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Generation Y
Changing with
the times



Generation Y refers to any individual born between 1980 and 2000 and, like most other generations, they have been shaped by the leaders, developments, trends and events of their time.

Executive Summary

Our last survey in relation to Generation Y was undertaken in 2007 under extremely different economic circumstances. This recent survey is based on Generation Y and their attitude towards the economic downturn. 2010 was a turning point for Generation Y. As the first members of this generation approach their thirties and the worst economic slump of their lifetime begins to loosen its grip, we asked how the recession has impacted their attitudes and what can we expect next from them. Our survey was conducted the end of 2010 and the start of 2011. We surveyed over 500 generation Y candidates and held focus groups with over 60 of them.

Generation Y are becoming more career savvy, they know what they want, they believe they can achieve it and they are actively planning to do just this. They are optimistic about the future and while the recession may have dented their confidence slightly they don't intend on letting it keep them down. Employers need to consider how they can harness this ambition and drive to get the most out of this demographic.

The economy has brought a new set of challenges to Generation Y in terms of job security and salary expectations. The objective of this report is to understand the mind set of today's workforce and tomorrow's leaders.

Our key findings can be summarised under the following headings:

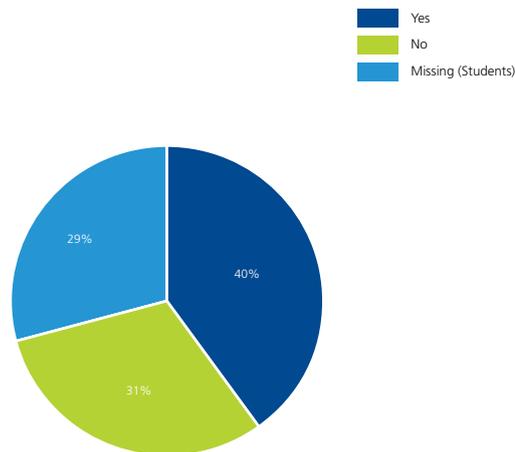
- Impact of the recession
- Satisfying Generation Y
- Planning for the future

Want to learn more? Read on...

How the recession has impacted Generation Y

Since the last Generation Y survey the economy has changed drastically and so have the needs and opinions of Generation Y themselves. There is no doubt that the recession has affected the entire workforce, with Generation Y being no exception. When asked about their future perception of the economy 51 per cent stated that they believe it will have worsened slightly or significantly over the coming six months. This pessimistic outlook is further seen with Generation Y's opinion on the performance of the previous administration; 67 per cent of respondents rate the previous administration's performance as either poor or very poor.

Do you expect a salary increase or bonus over the next 18 months?



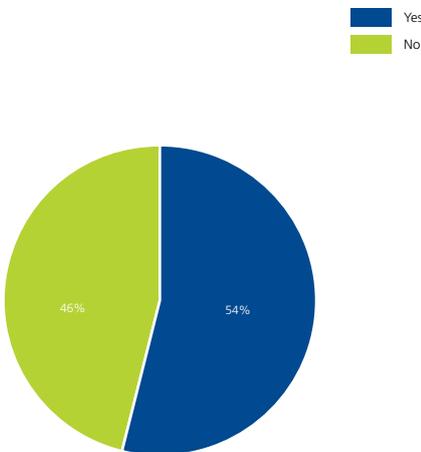
Salary has always been an influential factor for Generation Y when selecting a role and their expectations still remain high. It emerged from our last survey that Generation Y expects a starting salary of between €23 and €32k. In our recent findings 60 per cent of Generation Y participants stated that they would expect a salary of between €24k and €30k and 26 per cent of them are currently earning €43,000 or more which is particularly evident in the older age bracket (over 26). However, while money is important to Generation Y, maintaining a work life balance is also significant.

Satisfying Generation Y

Job security: a major concern

In our last survey we found that job security was not a huge concern amongst Generation Y as a strong economy had lessened the issue for them. In 2007, just 55 per cent stated that job security was a worry for them. However, in our recent findings we found that 78 per cent of respondents are worried about their jobs. Only 54 per cent of Generation Y regard their job as secure. Interestingly, females are more concerned with job security than their male counterparts, with 77 per cent expressing unease. Age seems to be a factor here as 89 per cent of the older generation (26-31 year olds) are the most concerned about job security, in comparison with 67 per cent of the 23-24 year old bracket. This concern from the older age group is likely to be a result of not only the recession, but also the fact that they may have accumulated more financial responsibilities than those younger than them.

Do you regard your job as secure?

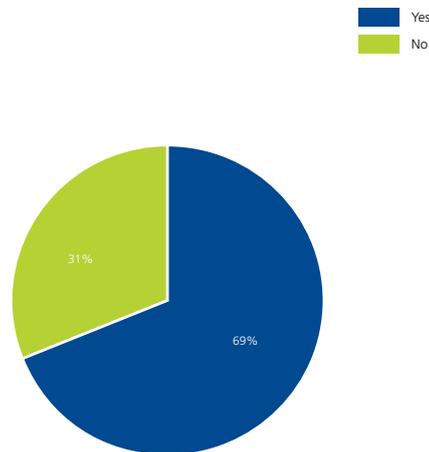


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Career success: very important

Generation Y strive for success. They measure this success on what they have learned and the skills they have acquired from their experiences. Generation Y are a driven generation who want to feel important and appreciated in their careers. This is demonstrated by the fact that 87 per cent of respondents believe that the work they perform adds strategic value to the organisation.

Would you consider setting up your own business?



When asked which was deemed more important between career and financial opportunities, 73 per cent stated that career opportunities were followed closely behind financial at 65 per cent. Generation Y still remain entrepreneurial with 69 per cent of respondents stating they would like to set up their own business.

Work-life balance: considered essential

Generation Y may not rank work life balance as their number one priority anymore but it is still an important factor for 3/4 of respondents. Paid holidays remains the most significant job benefit, as 94 per cent of all respondents stated that this was important for their job satisfaction. 72 per cent felt bonuses were imperative, while profit sharing plans and subsidised gym membership remain relatively unimportant.

While ambition and job satisfaction is very important to Generation Y, it is not their entire life; rather it provides the funds to fuel their life. Work-life balance remains integral to Generation Y, despite the economic downturn.

Economic recession had previously been a matter of history rather than reality for Generation Y. This group tends to adapt their work schedule to fit into their lives rather than the other way around. In the current economic climate, Generation Y have a similar work ethic to their more experienced co-workers. The older age group (26 - 31 year olds) within Generation Y remain the hardest working, with 34.5 per cent working 45 hours per week or more.

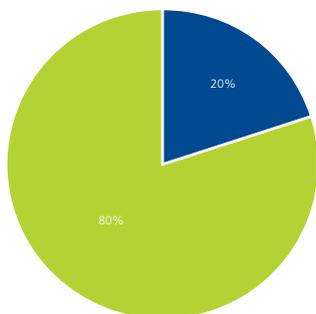
Workplace culture is something that Generation Y value highly. An environment where they can socially interact and work collaboratively is highly regarded by this group.

Social media: highly subscribed

Facebook remains the most popular social networking site. Our survey showed that 45 per cent of respondents use social networking sites daily and a further 29 per cent use them weekly. 61 per cent of the older generation (26-31 year olds) use Facebook, and 38 per cent use social networking site daily.

The iPhone and Blackberry have become immensely popular amongst Generation Y.

Do you access the internet through your mobile phone?

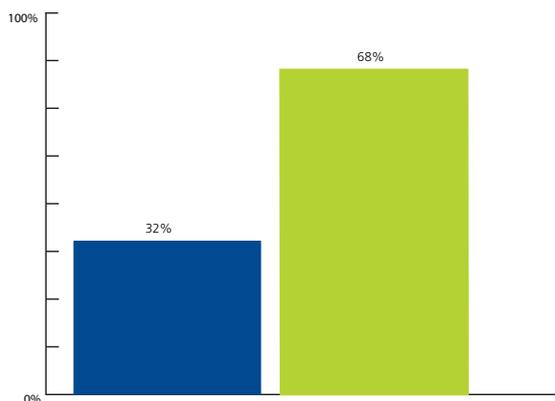


The appeal and prestige of owning a luxury phone rather than the convenience could be behind this. Surprisingly, 80 per cent of respondents stated they don't access the Internet through their phone. (45 per cent of the older group (26-31 year olds) compared with 27 per cent of 20-22 year olds stated they access the Internet through their phone.)

Planning for the future

Due to the current economic recession it is not surprising that there has been a surge in the younger generation emigrating. As they have relatively fewer financial commitments compared with their older counterparts, this is not surprising. Our survey showed that 43 per cent of 20-22 year olds stated they have plans to emigrate in the near future, while only 27 per cent of 27-28 year olds have plans to emigrate. These figures are due to the lack of employment opportunities currently available in Ireland.

Do you plan on emigrating in the near future?

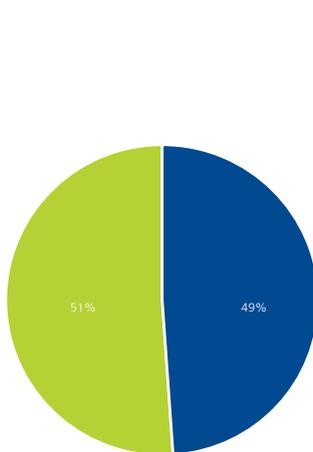


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Education is important to Generation Y as they express a desire to further their learning. Half of those surveyed hold a masters or post-graduate degree. Due to the current economic environment it has become increasingly appealing for Generation Y to continue their education and 86 per cent of respondents stated they would consider obtaining another degree or qualification. The younger generation (20-22 year olds) are more likely to consider returning to education with 91 per cent considering it a possibility. It is important for organisations to continue to actively encourage further education as these opportunities will increase Generation Y's loyalty to their employers.

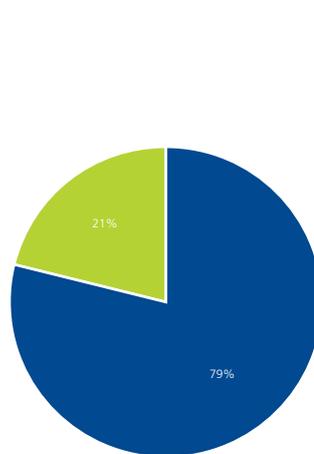
The economic downturn has failed to dampen the spirits of the optimistic Generation Y as 80 per cent are positive about achieving their career goals. In our 2007 survey only 32 per cent had a detailed career plan but this figure has changed substantially as 79 per cent now claim to strategically plan for their future.

Do you hold a masters or post graduate qualification?



Interestingly, 55 per cent of respondents felt that 'graduate and development programmes are the best way to start your career after college as they provide specialised training and development opportunities and the prospect of a fast tracked career'. "We believe graduate & development programmes are something employers should investigate further and ensure they have them in place."

Do you have future career plans?



■ Yes
■ No



Conclusion

In conclusion, we know that Generation Y's needs haven't changed dramatically and that personal development, appreciation and a sense of meaning remain important. Forward thinking employers will be looking for innovative ways to meet these needs, recognising that ignoring these factors will leave them exposed to high attrition rates and dissatisfied employees.

The differences within Generation Y itself should not go unacknowledged as there are distinctions between the younger and older age categories. It is not unexpected that the older Generation Y'ers (26-31 year olds) remain the most concerned regarding job security, as 89 per cent stated they were worried, in comparison to 71 per cent of the 20-22 year old age bracket. It appears from the survey that loyalty increases with age as only 19 per cent of the younger generation (20-22 year olds) claim to be loyal to the organisation they work for, while 62 per cent of 26-31 year olds are loyal. The 26-31 year old age group are not surprisingly the highest earners with 65 per cent of them earning €43,000 plus, whereas only 1 per cent of 20-22 year olds are earning the equivalent amount. Emigration remains a higher possibility for the younger generation with 43 per cent of 20-22 year olds would consider it in the future whereas only 17 per cent of the 26-31 year old age bracket would contemplate it. The older Generation Y continue to be the most conscientious with 86 per cent of 26-31 year olds stating that they have a career plan however 63 per cent of 20-22 year olds also stated they have future plans. Finally, there is a difference in expectation in working hours as 20 per cent of the younger Gen work 40-45 hours per week in comparison to 35 per cent of their older peers.

One of the most important developments in relation to Generation Y and the economic downturn is the shift in their priorities. Generation Y are infamous for enjoying the social aspect of the workplace. Nowadays, as a result of economic downturn career opportunities and financial security have emerged on par with work-life balance and promotion. Generation Y are equipped with the drive, optimism and savvy required to ride out the recession.

The economy will eventually pick up and the job market will expand bringing about an increase in opportunities for workers. Organisations should exploit Generation Y's improved motivation and determination in preparation for economic growth. For employers, now is a good time to focus on recruiting talent from universities and competitors.

Deloitte will continue to lead the thinking in generational talent management and work with our clients in linking our innovative insights to practical business outcomes.

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