Engagement and Retention of Generation Y

October 2012
INTRODUCTION

The workforce is at a pivotal point. In any given corporation, there may be as many as four different generations represented. But the newest generation to come into the workforce—Generation Y—is likely one of the least understood. With its grasp on technology, penchant for flexibility, and willingness to collaborate, this generation represents a new work style that employers have to learn to leverage.

In a recent Diversity Best Practices poll, members were asked a series of questions about their organization’s engagement and retention strategies aimed at Generation Y. Twenty-seven organizations responded, and the results of the poll are detailed in this report.

OVERVIEW OF POLL RESULTS

Does your organization conduct any form of employee engagement surveys?

All of the organizations that participated in the poll conduct some form of employee engagement survey.

27 organizations – Yes (100%)
0 organizations – No (0%)

If yes, please specify the type of survey your organization conducts.

See Responses by Organization for specific responses.

How frequently does your organization conduct such surveys?

The majority of organizations conduct their surveys annually.

21 organizations – Annually (78%)
1 organization – Biannually (twice a year) (4%)
0 organizations – Quarterly (0%)
5 organizations – Other* (19%)

*See Responses by Organization for specific responses.

Does your organization track the age/generation of employees participating in the surveys?

Sixteen organizations track the age/generation of employees participating in the surveys.
If your company does track age/generation, which factors most significantly impact engagement and retention of Generation Y/Millennial employees (born between 1977 and 2000)?

Eight organizations reported that career/professional development opportunities most significantly impact engagement and retention of Generation Y/Millennial employees. Seven organizations reported that flexible work hours/workplace most significantly impact engagement and retention of Generation Y/Millennial employees.

7 organizations – Flexible work hours/workplace
3 organizations – Salary
0 organizations – Benefits packages
5 organizations – Communication/relationship with manager
8 organizations – Career/professional development opportunities
4 organizations – Community outreach opportunities
5 organizations – Varied work assignments
6 organizations – Recognition/Awards
4 organizations – Access to current technology
6 organizations – Collaboration opportunities with peers and/or management
5 organizations – Mentoring
2 organizations – Employee resource groups
3 organizations – Other*

*See Responses by Organization section for specific responses.

What changes, if any, has your organization incorporated into its retention/engagement strategy for Generation Y as a result of the survey?

While most organizations did not specify the strategies they have incorporated as a result, one organization has created a young professionals employee resource group as a result of their survey findings.

*See Responses by Organization section for specific responses.

Of those efforts, which worked best and why?

Responses varied on this question, but one organization noted that their 360 degree feedback survey was a key source of empowerment for their employee base.

*See Responses by Organization for specific responses.
Conversely, which efforts did not work and why?

One organization responded that, at this time, it is too early to tell what has been effective. Such a response is indicative of how strategies to address Generation Y are still in their developmental stages.

*See Responses by Organization section for specific responses.

What other methods does your company use to track staff engagement?

Sixteen organizations use exit interviews to track staff engagement, while 13 use performance appraisals.

RESULTS BY ORGANIZATION

Note: Organizations that are not identified by name elected to remain anonymous.

Organization 1
Industry: Telecommunications
Revenue: $126B
Number of Employees: 242,000

Are you representing your company globally?
Yes

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Electronic

How frequently does your organization conduct such surveys?
Annually

Does your organization track the age/generation of employees participating in the surveys?
Yes

If your company does track age/generation, which factors most significantly impact engagement and retention of Generation Y/Millennial employees (born between 1977 and 2000)?
No Response
What changes, if any, has your organization incorporated into its retention/engagement strategy for Generation Y as a result of the survey?
No Response

Of those efforts, which efforts worked best and why?
No Response

Conversely, which efforts did not work and why?
No Response

What other methods does your company use to track staff engagement?
No Response

Organization 2 – Northern Trust
Industry: Financial Services
Revenue: $3.5B
Number of Employees: 14,500

Are you representing your company globally?
Yes

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Employee Engagement Surveys; Diversity & Inclusion Assessment Surveys

How frequently does your organization conduct such surveys?
Annually

Does your organization track the age/generation of employees participating in the surveys?
Yes

If your company does track age/generation, which factors most significantly impact engagement and retention of Generation Y/Millennial employees (born between 1977 and 2000)?
Flexible work hours/workplace
Communication/relationship with manager
Career/professional development opportunities
Community outreach opportunities
Varied work assignments
Recognition/Awards
Access to current technology
Collaboration opportunities with peers and/or management
Mentoring
Employee resource groups

What changes, if any, has your organization incorporated into its retention/engagement strategy for Generation Y as a result of the survey?
Stronger focus on a variety of work assignments, greater flexibility in work schedules and career timelines, implementation of community engagement days (2) for each employee, implementation of multi-rater tool to provide direct 360 feedback to managers as well as individual contributors.

Of those efforts, which efforts worked best and why?
We are in the relatively early stages for most of these initiatives, so it is difficult to determine the efficacy of the programs to date. That said, multi-rater was a tremendous hit with our employee base—people like to receive feedback from a variety of sources and feel empowered by the opportunity to provide feedback to their managers and peers.

Conversely, which efforts did not work and why?
No Response

What other methods does your company use to track staff engagement?
Scorecards
Performance appraisals
Exit interviews
Focus groups
Staff polling

Organization 3
Industry: Hospitality
Revenue: $11B
Number of Employees: 100,000

Are you representing your company globally?
No
Americas

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Annual Engagement Survey

How frequently does your organization conduct such surveys?
Annually
Does your organization track the age/generation of employees participating in the surveys?
Yes

If your company does track age/generation, which factors most significantly impact engagement and retention of Generation Y/Millennial employees (born between 1977 and 2000)?
Flexible work hours/workplace
Communication/relationship with manager
Career/professional development opportunities
Community outreach opportunities
Recognition/Awards
Collaboration opportunities with peers and/or management
Mentoring

What changes, if any, has your organization incorporated into its retention/engagement strategy for Generation Y as a result of the survey?
No Response

Of those efforts, which efforts worked best and why?
No Response

Conversely, which efforts did not work and why?
No Response

What other methods does your company use to track staff engagement?
Performance appraisals
Exit interviews
Focus groups

Organization 4
Industry: Food & Beverage
Revenue: $8.0B
Number of Employees: 182,000+

Are you representing your company globally?
Yes

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Employee Engagement Survey (both full census and pulse)
How frequently does your organization conduct such surveys?
Annually

Does your organization track the age/generation of employees participating in the surveys?
Yes

If your company does track age/generation, which factors most significantly impact engagement and retention of Generation Y/Millennial employees (born between 1977 and 2000)?
No Response

What changes, if any, has your organization incorporated into its retention/engagement strategy for Generation Y as a result of the survey?
No Response

Of those efforts, which efforts worked best and why?
No Response

Conversely, which efforts did not work and why?
No Response

What other methods does your company use to track staff engagement?
No Response

Organization 5
Industry: Financial Services
Revenue: $22B
Number of Employees: 23,000

Are you representing your company globally?
No
United States

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Employee Engagement

How frequently does your organization conduct such surveys?
Annually
Does your organization track the age/generation of employees participating in the surveys?
Yes

If your company does track age/generation, which factors most significantly impact engagement and retention of Generation Y/Millennial employees (born between 1977 and 2000)?
No Response

What changes, if any, has your organization incorporated into its retention/engagement strategy for Generation Y as a result of the survey?
No Response

Of those efforts, which efforts worked best and why?
No Response

Conversely, which efforts did not work and why?
No Response

What other methods does your company use to track staff engagement?
No Response

Organization 6
Industry: Financial Services
Revenue: $100B
Number of Employees: 6,000 – 7,000

Are you representing your company globally?
No
United States

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Employee Satisfaction Survey

How frequently does your organization conduct such surveys?
Biannually (twice a year)

Does your organization track the age/generation of employees participating in the surveys?
No
What other methods does your company use to track staff engagement?
Scorecards
Exit interviews
Staff polling

Organization 7
Industry: Energy
Revenue: $3B
Number of Employees: 20,000

Are you representing your company globally?
Yes

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Annual Engagement Survey

How frequently does your organization conduct such surveys?
Annually

Does your organization track the age/generation of employees participating in the surveys?
Yes

If your company does track age/generation, which factors most significantly impact engagement and retention of Generation Y/Millennial employees (born between 1977 and 2000)?
Other – TBD, we will be making that cut of data this cycle

What changes, if any, has your organization incorporated into its retention/engagement strategy for Generation Y as a result of the survey?
More career development has been a theme in the last couple of years, we can imply that may be coming from those with very short tenures—likely Gen Y, but more correlation TBD

Of those efforts, which efforts worked best and why?
We do hold very popular career development workshops

Conversely, which efforts did not work and why?
No Response
What other methods does your company use to track staff engagement?
None

Organization 8
Industry: Automotive
Revenue: Not Reported
Number of Employees: 6,000

Are you representing your company globally?
No
United States

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Associate Opinion Survey

How frequently does your organization conduct such surveys?
Other
Every other year

Does your organization track the age/generation of employees participating in the surveys?
No

What other methods does your company use to track staff engagement?
Exit interviews
Focus groups

Organization 9
Industry: Telecommunications
Revenue: $4B
Number of Employees: 9,000

Are you representing your company globally?
Yes

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Culture Survey
What other methods does your company use to track staff engagement?
Scorecards
Performance appraisals
Exit interviews
Focus groups

Organization 10 – Verizon
Industry: Telecommunications
Revenue: $3.5B
Number of Employees: 14,500

Are you representing your company globally?
Yes

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
No Response

How frequently does your organization conduct such surveys?
Annually

Does your organization track the age/generation of employees participating in the surveys?
No

What other methods does your company use to track staff engagement?
Scorecards
Performance appraisals
Exit interviews
Focus groups

Organization 11
Industry: Financial Services
Revenue: $30B - $35B
Number of Employees: 14,500

Are you representing your company globally?
Yes

Does your organization conduct any form of employee engagement surveys?
Yes
If yes, please specify the type of survey your organization conducts.
Culture Survey

How frequently does your organization conduct such surveys?
Annually

Does your organization track the age/generation of employees participating in the surveys?
Yes

If your company does track age/generation, which factors most significantly impact engagement and retention of Generation Y/Millennial employees (born between 1977 and 2000)?
Flexible work hours/workplace
Salary
Career/professional development opportunities
Community outreach opportunities
Varied work assignments
Recognition/Awards
Access to current technology
Mentoring

What changes, if any, has your organization incorporated into its retention/engagement strategy for Generation Y as a result of the survey?
No Response

Of those efforts, which efforts worked best and why?
No Response

Conversely, which efforts did not work and why?
No Response

What other methods does your company use to track staff engagement?
Scorecards
Performance appraisals
Exit interviews
Focus groups

Organization 12
Industry: Insurance/Financial Services
Revenue: $24B
Number of Employees: 5,000
Are you representing your company globally?
Yes

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Gallup Engagement Survey

How frequently does your organization conduct such surveys?
Annually

Does your organization track the age/generation of employees participating in the surveys?
Yes

If your company does track age/generation, which factors most significantly impact engagement and retention of Generation Y/Millennial employees (born between 1977 and 2000)?
Other
Basic needs – understanding what is expected, and having material and equipment

What other methods does your company use to track staff engagement?
Scorecards
Performance appraisals
Focus groups

Organization 13
Industry: Consumer Packaged Goods
Revenue: $5.6B
Number of Employees: 9,600

Are you representing your company globally?
No
United States

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Climate Survey

How frequently does your organization conduct such surveys?
Other
Every two years

Does your organization track the age/generation of employees participating in the surveys?
No

What other methods does your company use to track staff engagement?
Scorecards
Performance appraisals
Exit interviews
Focus groups
Staff polling

Organization 14
Industry: Advertising
Revenue: $14M
Number of Employees: 100

Are you representing your company globally?
No
National presence only

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Employee Satisfaction Surveys

How frequently does your organization conduct such surveys?
Annually

Does your organization track the age/generation of employees participating in the surveys?
Yes

If your company does track age/generation, which factors most significantly impact engagement and retention of Generation Y/Millennial employees (born between 1977 and 2000)?
Flexible work hours/workplace
Salary
Communication/relationship with manager
Career/professional development opportunities
Recognition/Awards
Collaboration opportunities with peers and/or management
Mentoring

What changes, if any, has your organization incorporated into its retention/engagement strategy for Generation Y as a result of the survey?
We offer flex work arrangements after one year of employment.

Of those efforts, which efforts worked best and why?
That effort has worked well because it allows all employees to enjoy an important work/life balance benefit

Conversely, which efforts did not work and why?
No Response

What other methods does your company use to track staff engagement?
Performance appraisals
Staff polling

Organization 15
Industry: Telecommunications
Revenue: $92B
Number of Employees: 200,000

Are you representing your company globally?
Yes

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Viewpoints – Employee Opinion Survey

How frequently does your organization conduct such surveys?
Other
Every other year

Does your organization track the age/generation of employees participating in the surveys?
No

What other methods does your company use to track staff engagement?
No Response
Organization 16
Industry: Financial Services
Revenue: $118B
Number of Employees: 4,950

Are you representing your company globally?
Yes

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Standard Engagement Surveys

How frequently does your organization conduct such surveys?
Annually

Does your organization track the age/generation of employees participating in the surveys?
Yes

If your company does track age/generation, which factors most significantly impact engagement and retention of Generation Y/Millennial employees (born between 1977 and 2000)?
No Response

What changes, if any, has your organization incorporated into its retention/engagement strategy for Generation Y as a result of the survey?
No Response

Of those efforts, which efforts worked best and why?
No Response

Conversely, which efforts did not work and why?
No Response

What other methods does your company use to track staff engagement?
No Response

Organization 17
Industry: Healthcare
Revenue: Not Reported
Number of Employees: 30,000
Are you representing your company globally?
Yes

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Press Ganey

How frequently does your organization conduct such surveys?
Annually

Does your organization track the age/generation of employees participating in the surveys?
Yes

If your company does track age/generation, which factors most significantly impact engagement and retention of Generation Y/Millennial employees (born between 1977 and 2000)?
Salary
Career/professional development opportunities
Access to current technology
Collaboration opportunities with peers and/or management

What changes, if any, has your organization incorporated into its retention/engagement strategy for Generation Y as a result of the survey?
None

Of those efforts, which efforts worked best and why?
N/A

Conversely, which efforts did not work and why?
N/A

What other methods does your company use to track staff engagement?
Performance appraisals
Exit interviews

Organization 18
Industry: Financial Services
Revenue: $2.13B
Number of Employees: 980
Are you representing your company globally?
Yes

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Broad-based online survey to measure employee engagement will be conducted in the October/November timeframe

How frequently does your organization conduct such surveys?
Other
The last survey was conducted in 2004. In 2006 and 2010, our survey focused on diversity and inclusion only.

Does your organization track the age/generation of employees participating in the surveys?
Yes

If your company does track age/generation, which factors most significantly impact engagement and retention of Generation Y/Millennial employees (born between 1977 and 2000)?
Flexible work hours/workplace
Communication/relationship with manager
Career/professional development opportunities
Varied work assignments
Recognition/Awards

What changes, if any, has your organization incorporated into its retention/engagement strategy for Generation Y as a result of the survey?
As previously mentioned, we are conducting our engagement survey in October 2012. The last engagement survey was done in 2004. In 2006 and 2010, we conducted two diversity and inclusion focused surveys.

Of those efforts, which efforts worked best and why?
N/A

Conversely, which efforts did not work and why?
N/A

What other methods does your company use to track staff engagement?
Exit interviews
Staff polling
Organization 19 – AAA Northern California, Nevada and Utah Insurance Exchange
Industry: Insurance
Revenue: $3B
Number of Employees: 3,000

Are you representing your company globally?
No
We are not global

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Engagement

How frequently does your organization conduct such surveys?
Annually

Does your organization track the age/generation of employees participating in the surveys?
No

What other methods does your company use to track staff engagement?
Performance appraisals

Organization 20
Industry: Oil and Gas
Revenue: $470.2B
Number of Employees: 90,000+

Are you representing your company globally?
Yes

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
People Survey

How frequently does your organization conduct such surveys?
Annually
Does your organization track the age/generation of employees participating in the surveys?
Yes

If your company does track age/generation, which factors most significantly impact engagement and retention of Generation Y/Millennial employees (born between 1977 and 2000)?
Flexible work hours/workplace
Career/professional development opportunities
Varied work assignments
Recognition/Awards
Access to current technology
Collaboration opportunities with peers and/or management

What changes, if any, has your organization incorporated into its retention/engagement strategy for Generation Y as a result of the survey?
No Response

Of those efforts, which efforts worked best and why?
No Response

Conversely, which efforts did not work and why?
No Response

What other methods does your company use to track staff engagement?
Other
Annual employee survey

Organization 21
Industry: Financial Services
Revenue: $6.7B
Number of Employees: 21,000

Are you representing your company globally?
Yes

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Gallup Survey, which includes engagement and inclusion questions.

How frequently does your organization conduct such surveys?
Annually
Does your organization track the age/generation of employees participating in the surveys?
Yes

If your company does track age/generation, which factors most significantly impact engagement and retention of Generation Y/Millennial employees (born between 1977 and 2000)?
Communication/relationship with manager
Career/professional development opportunities
Employee resource groups

What changes, if any, has your organization incorporated into its retention/engagement strategy for Generation Y as a result of the survey?
Implemented a young professionals business resource group model across the enterprise and a training on generations

Of those efforts, which efforts worked best and why?
So far, the business resource groups as they provide business networking with leaders and each other, ways to get involved in the community and opportunities to gain professional development.

Conversely, which efforts did not work and why?
To early to tell

What other methods does your company use to track staff engagement?
Scorecards
Performance appraisals
Exit interviews
Focus groups

Organization 22
Industry: Healthcare
Revenue: $17B
Number of Employees: 35,000

Are you representing your company globally?
Yes

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Overall employee engagement
How frequently does your organization conduct such surveys?
Annually

Does your organization track the age/generation of employees participating in the surveys?
Yes

If your company does track age/generation, which factors most significantly impact engagement and retention of Generation Y/Millennial employees (born between 1977 and 2000)?
Flexible work hours/workplace
Community outreach opportunities
Varied work assignments
Collaboration opportunities with peers and/or management
Mentoring

What changes, if any, has your organization incorporated into its retention/engagement strategy for Generation Y as a result of the survey?
No Response

Of those efforts, which efforts worked best and why?
No Response

Conversely, which efforts did not work and why?
No Response

What other methods does your company use to track staff engagement?
Scorecards
Exit interviews

Organization 23
Industry: Consulting
Revenue: $19B
Number of Employees: 3,653

Are you representing your company globally?
No
United States

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Employee Engagement Survey
How frequently does your organization conduct such surveys?
Annually

Does your organization track the age/generation of employees participating in the surveys?
No

What other methods does your company use to track staff engagement?
Performance appraisals
Exit interviews

Organization 24
Industry: Manufacturing and Sales
Revenue: $9B
Number of Employees: 33,000

Are you representing your company globally?
Yes

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
They are conducted in some region, but there is no overall comprehensive survey

How frequently does your organization conduct such surveys?
Other
Where conducted

Does your organization track the age/generation of employees participating in the surveys?
Yes

If your company does track age/generation, which factors most significantly impact engagement and retention of Generation Y/Millennial employees (born between 1977 and 2000)?
Other
Variety by region

What changes, if any, has your organization incorporated into its retention/engagement strategy for Generation Y as a result of the survey?
No Response
Of those efforts, which efforts worked best and why?
No Response

Conversely, which efforts did not work and why?
No Response

What other methods does your company use to track staff engagement?
Exit interviews
Focus groups

Organization 25
Industry: Technology Consulting
Revenue: $129M
Number of Employees: 9,000

Are you representing your company globally?
No
North America

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Employee Satisfaction

How frequently does your organization conduct such surveys?
Annually

Does your organization track the age/generation of employees participating in the surveys?
No

What other methods does your company use to track staff engagement?
Performance appraisals
Exit interviews

Organization 26
Industry: Manufacturing
Revenue: $80B
Number of Employees: 124,000

Are you representing your company globally?
No
North America
Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Organizational Culture Survey

How frequently does your organization conduct such surveys?
Annually

Does your organization track the age/generation of employees participating in the surveys?
No

What other methods does your company use to track staff engagement?
Focus groups

Organization 27 – Health Care Service Corporation
Industry: Insurance – Health, Life
Revenue: $19.9B
Number of Employees: 15,721

Are you representing your company globally?
Yes

Does your organization conduct any form of employee engagement surveys?
Yes

If yes, please specify the type of survey your organization conducts.
Gallup Q12 Engagement Survey + Inclusiveness Index

How frequently does your organization conduct such surveys?
Annually

Does your organization track the age/generation of employees participating in the surveys?
No

What other methods does your company use to track staff engagement?
Exit interviews
Focus groups
CONCLUSION

The survey found that while all organizations conduct some form of employee engagement surveys—most of which are conducted annually—a smaller number track age/generation in these polls. Strategic employers should leverage their engagement surveys to better track such demographic data, and use it to guide their retention strategies.

The survey also found that Generation Y employees are most interested in career/professional development opportunities, followed by workplace flexibility. To a lesser degree, the survey found that Generation Y employees at various companies are interested in awards and recognition from their employers, as well as the ability to collaborate with peers and management on company projects.