

# **Retention Strategies for the New Workforce**

By Deanne DeMarco

The 75 million Baby Boomers who make up forty-five percent of the workforce are now starting to retire. The mass exodus of Boomers from the workforce will only increase over the next seven years. So the question is: Who will replace these retiring workers?

While logic would dictate that the next generation (Generation X, as they're called) will simply step in and fill the newly vacant roles, that is simply impossible. Why? Because the Gen X population—those born between 1964 and 1977—totals a mere forty-five million people. Additionally, most of the Gen X talent are already in the workforce. Who will cover the deficit left by the Boomers? Here comes Gen Y or the millennials as they preferred to be called.

The Millennial generation – those born between 1977 and 2000- more than 70 million workers will fill the gap. At this time the bulk of the Gen Y or Millennial generation are on the front lines of your companies however- they will be the future and success of your organization.

## **The Generational Challenge**

Many companies are not ready for the generational challenge. Both Gen X and Gen Y have very different values and organizational views. To make matters worse retaining Gen-X and Gen-Y employees is a challenge that plagues many companies. A number of research studies suggest that one in five Gen-Xers and one in three Gen-Yers are preparing to leave their current job. In addition, many of both generations are leaving the big corporations in droves to be entrepreneurs or to join smaller companies—even if it means taking a pay cut. According to exit polls and research studies, Gen-Xers and Gen Yers are disgusted with the mismanagement of top corporate officials, hierarchical politics, corporate ladders, and the lack of job satisfaction and job fulfillment.

Across the country these generations echo the same message: They want a Generational friendly workplace (Gen-friendly). And that, in fact, is the key to retaining these skilled workers in your company so you're not left in the cold. Following are four strategies that will enable you to attract the top generational talent you will need to stay successful and competitive in the years to come.

### **1. Focus on Collaborative Relationships**

Gen X and Y grew up in social conditions very different than previous generations. Many were latchkey children, and fifty percent were raised in single parent homes. As a result, the new workforce (Gen-Xers and Gen-Yers) are relationship builders. In fact, this need for strong relationships touches every aspect of their life—at home, at work, and as consumers. As such, companies need to develop new communication models that include strategies for building “it” together.

Unfortunately, many managers still don't use their workforce to collaborate on projects, goals, or the development of ideas. Instead, they use coercion or they dictate what is going to be done. That approach worked well in the past however it won't work it on the new workforce. Companies that desire to retain key talent workers for the long haul need to take a collaborative approach on such things as decision making, problem

solving, and product development. The new workforce wants the company to do well, but they also want to be a strong voice in taking the company where it needs to go.

So rather than tell your employees what steps to take to solve a problem, allow them to brainstorm with you, to generate ideas. Or when you need to decide on a course of action, get their feedback on which option to pursue. Really listen to what they offer and act on their input. Be open to what they say; often their suggestions will amaze you.

## **2. Offer Variety**

In the past, the Baby Boomers were interested in job status and climbing the corporate ladder. In contrast, the new workforce is interested in equality, flexibility, and a lattice corporate structure. The new generations are not impressed with status symbols like title or position; rather, they want an uncensored corporate structure coupled with opportunities to learn new skills. When given the choice, they prefer flex hours and the ability to telecommute over a higher salary.

Therefore, rather than restrict your new workforce from trying new things, encourage it. Offer them opportunities to learn new skills, to job share, and to assist in projects in other departments. Both Gen X and Gen Y yearn for increased intellectual stimulation. If you keep them “in a rut,” doing the same thing day in and day out, they’ll quickly get bored. That’s when they start cyberloafing and looking for employment elsewhere...or mapping out their own entrepreneurial vision, which could be in direct competition with you.

Additionally, since these new generations were raised in the information age, they expect to have the latest technology tools to do their job. Remember, both of these groups did their high school papers on the computer, and they are technically savvy. Not providing current technology tools to do their jobs is equivalent to handing them the “want ads.”

## **3. Work in Teams**

Teaming and the ability to bond with others is core to the new generational workforce work ethic. Unfortunately, many organizations give lip service to team-building training and team activities, most organizations are rigidly bureaucratic and employees do not feel valued as a person. In fact, the “good old boys,” “bureaucratic cultures,” and the “double standard” of yesteryear are seen as draining, egocentric, and childish to the new generations. That’s why companies need to focus on creating a truly team-focused environment to keep top talented workers.

For example, when it comes to leadership, managers need to do more than just manage; they need to work alongside and coach the employees. Also, assign teams within the department to complete projects. For each new task or project, rotate the team leader so that everyone has the opportunity to develop his or her leadership skills. Additionally, have people work in dyads, where one team member helps another on a project to build internal working relationships. Finally, allow the teams to self-manage. After all, you hired them because of their expertise, so let them put that expertise to work and see the project through from beginning to end. The more you allow your new workforce employees to be a part of the team and to participate as equals, the more likely they’ll want to stay at your company.

#### 4. Build a Strong Communication Process

In most companies there's no open debate, and employees are always "watching their back." They know that if they say something out of turn, they're likely going to get projects they don't want or they'll get dinged on their performance review. Granted, some companies have attempted to create an environment of open communication, but when employees do speak their mind, the company doesn't listen.

The new workforce will not tolerate such an environment. They know it's hard to be productive and motivated when trying to always "watch your back." And while previous generations tolerated office politics and egocentric executives, these generations respond by sending out resumes and seeking employment elsewhere.

Therefore, to keep top Gen-Xers and Gen-Yers on your staff, you need to encourage debate and opposite opinion. Get people to open up, discuss problems, and express opinions. Then, put in the processes so the ideas and opinions get acted upon, and counter views are not punished. Equally important is to create an environment of instant feedback. Rather than force people to wait for feedback for days, weeks or until the yearly performance review, communicate regularly. Give updates on ideas that were generated, projects that were worked on, and anything else that impacts the company or employee. Remember, these generations use text messaging for instant communication with their friends, and they expect the same communication **speed** from their managers.

#### The New Generation of Change

According to the US Census Bureau, the number of small businesses is growing. And Gen-Xers and Gen-Yers are starting to realize that smaller companies offer more in the way of opportunity, job fulfillment, and job satisfaction. As such, many are giving up the larger paychecks that large companies offer for a smaller company that is Gen friendly and more aligned with their values.

The world is changing at warp speed, and the new generations are at the soul of that change. So if your organization is to survive long-term and avoid extinction, you must change and become a Gen-friendly organization - now!



Deanne DeMarco is an author of several books, Keynote speaker, and corporate trainer. Her successful training programs are nationally recognized utilizing a set of strategies aligned in creating corporate cultures where people like to work. As a keynote speaker she communicates the important lessons in managing the next generation. Deanne DeMarco can be reached at **800-881-7809** or at [www.DeanneDeMarco.com](http://www.DeanneDeMarco.com). Many of her articles and podcasts can be found at [www.GenXBizCoach.com](http://www.GenXBizCoach.com).