

generation IOWA
COMMISSION

Iowa Best Practices: How to Recruit and Retain “Generation Iowa”

January 2008



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Introduction

Generation Iowa Commission was mandated by the Legislature to create a best practice manual for recruiting and retaining young professionals. We examine generational differences in the workplace and identify key strategies to recruit and retain “Generation Iowa.” For the purpose of this report, “Generation Iowa” includes Iowans from age 18 to 35. This age group consists of the latter half the Generation X (approx, 1965-1980) and Generation Y or “Millennials” (1980-present).



About Generation Iowa

Generational Differences

In order to effectively engage “Generation Iowa,” employers must understand the unique ambitions and desires of the generation. Senior managers and business owners that will typically make the decisions that most impact younger workers are now usually from the previous Baby Boomer generation. Misunderstanding the values and characteristics of later generational groups can inhibit communication, damage valuable professional relationships and undermine effectiveness in the workplace. Not every next generation member will fit exactly within the generational stereotypes. But it is still important that decision makers have a general understanding of how this generation thinks, how they communicate, and how they are motivated.

How Generation Iowa Thinks

Generation Iowa as a demographic is very opinionated and autonomous, yet collaborative. This group takes a critical, almost skeptical outlook on life. This skepticism leads to a perception of challenging authority and even a lack of comfort in taking on leadership roles. Although these perceptions may exist, the generation still seeks praise for the work they have done. Their autonomy leads them to be very resourceful and also creates a need for flexibility. Generation Iowans can feel restricted in their positions, and opportunities for individual leadership pathways are well received. Members of this generation are highly productive and efficient, yet they appreciate differences and diversity more than any other group. This collaborative, efficient, and diverse nature leads this group to be extremely pragmatic. Their strength in teamwork also creates a weakness in leadership, which many are open to admitting. This group is open to being mentored and look forward to the opportunity to learn from working with the generations preceding them.

How Generation Iowa Communicates

Generation Iowa prefers a more personalized approach, expecting that their individual needs will be met, even in a crowd. This has been referred to as “mass customization,” in which products, services and options in the marketplace and workplace are created to a specific and personal match. As a result of being bombarded with “mass customization” for most of their lives, this generation places a high value on authentic relationships. This generation’s reliance on technology has led to a decrease in face-to-face communication, often leading to a perception that their personal skills are underdeveloped. However, Generation Iowa is savvy in balancing a broad array of relationships, using tools such as cell phones, PDAs, instant and text messaging, social and professional networking websites, and social and interactive media. Technology enables the next generation worker to be in constant community with others.

Motivating Generation Iowa

Fulfillment and self actualization drives Generation Iowa. Many seek fulfillment in terms of work/life balance, where work is considered a means to an end. The Generation Iowa worker’s values system determines what motivates them and what they want to achieve. They are less apt to erect boundaries between work and home, preferring an integrated lifestyle where neither work nor outside life are more than a website or phone call away.

For many younger workers, professional success is validation for lifestyle changes. Of course

lifestyle varies tremendously by individual, and even by life events, making a personalized approach necessary with these workers. Generation lowans will search out various opportunities within the company that “fit” if the original position does not. Therefore, this generation desires a differentiated career path that is easily navigable. They have been shown, in family, cultural and professional settings, very few models of lifetime commitment, and think little of leaving a company that fails to deliver quickly and consistently.

Seeking flexibility, community and relationships, many Generation lowans prefer companies with a family-like, supportive atmosphere. As a result, businesses and industries that understand how this generation think, communicate and are motivated will be well positioned in their recruitment and retention efforts.

Research from consulting firm Boston Consulting Group, and a study by the Utah Foundation, identified five key factors that drive the decision of where Generation Iowa lives and works:

1. High paying job and low cost of living
2. A place compatible with their skill set and growth of those skills
3. Quality of life, vitality, uniqueness, and diversity of community
4. Geography and ease of travel
5. Career advancement and leadership

Research has shown that the first two factors far outweigh the other factors, which are more properly considered “tiebreakers. This is consistent with the previous paragraphs; a young person will often say, “I’ll work in this job for a few years to repay debt, save and get a lifestyle I want...and then I’ll leave.” Any strategy or practice should take this into account. Emphasis on the remaining factors should always be in conjunction with the first two factors. There are many specific practices to aid in the recruitment and retention of Generation Iowa.

Recruiting Generation Iowa

Strategies for Success

It is not business as usual when it comes to recruiting Generation Iowa. Following the generational differenced discussion, businesses are encouraged to implement or enhance the following practices to increase the effectiveness of recruiting Generation Iowa. Thinking green, creating an internship program, developing a Generation Iowa recruitment strategy, conducting a future needs analysis, and raising starting salaries for critical needs and high potential employees can be beneficial in recruiting Generation Iowa.

I. Be Community Focused

Because Generation Iowa is a collaborative, relationship-driven generation, businesses that think beyond their front doors and act in the best interest of the community are appealing to young Iowans. Corporate social responsibility yields reputation benefits, stronger ties to the community and an understanding for young leaders of the full context in which employment takes place. A top example, right now, is environmental consciousness. Young Iowans tend to be more interested in environmentally-friendly workplaces and green business practices. They are looking for work and workplaces in which they feel like they are making a difference. And they want employers to give them the flexibility to balance competing priorities within the workplace and their community.

Examples:

- Adopt a local not-for-profit, school or community program as a highlighted cause, and give employees the flexibility to volunteer in those areas.
- Celebrate employee's community involvement. Some companies highlight specific employee's causes, perhaps even allowing non-disruptive, employee-led fundraising through an "organization of the month" program.
- Sponsor free bus passes, or promote "ride share" programs.
- Create an in-office recycling initiative.
- Develop a "green office" strategy with insight from young workers.

II. Create an Internship Program

Internship programs allow students to gain valuable work experience and allow the employer to evaluate the intern as a potential future employee. Programs can range from full time paid summer programs to year long cooperative education programs that often offer educational credit. Successful internship programs allow the interns a "sneak peak" of all aspects of the company. Use this to your advantage and offer job shadowing, mentoring, or even leadership training as part of the program. The best interns will also be the best candidates for full time employment. Keep in touch with these students as they get close to graduation.

Anecdotal evidence: *Meredith Corporation, Des Moines*

Details of their program: *Meredith Corporation has partnered with Drake's School of Journalism and Mass Communication. Five students are invited to intern for 15-20 hours a week for nine weeks while being supervised by a Drake professor. This is in addition to Meredith's 10-week paid summer internships. A Meredith spokeswoman said that the program "helps us grow local talent to add as full-time employees down the road."*

III. Develop a Generation Iowa Recruitment Strategy

A successful strategy for both internship and full-time recruitment is to simply recruit where the desirable students are. The first step is to identify key educational institutions that provide the types of employees you need. Does your company currently have employees that are alumnus of these institutions? If so, enlist their help to develop relationships with heads of departments, professors, college placement offices and even current students.

Department heads and professors can offer opportunities for your company to participate in projects or classes. Use these opportunities to “sell” your company to prospective interns and full time employees. Also, enlist the help of professors to identify the top candidates for positions within your organization and use them as a pre-screen for all candidates.

All colleges have placement or career offices staffed with people that can help you post positions and collect resumes. Many also host career fairs on campus. Use these offices to help spread the word about openings and gather support for the company.

Be aware that Generation Iowa students gather information differently than former generations. Web-site and placement office postings should replace newspaper, television, or even radio postings.

Anecdotal evidence: *Iowa State University, College of Agriculture Career Fair*

Details of their program: *The ISU College of Agriculture and Life Sciences hosts a fall career fair every year. Over 1,100 students use this opportunity to search for internship and full-time opportunities. Over 150 companies use this opportunity to meet and greet the best students and recruit for open positions. Many companies also utilize the career services office to conduct follow up interviews and help post open positions. Most colleges and universities offer similar events that allow companies to easily get connected with eligible applicants.*

IV. Conduct a Future Needs Analysis

Identify current skills and current positions where there is a labor shortage that will most impact the business. Also identify skills and positions that you will be recruiting for heavily in the future. When considering future needs, remember that hiring bright people in advance can better position you to address the areas of concern for the future. The young talent can be shaped into specific roles through job rotation or a series of assignments. Top companies hire the “best available talent” whenever possible, and mold them into the leaders that possess skills needed for the future. Internships and specific recruitment programs will help you identify the best and the brightest future employees and can set them on a path to fill a future need within the company.

Anecdotal evidence: *“Skills 2010” Eastern Iowa Regional study*

Details of their program: *Industry or regional groups have joined forces to understand the long-term needs of an industry or area. One success story has been Eastern Iowa’s studies on workforce needs, done in conjunction with Kirkwood Community College. The third iteration of this study, updating their “Skills 2006” report, is being done now.*

The study asks employers in the region to list the current number of employees, anticipated new jobs and anticipated replacement employees needed. In addition, the employer is asked to break down the needs into specific functional, education or skill-based categories. The resulting data is used to craft recruitment, training and community programs in the Eastern Iowa Corridor.

Future needs analyses can occur at the enterprise level. Executives of individual companies should make a regular survey of their front-line managers to see where the emerging needs are. Those answers should be paired with higher-level strategic needs to gain an overall future needs picture.

V. Raise Starting and Early-career Salaries for Critical Needs and High Potential Employees

Salary management is important to recruit the best and brightest employees. Critical needs and high potential employees may be recruited by several employers that offer different total compensation packages. Although salary is an important piece of the total compensation puzzle, all other areas need to be considered as well. Consider a signing bonus as students will generally need to purchase a new wardrobe, secure new housing and may have large student loan debts. Relocation packages, education reimbursement, 401(k), and strong benefit packages can separate a company from competing companies making similar offers.

Anecdotal evidence: *GE's Marketing Rotation program*

Details of their program: *For years GE's top recruits were going into the financial and operations management side of the business. This left an emerging weakness in their marketing area, relative to the future needs that management anticipated. GE began a concerted effort to recruit marketing professionals, saving their premier post-MBA positions for a marketing-based rotation program. On campuses, GE led their recruiting presentations with an explanation of why marketing was the premier career path within the company. They matched that claim with high salaries, knowing that graduates with options will choose the highest paying path. As a result, GE has been able to hire the marketing talent that it needs for the long-term.*

Retaining Generation Iowa

Strategies for Success

Earlier discussions portrayed that the Generation Iowa worker is not necessarily motivated by the same things as the older generations. Focusing on total compensation, developing mentorship programs, and creating clear and flexible career pathways can be beneficial in retaining Generation Iowa.

I. Focus on Total Compensation

The single greatest challenge to retention in Iowa is the wage gap between Iowa companies and competing employers. In Iowa, we pride ourselves at being “family” to our workers. As a result, Iowa companies often offer an unusually wide range of benefits. As a result, even in a company where salary and wages lag the national or regional average, total compensation, when measured as base wages plus the value of benefits, may be very competitive.

Best practice companies pay market-based compensation and communicate that full compensation to their employees, adding up the value of all benefits, from health insurance to retirement matching plans to smaller perks, such as company cell phones.

Successful companies benchmark their total compensation against competing employers. Retention is seldom a two-party negotiation, but includes other job options. Benchmark your firm against the multiple options that now exist for employees. Pay special attention to two changes in the modern economy:

1. The workforce is increasingly mobile. While there is indeed a strong pull to stay “home,” a young professional no longer views the state boundaries as the limits of home. Thus a firm’s competition is not just other Iowa employers, but a broad regional set of employers, from Colorado to Kentucky to Michigan.
2. The economy has shifted from a skill or function based economy, to a knowledge-based economy. As a result, employers must not think narrowly, perhaps within their industry, as competing firms. Healthcare workers are not limited to working at a hospital, but can join an advanced biosciences firm. Education administrators can shift from school to management roles. Insurance underwriters can take their quantitative skills to an advanced manufacturing start-up. Successful firms will think broadly about who competes for their workforce.

Some employers fear that wage discrepancies will become known, damaging morale within a workforce. This fear can inhibit the creation of a merit-based pay structure, which research shows is one of the top ways to consistently improve productivity and groom future managers and leaders within a company. As a result, Iowa companies have successfully used a creative range of compensation options to make up the wage gap. Selectively give sign-on bonuses, student-loan repayment, tuition reimbursement or payment of professional designation fees. Every industry has unique ways to quietly reward top performers, creating a merit-based culture without upending long-standing egalitarian norms. A merit-based culture retains the very best people, who are most needed for the future success of the company and of Iowa.

II. Develop Mentorship Programs

Generation Iowa may exhibit signs of free-agent mobility, but generational studies also show them to be extremely focused on direct relationships and community. Successful employers have used this to their advantage by creating mentorship programs. These programs can be formal, perhaps through assigned mentors which generally focus on the creation of deep, trust-based relationships. A mentorship program can also be informal and ad hoc, perhaps a rotational program which focuses on building broad relationships in a large company where “who knows who” is key to long-term career success.

This is most important at the beginning of a job, when first impressions are being made. The top turnover period is in the first 90 days of a job, and most employees that eventually leave may have already decided to during that period. Mentors help new employees to quickly assimilate to the formal and informal “rules of the road” that determine success within an organization.

A mentor can be a senior manager, recent retiree, a mid-level manager or even a colleague. An important component of a good program will be to identify good mentors and weed out poor mentors. Nothing can kill a mentorship program faster than assigning people who do not prioritize the development of people and relationships, or are either negative or naïve about the employer. A feedback system will allow employers to identify good mentors.

Anecdotal evidence: *John Deere Company, Quad Cities/Waterloo*

Details of their program: *John Deere’s Dealership Management Program includes a mentorship program that is innovative in that it assigns a mentor to students in the midst of recruiting. This has allowed the student to have a personal relationship within the company, learn the cultural cues and rules-of-the-road for the company, and keep a contact through and after the recruiting process.*

The student recruit is assigned a mentor from John Deere Company who acts as a liaison between the University, the company and a future dealership. The mentor assists the dealer network and student in selecting work-study and internship experiences that benefit the John Deere dealership network and develop the student’s skills and knowledge of the John Deere Company.

III. Create Clear and Flexible Career Pathways

In an era of consumer customization, it is no surprise that the modern workforce has come to expect that their career future will not be shrouded in the mystery of unknown and non-quantifiable goals, trapped into a linear (or dead-end) sequence of jobs, or forced to look outside the company after a few years in a current position due to a difficult internal recruiting culture. Careerbuilder.com reports that the #1 reason people leave a workplace is a lack of professional growth opportunities. Conversely, a menu of opportunities will make even the most ambitious young professional think twice before leaving an otherwise solid work environment.

Helping employees find new internal positions may be the best and most direct way you can influence them to stay. But most organizations either erect numerous bureaucratic and cultural hurdles that make moving around tough, or they simply do not offer any simple way for an employee to learn about possibilities.

This may mean that current practices will have to change. Consider the following best practices:

1. Employees should be able to interview for new positions without permission from anyone, and preferably with the confidentiality that allows them to unsuccessfully apply for an internal position without damaging their relationship with their current manager or team.
2. Employees should not have to complete any sort of application form, and resumes should be very simple — if used at all. New hiring managers should be able to use existing HR resources, such as annual evaluations, and references from managers, co-workers and peers.
3. Allow a graceful transfer to the new position. An advantage of internal transfer is that a person is available to help train a replacement, or even retain some parts of a previous position while a replacement is found. However, do not slow the actual transfer to the new job. After all, an external offer would seldom require “finishing” the previous job.
4. Salaries offered should be similar to those an external hire would receive, even if that means an immediate raise to the applicant. We all understand parity, and workers will resent and ultimately leave an employer that does not practice it.
5. Use internal job-postings on bulletin boards or internal websites, and encourage internal recruiting. Assign a specific HR professional to confidentially work with people who are looking for a new challenge within the firm.
6. Encourage people to tell a senior manager when they need a fresh challenge. Employers will use this as an early-warning system to avoid unnecessary departures, helping people to find alternatives within the firm. In addition, employers might identify triggers that are leading to turnover (such as negative working conditions or a bad manager) that otherwise may spiral into a crisis.

Anecdotal evidence: AEGON USA, Cedar Rapids

Details of their program: AEGON USA created a program, called their Leadership Development Program (LDP), to recruit and train future leaders for their various insurance, annuities and investments businesses. The program targets high-potential internal candidates, as well as recruits from MBA programs around the region. Aspects of the program that make it work:

1. LDP participants are matched with internal mentors to help guide their way through a large organization.
2. Participants take part in a flexible rotation program, matching them with projects and managers in various parts of the organization. The flexibility allows a candidate to explore several areas of the company for two years before finding a long-term position.
3. Compensation is competitive with other regional MBA-level positions. This assures that AEGON can access the best and brightest from regional MBA programs inside and outside the state.
4. Human Resources professionals know to point high-potential internal candidates to the program, meaning that AEGON loses fewer high-potential, ambitious candidates to graduate schools or other employers.

Conclusion

To effectively recruit and retain “Generation lowa,” emphasize understanding the unique attributes of the generation.

Recruiting will require a new strategy. Following the generational differenced discussion, businesses are encouraged to consider creating an internship program, developing a Generation lowa recruitment strategy, conducting a future needs analysis, and raising starting salaries for critical needs and high potential employees to improve the recruitment of “Generation lowa.”

Retain Generation lowa by understanding what motivates them to stay. Develop mentorship programs, help employees focus on total compensation and create clear and flexible career pathways for young professionals.