer interaction, combining tasks, working in teams, etc. WSP Flack+Kurtz does not have a formal job enrichment policy, however they have a traditions of informally accommodating employees interests by letting them focus on tasks they enjoy performing, or on areas that could develop their skills. Kaye and Jordan-Evans (2002) argue that the most important characteristic of an organization dedicated to job enrichment is the ability to be flexible around employees’ individual wishes and needs. I therefore believe that as long as WSP Flack+Kurtz can maintain an environment where employees’ individual needs are satisfied, there is no need for a formalized job enrichment policy.

The WSP Flack+Kurtz task force is an opportunity for the most talented employees from WSP Flack+Kurtz United States to form a team that present their ideas on how to improve the organization to upper management. The task force is one development opportunity that can be seen as a job enrichment initiative. The opportunity offers employees the chance to expand their network, show their talent, and get new perspectives on their job by working with a new group of people. I believe the task force is a good concept, both as a job enrichment initiative and as a way to increase retention. The task force can work as an incentive for employees to work their hardest, and to stay within in the organization.

In addition to offering professional development, WSP Flack+Kurtz offers personal development opportunities to their employees in the form of new letters and workshops about for example self esteem and current events such as the economic crisis. I believe that offering personal development opportunities shows commitment to caring for the employees. I consider it to be a way to show employees that they are valued assets, and I do believe that can increase retention.

**Frequent feedback**

To receive frequent feedback is important to all employees, however, Generation Y is expecting it to a greater extent than generation before them (RHI; Martin & Tulgan, 2001; Parment, 2008). To increase Generation Ys satisfaction, and to facilitate retention, I believe it to be important for organizations to both incorporate an extensive formal feedback program, and to foster an environment where feedback and recognition is a natural part of everyday life.

Formal feedback can be given in the form of performance appraisals (BusinessDirectory.com-b), i.e. reviews, where the employee is evaluated according to preset standards. The employee and her manager then discuss the result of the evaluation. Kaye and Jordan-Evans (2002) emphasizes that the review is also a good time to discuss the employee’s career plans. During the review, it is important for the manager to give honest and detailed information about the employee’s performance (Kaye &
Jordan-Evans, 2002; Jensen, McMullen & Stark, 2007). WSP Flack+Kurtz has a review process where employees are evaluated in accordance with the required and desired qualifications specified for their position. The purpose of the review is both to give feedback on the employee’s current performance, and to discuss her future advancements.

The review process at WSP Flack+Kurtz aims at giving every employee a review once a year, however the process is not working fully. The workload of both employees and managers is so large that the formal feedback becomes a minor concern that is overlook when priorities need to be made. Theories stress that feedback is important for employees, both as a way to receive appreciation for their performance and as a way to discuss what they need to improve (Kaye & Jordan-Evans, 2002; Jensen, McMullen & Stark, 2007). Considering that, I believe it is a serious problem that the review system at WSP Flack+Kurtz is not working. The organization has acknowledged that the review system is not working fully, and they are committed to improving it, which I see as positive.

Dennis Yuan was pleased with the reviews he had gotten during his time with WSP Flack+Kurtz. I believe that shows that the review system itself is not flawed. When employees and managers put in the time the process is satisfactory. It then offers the employee extensive feedback on his performance, and it is also a chance for the employee to give feedback on his managers and coworkers. One important aspect of formal feedback is that it should not just be for show (Kaye & Jordan-Evans, 2002; Jensen, McMullen & Stark, 2007). At WSP Flack+Kurtz, the reviews help employees improve, and they are one base for changes within the organization.

Generation Y’ers want extensive feedback on their performance during the review. To ensure that the feedback given to employees or managers is not one-sided or biased Zimmerman, Mount and Goff (2008) suggest incorporating a 360° feedback practice. 360° feedback is feedback collected from as many sources around the employee as possible, e.g. from managers, coworkers, subordinates, and customers (Edwards & Ewen, 1996). WSP Flack+Kurtz also considers extensive feedback to be important. The intention within the organization is therefore to use information collected by using 360° feedback in the reviews. None of the engineers I spoke to, however, mentioned that kind of feedback, which implies that perhaps the practice is not as wide-spread in the organization as the management would hope for.

One possible explanation for that is again the large workload. I do believe that a fully implemented 360° feedback practice would benefit the organization, especially considering the large workload. When feedback is collected from many different sources, the amount of information that one of these sources submit does not have to be as vast as if there was only one source. The 360° feedback might therefore save time for WSP Flack+Kurtz’s managers in the review process.

Apart from the formal feedback, Generation Y’ers also wish to receive informal feedback from their managers and coworkers as often as every day. To be able to accommodate that wish, an organization needs to foster an environment where giving feedback and recognition is a natural part of everyday life (Kaye & Jordan-Evans, 2002; Jensen, McMullen & Stark, 2007). The social environment as WSP Flack+Kurtz is open and relaxed. Employees and managers value that openness, since it supports conversations in the office and makes feedback a natural part of the workday.
Beil-Hildebrand (2006) argue that the practice of management by walking around (MBWA) can further improve the conditions for informal feedback. MBWA is an approach to management where managers spend part of their time making informal visits to their employees, in order to discuss ideas, feedback, etc (BusinessDictionary.com-a). WSP Flack+Kurtz has an open social environment. The openness applies to all kinds of relationships within the organization, including the relationships between managers and employees. The result of that is that managers and employees work together, and discuss both work related and personal issues as often as on a daily basis. Even though it cannot be said to be a pure MBWA practice, I believe the organization obtains the benefits from such a practice through its social environment.

**Good management**

Like employees of all generations, Generation Y wants a good manager. For example, this means a manager who is a *nice guy*. That includes someone who is easy to get along with, have a sense of humor, and who the Y'er can spend time with during and after the workday (Parment, 2008; RHI). There are no theories in management literature about how to become a nice guy, probably since it is not a specific management characteristic. Instead, theories argue that the best way to learn how handle oneself in a management situation is to learn from managers who are successful (Armstrong, 2004). Zemke, Raines and Flipczak (2000) add to that by saying that successful managers have the ability to adjust their leadership style depending on the context and the people being led. Armstrong argues that these things could be learned through leadership development programs or mentoring. As was discussed above, WSP Flack+Kurtz is about the launch a formal mentor program. The purpose of the program is not to develop future leaders within the organization. Instead, WSP Flack+Kurtz has the intention of developing a specific leadership development program in order to emphasize the importance of good management. As of now, the leadership style at WSP Flack+Kurtz is open and friendly. Managers and employees are collaborating at work, and socialize after work too, for example going out for drinks. The leadership style coincides very well with Generation Y's nice-guy-manager. I believe that a leadership development program will offer a long term assurance that the leadership style is transferred to new managers within the organization.

Having a manager who is just a nice guy is, however, not enough for Generation Y. They also want their manager to support and mentor them. In this context, a mentoring and supportive manager does not mean a manager who follows a formal mentoring program, but rather that a mentoring atmosphere characterizes the workplace. How to foster such atmosphere can also be learned by guidance from more experienced managers (Armstrong, 2004). It is also important for the manager to recognize that all employees are different. Learning how to adjust the leadership style depending on the person led is therefore important (Zemke, Rains & Flipczak, 2000). As discussed above, WSP Flack+Kurtz has a mentoring atmosphere that is not depending on a formal mentor program. That atmosphere lets employees ask their supervisors for advice on problems related to both their tasks and their career.

Another aspect of management that is important to Generation Y is the leader’s ability to balance the role of boss and team player. Generation Y wants a manager who will give them the overall objectives
and the goals of a project, but who will let them solve problems and tasks their own way. These roles of boss and team player, and the balance between them, are explained in literature using the expression loose-tight leadership (Sagie & Koslowsky, 2000). Sagie and Koslowsky (2000) argue that loose leadership represents the participative role of a leader, while tight leadership represents the directive role. A manager needs to practice both tight and loose leadership, and it is important to find a balance between the two. Where the point of balance is can differ depending on the situation, and the person being led. At WSP Flack+Kurtz leadership is not discussed in these terms, however the two leadership styles are present. Employees are given directions for a project, but are allowed to complete it in their own way. They also have to option of, to some extent, choose when and where they wish to work. Susan Martins described how the managers at WSP Flack+Kurtz are driven towards getting a general consensus in their work group, something which characterizes loose leadership. The engineers I talked to expressed that they are satisfied with that way of working, which implies that the managers at WSP Flack+Kurtz has found a balance between tight and loose leadership.

Work environment

Ensuring an attractive working environment is becoming more important in attracting and retaining employees. Organizations need to make sure that their environment is at least satisfactory, and preferably excellent in order to retain Generation Y employees. The environment is made up of two elements, the physical and the social environment. Generation Y’ers want an open, nice workspace that can make social interaction easier. The physical environment includes things such as light and sound levels, and the ergonomic design of the furniture. WSP Flack+Kurtz has recently moved to a new office building, which has resulted in a great improvement in the physical environment. All employees are situated on one floor, which makes collaboration and social interaction easier. The new office also gets plenty of sunlight, and has open spaces which have increased the employees’ satisfaction with their physical environment.

Zeiss (2004) suggests performing environment audits on a regular basis in order to ensure a satisfactory physical environment. If the physical environment is not satisfactory, it can have a negative effect on the employees’ physical and mental health (Datta Gupta & Kristensen, 2008; Robertson et al, 2009). Neither of my interviewees mentioned any environment audits being performed at WSP Flack+Kurtz. The organization does employ a company that will immediately make repairs, for example if the air conditioning stops working, in order to ensure a satisfactory work environment. I do believe, however, that performing environment audits would further ensure the quality of the physical environment. Some problems in the physical environment are easy for employees to detect themselves. It could for example be that the lighting in insufficient or that the temperature in the workplace is too low. Other problems are harder to detect, and might require a professional. That could include for example that the quality of the air has worsened slightly, or that an employee has the wrong setting on her furniture, increasing the risk for musculoskeletal disorders (Robertson et al, 2009). An environment audit could ensure that those problems are detected and corrected.
The physical and the social environment are by no means isolated from each other, instead they are highly interconnected. Dennis Yuan’s description of his workplace gives a good example of that. He described how he never wants to work in a cubicle, but as he is talking he realizes that he is actually working in one at WSP Flack+Kurtz. I believe that the fact that Yuan does not see his work space as a cubicle shows how greatly the social environment can affect our perception of the physical environment. Yuan sees how he can “pop up his head” and socialize with his coworkers as the contrary of working in a cubicle. The physical environment can affect the social environment by creating spaces for people to meet, or constrain social interaction, and the social environment affects our perception of the physical. Therefore, I believe it is very important to focus on both elements of the overall work environment.

When it comes to the social environment, Generation Y wants a relaxed, open, and fun filled atmosphere. That includes recognizing colleagues, and an acceptance to being personal on office time (Jensen, McMullen & Stark, 2007; Kaye & Jordan-Evans, 2002). At WSP Flack+Kurtz the social environment is described as great, and very open. Social interaction is encouraged, and it has also been made easier by the design of the new office. Employees, across organizational boarders and hierarchy, are doing social activities together, for example play in the organization’s softball team or go have drinks together after work. The organization also host social events, for example Christmas parties and picnics, that are highly appreciated by all employees. WSP Flack+Kurtz employees and managers have both formal social interaction, on the events hosted by the organization, and informal interaction after work.

One aspect of the social environment that is very important to Generation Y is the extent to which an organization can help an employee achieve a balance between working and personal life. Although work-life balance is important to Generation Y, they have difficulties defining what it is. One thing that is brought up in literature as a work-life balance aspect is the possibility of flexible working hours (Kaye & Jordan-Evans, 2002; Jensen, McMullen & Stark, 2007). WSP Flack+Kurtz supports this idea. At the WSP Flack+Kurtz offices around the U.S. offer employees the chance to have a flexible work schedule, however the different offices have designed it in different ways. In New York City they offer flexible hours during the summer, so called summer hours. This is a good way to give employees a little more time for themselves. Apart from the formalized flexible hours, WSP Flack+Kurtz are accommodating when employees need to make adjustment in their schedule for personal reasons. I believe this shows that managers in the organization believe in the idea of flexible hours, something Jensen, McMullen and Stark (2007) stress as important. Another important aspect of flexible hours is that the organization must trust that the employee will perform the work he has been given (Handy 1995/1997). WSP Flack+Kurtz shows trust by allowing employees to perform their work tasks in the way, and to some extent place, that they see fit.

However, the employees at WSP Flack+Kurtz often have a large workload, a result from working with deadlines that they cannot control. Dennis Yuan expressed that he had problems with balancing his time when he first started working with for the organization. He explained that with time, he got better at time management. Since the organization is working with deadlines they cannot control, the workload sometimes requires that employees work late or on weekends. I believe WSP Flack+Kurtz would benefit...
from helping their employees balance their time better. I believe it would result in more well-rested and, above all, happier employees. The organization could for example offer new employees information, or a course, about time management. By being given that information from the start, I believe it would be easier for the employee to learn how to balance work and social life.

8.2 Concluding Reflections

When I first started using the information about work and career preferences of Generation Y, I found it easy to divide the preferences into five distinctive organizational conditions. During the course of my research, however, I have come to realize that the distinction between them is not as clear as it first appeared – the conditions are all interrelated. In the discussion about the organizational conditions I have found the social environment of the work place to be a common denominator. The routines for giving monetary rewards can be stipulated by the social environment. Growth through continuous learning can be encouraged or discouraged by the mentality of the work place. The response to giving and receiving feedback is affected by the atmosphere. And the management practices used at a workplace is the result of the value that is ascribed to employees. The social environment even affects our perception of the physical environment. Perhaps the categorization in this thesis is unnecessary – instead of writing several chapters about the interrelated organizational conditions I could have written one chapter about the different aspects of the social environment.

I do, however, believe that the categorization was necessary in order for me to reach my conclusions. In the second step of my research, I analyzed the preferences of Generation Y. From that analysis I could draw conclusions about what organizational conditions that are important in the attraction and retention of Generation Y. The analysis showed that many different formal practices were needed in order to attract and retain the Y’ers. Since the conclusions were derived from many different theories they provided me with a compiled picture instead of an overall one. By taking my research one step further I was able to get the overall picture in an organizational setting. In my second analysis, I believe it is clear that the social environment is a central aspect affecting all of the other organizational conditions. I therefore believe that the social environment is the most important organizational condition for attracting and retaining Generation Y employees. By that I do not mean to say that formalized programs and policies are unnecessary. On the contrary, I believe that the social environment can be enhanced by formalized programs, and they could also offer security for the organization’s employees. Formality could, however, decrease flexibility and thereby have a negative effect on the social environment.

The extent to which it is appropriate to formalize programs and policies within an organization is an assessment between the flexibility of informality and the security formality can offer the people within the organization. When an organization can find a balance between informality and formalization, I believe that the formal programs can enhance the social environment, creating the organizational conditions that will attract and retain Generation Y employees.
References


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Footnote: Date on all internet references will be shown according to European standard.
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