

# Generation Y In Asia

## **In the face of a talent crisis, companies are facing up to the challenges of the world's most powerful emerging consumers, clients and employees**

By Peter Sheahan

### *Introduction*

Generation Y are the 660 million upwardly mobile and ultra-connected Asians born between 1978 and 1994. For the most part, they share a number of common character traits, having all grown up in the same environment of unprecedented economic growth, prosperity and technological interconnectedness. In China they number 200 million, in Japan around 15 million and in Singapore well over 500,000. India alone graduates almost 5 million Gen Ys from university every year, and all these numbers combine to make Generation Y a vitally important part of Asia's national economies and cultures.

### *Generational similarities in a diverse Asia*

Now, of course, it is important to recognize that Asia is a hugely diverse place to be dealing with in a single article. Many even question the concept of "Asia" as a region (how much does a peasant farmer from Afghanistan have in common with a network engineer from Tokyo, anyway?). Indeed, from the slums of Bombay to the towering skyscrapers of Tokyo, Asia is a melting-pot of different cultures, classes and customs.

Socio-politically, economically and demographically, too, there are some big differences as you move from the developed economies of East Asia (Japan, South Korea, China and Taiwan, for instance) to less-developed, poorer nations of South East Asia (Indonesia, the Philippines, Cambodia) and Central/West Asia (India, Bangladesh, Afghanistan). Asia is home to 45% of the world's youth unemployed, for instance, but you will find few of them in Japan or South Korea.

But within this diverse region, there are places of principle concern that are experiencing the same, stunning demographic changes which present real problems for businesses. It is precisely these demographic challenges that make Generation Y an importance topic of concern throughout most of Asia.

### *Developed Asia unified by a talent shortage*

Most developed economies in Asia face a chronic shortage of talent, and the impacts on business are severe (and worsening). In Japan, for instance, population growth became negative for the first time in 2005 and is predicted to fall more sharply over the years to come as birth rates decline and net immigration slows to nearly a complete halt.

According to *Manpower*, 55% of businesses in Singapore are reporting wage inflation as a result of an increasingly talent-scare labor market, and more than 40% of businesses in Japan reported a specific lack of professional talent. *HRM Singapore* reported in January of this year a region-wide shortage of over 200,000 network engineers, with that figure expected to double by 2009.

Even in China – the world’s most populous nation – the rate of population growth is in rapid decline, and they, too, will soon be feeling the pinch of a fast-growing economy in which the demand for highly trained professionals greatly outstrips supply.

So if there are plenty of jobs but not a lot of talent out there, the talent is going to be spoilt for choice. For companies interested in nabbing the best of Gen Y talent, a proper and thorough understand of Generation Y will be vital to ensuring they are engaged, developed and retained.

### *Limits of Generational Model*

The generation model, like all anthropological or sociological models, is flawed. It’s a set of generalizations and assumptions. However my in-depth research does detail some useful *patters in the mindsets* of Generation Y.

There are some obvious reasons why there would be similarities between members of this generation: although each person’s particular experiences are unique, they have been in very similar environments during the part of their lives when they are most impressionable and are forming their underlying beliefs and attitudes towards the world.

So although the model is not perfect, and you’ll (probably) never find anyone that fits *any* exact mould you make for them, the following mindsets should act as guiding principles in the way you deal with Generation Y at work.

### *Fast*

Generation Y have grown up in a time-compressed society in which two-minute noodles take two minutes too long and anything less than broadband internet is unacceptable. Do you know the average Generation Y internet user will abandon a website after just *four seconds* of waiting for it to load? *One, two, three, four, fi...* There goes’ your Gen Y.

Look around you for the reasons. Time is relative. Before the advent of *FedEx* and overnight delivery, virtually nothing had to *absolutely and most definitely* be delivered overnight. Now it seems like everything does. We don’t send mail anymore, we have an email alert on our desktop so we don’t even have to wait the five minutes to *check our email* anymore. Everything today is instant and on-demand.

With that in mind, it’s clear that the era of “one day, all this could be yours” management styles and painfully slow advancement through the corporate hierarchy is gone. Gen Y are willing to work their way up, but they’re not going to sit at the bottom going nowhere for very long. The average tenure of a Gen Y at a company is somewhere around the 18 month mark (and don’t forget, as I said in the introduction, supply and demand says they *can* move around) so it’s important to think about ways of managing their expectations of advancement.

This is not the same thing as promoting above their capacity (which should be avoided at all costs), but does mean looking for creative ways of giving a sense of forward movement, such as lateral promotion opportunities between divisions, or regular updates

about Gen Y's progress in the role, to let them know you care about them moving onwards and upwards.

### *Stimulated*

Those of you unfamiliar with World of Warcraft are both missing out on some seriously entertaining video games and also showing your age. The dawn of miniaturized digital technology and high-speed data transfer has brought cinema quality entertainment into the living rooms of pretty much every Gen Y. In South Korea, 75% of households have high-speed internet and the same number of people have cell-phones capable of watching live, satellite broadcast television.

The result? Shorter attention spans and a heightened requirement for sensory excitement. From the perspective of attracting new employees, anything interactive and engaging is going to be far more effective than something plain and old. Being in the on-line space is obviously a necessity, but it needs to go further. Your attraction campaigns needs to scream 'stimulating', otherwise you are instantly putting yourself behind the 8-ball before you even start.

Think also about your orientation programs. Do your new recruits sit in a crowded room and listen to an *old* (oh, no... not *OLD!*) person talk about how it took them twenty years to make senior executive? Do they just sit and listen, rather than *do* anything? Probably time to rethink, then.

### *Relevant*

Did you know "Generation Y" did not take their name because "y" follows "x" in the alphabet? Originally, the term was coined as "Generation Why?" As a backlash to autocratic, command-and-control styles of parenting (and in many places in Asia, government, too) in which they were expected to do things simply because they were told, Generation Y want to know: 'why'?

So it's no longer permissible to have processes in place which are simply there because they are there. Gen Y are in the age of streamlining and efficient user experiences. Increasingly, they carry out their business on-line at the click of a button. According to *Harris Interactive*, over half of 18-21 year olds have made a purchase on-line, and the same age group spends approximately \$22bil on-line.

Having operated in environments where bureaucracy is as minimized as possible, often the layers and layers of paper-work, middle-management and control structures present within companies are an affront to the conditioning of Generation Y.

From the perspective of HR and management, this means a requirement to, firstly, minimize this bureaucracy and, secondly, communicate clearly *why* something needs to be done according to a particular process. It will also require management to be equipped with the skills to respond appropriately to this questioning, which is often half the battle. Gen Y are happy to do as they're told, they just want to know why they are being told

what they are being told. So communication becomes more important from this perspective.

### *Connected*

Not too many years ago those of us in the business of business were writing about email replacing traditional mail. It hasn't taken long for email to come under threat from even *more* quick and efficient methods of communication. According to Forrester Research, Instant Messaging is growing 30% faster than email. IM is that little bit faster, that little bit more convenient – that little bit more *connected*. Want more evidence: the worlds' second most visited Website is now *MySpace*, an entirely user-generated-content website used exclusively to connect to other people, recently purchased by NewsCorp for almost US\$500mil.

Gen Y are the most connected people on the planet, and they want to work in places that reflect that level of connectivity. From an HR perspective, that starts before they even get an interview. The average turnaround time between applying for a job and receiving some notification about the status of that application *must* shorten.

Similarly, communication between management and staff must be frequent, two-way and non-threatening. Gen Y expect to *connect with*, not *answer-to* their immediate managers. This doesn't mean they're not accountable, it simply means the manner of communication must be a dialogue, not a didactic monologue.

### *In Control*

Generation Y want to customize their employment experience in the same way that Starbucks has been customizing their lattes and Dell has been customizing their computers. The extreme degree to which Y have been able to control their experiences will translate into demands for similar flexibility in the workplace, for instance a variety of career paths will have to be open from any given point in an organisation and Y will really appreciate a self-driven, self-motivated workplace.

This demand for a personalized workplace experience translates, in many instances, into the well-documented need for work-life balance. Y is a vocal majority amongst the group calling for a better balance between their work-life and their 'real' life. Law firms, for instance, are using work-life balance (flexible hours, days-off, personal leave, work-from-home arrangements) as a way to entice busy, young, connected people to their workplace.

### *The Gen Y Challenge for Asian Companies*

The mindsets I've outlined should be food for thought for everyone from executives to HR managers, and representatives looking to deal with the new generation would do well to engage with some of the fundamental shifts we're seeing. It should also be noted that the above suggestions have benefits beyond making you a Gen Y friendly organisation.

For instance, young people have always been the merchants of cool. That is, trends begin at the fringe of youth and move firstly inwards to the mainstream of youth, then upwards

to older generations. So building a Generation Y friendly workplace is actually a recipe for building a talent friendly organisation for all age groups.

Clearly, then, while many of the changes outlined can be initially disruptive, on balance they are of immense long-term benefit. Generation Y are the talent of the future – a connected, fast-thinking and hyper-stimulated generation that pride themselves on being on the leading edge of technology. Accommodating them may take some changes in mindset, but I'm confident the rewards will be ample.

Peter Sheahan is a Generation Y expert, talent management consultant and entrepreneurial thought-leader whose clients include Google, Coca-Cola, L'Oreal and News Corp. He was voted Australian Keynote Speaker of the Year for 2006. He is also the best-selling author of *Generation Y: Thriving (and Surviving) with Generation Y at Work*, and his new book, *Flip!, How Upside-down Thinking Creates Straight-up Success* is scheduled for release in 2008.

Additional research for this article was conducted by Dominic Thurbon, who holds a Bachelor of Arts (Political Science) from The University of Sydney. Please direct all research enquiries to [research@petersheahan.com](mailto:research@petersheahan.com).