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Abstract

It appears that there are employers who believe that Generation Y employees are often problematic. The technology, mass marketing, political times, and pop-culture in which Generation Y have grown up has ensured they have appreciably different ambitions and world views to previous generations. This paper reports the results of a study examining tourism and hospitality employer views of Generation Y employees and how some employers are attempting to draw upon the strengths of these workers. Focus groups with, and interviews of, employers in Coffs Harbour, Cairns, South East Queensland, Sydney and Port Douglas were used to gain an understanding of employer views. The focus groups indicated a sizeable number of tourism and hospitality managers believe Generation Y's beliefs in the types of work that they should be doing in their formative years in the workplace is a substantial problem for their organisations. However, a minority group of employers identified Generation Y's attitudes to work as an opportunity to tap into their strengths and to connect with their potential customer base. A number of iconic Generation Y cultural 'tools' have been adopted by this more visionary group of tourism and hospitality employers and are being used for recruitment and retention.

Introduction

The supposed characteristics of Generation Y (also referred to as 'Gen Y') employees are often seen as problematic by some employers. Despite being well educated, seeking an intellectual challenge and being keen to make a difference, perceived character traits such as a lack of respect for authority and a desire for immediate gratification are viewed negatively by some employers.

Generation Y employees currently make up a large proportion of the Australian workforce and will become increasingly larger as more of them enter the workforce. The growing importance of this generation in terms of the workforce makes it important business is able to fully utilise their skills and attributes. The full utilisation of Generation Y's skills requires knowledge about their work traits as well as how businesses effectively utilise their skills. This paper reports on the results from focus groups and interviews that examined tourism and hospitality employers' views of Generation Y employees and their attempts to engage and motivate these employees. The focus groups of employers were carried out in Coffs Harbour, Cairns, and Port Douglas. A series of interviews was also carried out with Human Resource Managers in South East Queensland and Sydney in 2007.

This paper begins with a discussion of the definitions and characteristics of Generation Y and then moves on to look at employer attitudes to Generation Y before outlining the research method used and then analysing a group of employers who had adopted differentiation strategies for recruiting and retaining Generation Y employees. Finally the implications of this are discussed.

Generation Y, Pop Culture and Work

Generation Y, Generation Y, the Millennials and the Internet Generation are some of the terms used to describe the same generation and while Generation Y is a well known term its definition is more complicated. Many demographic, business, government and academic publications have used their own specific factors as to determine who constitutes Generation Y. A person's date of birth is one factor used to classify membership of Generation Y. However, even this has been a matter for debate. For example, AMP-NATSEM (2007) argues Generation Y were born between 1976 and 1991 while others, such as Fast Company magazine, argue Generation Y were more likely to be born between 1978 and 2000. It is outside the scope of this paper to examine the arguments surrounding the definition of Generation Y suffice to say it is problematic and the debate is on-going.

The members of Generation Y are often the children of the Baby Boomers - those who were born between 1946 and 1960. Despite staying at home longer and being children of Baby Boomers, Generation Y are said to be more likely to share their grandparents' character traits than those of their parents (AMP-NATSEM 2007). The character traits of Generation Y, the Baby Boomers and Builders Generation are set out in Table 1. (Eisner 2005, p. 6) suggests Generation Y possesses a strong sense of morality, is patriotic, is willing to fight for freedom, value home and family, and is sociable. Additionally, they are said to be extremely brand conscious and brand loyal (Goldgehn 2004, p. 24). Overall, it is said Generation Y is disposed to being polite, have a generally positive attitude, are inquisitive, energetic and are generally respectful to their parents and grandparents although their attitude to employers depends on a number of factors to be discussed later (Eisner 2005; Goldgehn 2004). Generation Y also respect diverse lifestyles, cultures, ethnic groupings and sexual orientations because of a lifetime immersed in diversity via school, the workplace and popular culture (Bell & Narz 2007). Generation Y "has developed a strong work ethic, with nearly one half of Generation Y students holding down a job and seven out of every 10 Generation Y students studying part-time while engaged in full-time work" (AMP-NATSEM 2007, p. 1).

Table 1: The differences between the generations

FACTORS	**Builders Generation** Born before WWII Aged 60's & 70's	**Baby Boomers** Born 1946-1964 Aged 40's & 50's	**Generation Y** Born from 1980 Teenagers & 20's
Beliefs & values	Absolutes Security Work ethic	Some absolutes Variety Freedom	Few absolutes Lifestyle Fun
Motivations	Country Advancement Responsible	Individuality Achievement Relatable	Own-community Self-discovery Relational
Decision Making	Authorities Reputations Brand-loyal	Experts Information Brand-switchers	Friends Anecdotes Little brand loyalty
Earning & Spending	Conservative-savers Long-term needs Pay up front	Confident-investors Medium-term goals Credit-savvy	Uncertain-spenders Short-term wants Credit-dependent
Learning Styles	Auditory Content-driven Monologue	Auditory/Visual Analysis-focused Dialogue	Visual/Kinaesthetic Narrative/Metaphors Multi-sensory
Marketing & Communication	Prescriptive Mass Above the line	Descriptive Direct Below the line	Participative Viral Through their friends
Training Environment	Classroom style Formal Quiet atmosphere	Round-table style Planned Relaxed ambience	Unstructured Spontaneous Interactive
Management & Leadership	Control Authority Analysers	Cooperation Competency Doers	Consensus Creativity Feelers

Source: McCrindle Research Generation Map Study 2005

Generation Y is also the most technically literate generation in history. A 2003 study, found Generation Y consumed the equivalent of 31 hours of media via multiple mediums within a 24 hour period (Weiss 2003). In addition, an American study (Reynol & Mastrodicasa 2007) of 7, 705 American university students indicated:

- 97% own a computer,
- 94% own a cell phone,
- 76% use Instant Messaging,
- 15% of IM users are logged on 24 hours a day/7 days a week,
- 34% use websites as their primary source of news,
- 28% own a blog and 44% read blogs,
- 49% download music using peer-to-peer file sharing,
- 75% of students have a Facebook account,
- 90% of college students have a MySpace account and almost all teenagers over the age of 16 have one as well, and
- 60% own some type of expensive portable music and/or video device such as an iPod.

Australia's Generation Y has very similar technology use statistics. An outcome of this high level of technology usage is that Generation Y is used to a high degree of multi-tasking, having grown up juggling mobile phones while surfing the internet and listening to their iPod at the same time. Generation Y are highly literate when it comes to new technology and the jargon that surrounds it (Sheahan 2005). As a result, they are used to fast outcomes and would not consider devoting years developing their career. This generation will not start at the bottom by getting the photocopying or running mail errands. They want instantaneous challenges and with it, recognition and respect (Hays Recruitment 2007).

In addition to being technologically savvy, Generation Y is also considered to be one of the most educated and ethnically diverse generations who have the highest level of disposable income. Generation Y also wants an intellectual challenge, needs to succeed, seeks those who will further their professional development, strives to make a difference, and wants to measure their own success (Eisner 2005). While these can be seen as strongly positive traits, Generation Y are also perceived to have traits viewed negatively in the context of work, and the workplace, by a surprisingly high number of employers. For example, in a study of 240 Australian business managers, approximately 40 per cent of managers stated Generation Y is difficult to deal with. In support of this finding, another study found 70 per cent of employers were dissatisfied with their Generation Y employees' performance (Casben 2007; Preston 2007). Employers' dissatisfaction

related particularly to the communication skills of Generation Y, such as poor spelling and grammar and the fact Generation Y did not understand what constitutes appropriate corporate behaviour. Approximately 37 per cent of employers complained Generation Y lacked professional skills and the acceptable technical skills needed to do their job (Preston 2007).

Casben (2007) also suggests some employers believe Generation Y has less respect for authority than previous generations. New technologies and pop-cultures are said to have made them impatient with the "old ways". Generation Y's higher levels of education and their familiarity with new technology and information may result in them readily questioning how things are done. In addition, Generation Y workers are perceived as lacking in practical experience yet are overconfident and have unrealistic expectations about their salary. A majority of Generation Y workers also expect travel opportunities, further training and social events as part of their employment packages. Employers also believe if Generation Y doesn't like their pay, the work conditions or the management they will move to another job. One year in a job is seen to be a long commitment by many Generation Ys (The Daily Telegraph 2007). Casben (2007) suggests some employers believe Generation Y is more demanding than previous generations. Their ability to access instant information via Google, to purchase via eBay and to instantly tell the world all about themselves via MySpace has created an "immediate gratification generation" (Casben 2007). Patterson (2007, p. 21) agrees with this assessment of Generation Y and writes they "think email is snail mail and want to be chief executive of the company by 25. And, of course, all in no more than 35 hours a week".

The perceived traits of Generation Y has resulted in many managers and employers, mostly Baby Boomers, finding them a "headache" because they do not respond to a "do as you are told" management style (APM-NATSEM 2007). In this regard they are said to be the exact opposite of Baby Boomers, in that Generation Y appreciates a relaxed, creative, no-nonsense, life-style focused, less autocratic work place (Sheahan 2005).

The tensions between Baby Boomer managers and Generation Y employees have important implications for the workforce in Australia. Generation Y already provides 2.8 million workers for the Australian workforce; compared to the 2.7 million Baby Boomers currently employed in Australia (AMP-NATSEM 2007). These numbers and the fact an increasingly larger number of Generation Y will be entering the labour market in the future suggest a better understanding of how to manage and motivate this generation is needed. Unless Australian managers can understand how to effectively utilise Generation Y strengths workforce productivity is not going to improve in the future. "To Generation Y, an organisation's reputation or brand, a meaningful profession and a

belief in what the company stands for are important elements in their decision to work for an organisation" (Hays Recruitment 2007, p. 1). A number of organisations have shown that they are aware of this and that they need to become attractive in order to harness Generation Y's strengths. For example, Price-Waterhouse Coopers, St George Bank, Sportsgirl, Panasonic, Ernst and Young, Fairfax and Harvey World Travel are among a number of organisations who have decided to strategically engage Generation Y. These companies have changed their work culture in an attempt to appeal to Generation Y as potential employers and in order to retain them as employees.

Hays Research has found that "72% of Generation Y will not apply for a role with an organisation if they do not believe in what it stands for. Likewise, nine out of ten Generation Y candidates view the reputation or brand of an organisation as important in their decision to work for a company. 25 per cent of the remainder of the workforce do not" (2007, p. 1). Research indicates Generation Y also highly value managers who are accessible, competent, ethical, fair and whether or not they can be respected (Eisner 2005). Eisner (2005) also found Generation Y were dismissive of managers who were unable to use technology, did not present opportunities and incentives for achieving high performance, did not provide leadership, and who were unable to think critically and creatively.

These organisations, in an attempt to attract and retain Generation Y workers have fostered their talents and expectations over time. They have realised this generation is team and goal oriented and can be attracted to the "social and community activities" with which an organisation is associated (Sheahan 2005). The APM survey, for example, found Generation Y workers "expect social events (68 percent), further education and training (66 percent) and travel opportunities (59 percent) in their employment packages. Many also expected cash bonuses (42 percent), health insurance (29 percent) and rostered days off (27 percent)" (Patterson 2007).

"Benefits are influential for Generation Y 42 per cent of Generation Y respondents said they would not accept a job it if did not provide any perks while 37 per cent would not accept a job if it did not provide parking. In comparison, a lack of benefits would not hold the remainder of the workforce back from accepting a role" (Hays Recruitment 2007, p. 2).

Generation Y also does not want 'colleagues' at work, rather they want 'workmates' or friends. In this regard they are quite communitarian and collectivist, albeit unintentionally. They want to be part of a successful group and team and getting on with their co-workers is very important to them. The tourism and hospitality industry which has a high

degree of seasonality and is dominated by small businesses may be a problematic industry for Generation Y given their liking for community at work. However, they are also highly adaptable and have a high degree of locational mobility.

Generation Y and Tourism and Hospitality Employment

Generation Y make up a large proportion of those currently working in the Tourism and Hospitality industry in Australia. Approximately 30 percent of its employees are aged between 15 and 24 years of age, compared to an Australian industry average of 22 percent. Nearly half (45 percent) of the 15 to 24 years old in the Tourism and Hospitality industry are employed as casuals (Australian Bureau of Statistics 2005b).

In addition to a young workforce, the Tourism and Hospitality industry is characterised by a dichotomous work environment. Despite having a somewhat glamorous image involving a high degree of face to face personal contact, work in the industry has traditionally been seen as associated with servility (Guerrier 1999). The industry has been described as having an "upstairs/downstairs master/servant culture" (Baum 1995, p. 122). Additionally, the industry can also be "a picture of drudgery with low pay, anti-social conditions, lack of job security, poor treatment from employers, and contempt from customers despite a very up-beat perspective, which stresses challenge, opportunity, variety, mobility and a strong people dimension" (Baum 1995, p. 122). A consequence of these negative features of work in the industry has been a high level of labour turnover. This has resulted in the acceptance of "a high turnover culture" in the industry, where staff retention has not been taken as seriously as in other industries and sectors (House of Representatives 2007).

Another feature of Australian Tourism and Hospitality is that there is very little academic literature pertaining to the industry's strategies for recruiting, retaining and managing Generation Y. The existing literature in terms of the broader tourism and hospitality employment relations notes that the industry has been 'tradition bound'. In addition management appears to be particularly slow to adopt new ideas when it comes to managing staff, a large number of whom are now Generation Y (Buultjens & Cairncross 2001; House of Representatives 2007; Timo & Davidson 2005). The industry appears to be ineffective in dealing with a generation that is "mature, resilient, fast learners, techno-savvy, practical, enterprising and manipulative" but who also get bored quickly because "they can be a little too short-term focused" (Sheahan 2005, p. 16-17).

The traditional nature of the Tourism and Hospitality industry has meant largely, although not wholly, the industry has failed to analyse how the work environment needs

to change in order to support and maintain brand image, cater for a new customer base in Generation Y itself, yet also employ and motivate a generation that lives by a pop culture ethos that values being smart, connected 24/7 and "achieving now" (Eisner 2005, p. 9). Additionally, the industry has found it hard to come to grips with a generation which "tends to ignore traditional media and advertising channels, plays video games and watches DVDs rather than listed TV programming" (Eisner 2005, p. 9). This is a generation with more respect for ability and getting things done than one's rank and which associates job satisfaction with a positive work atmosphere and an expectation of on going workplace training and learning (Eisner 2005). In many ways Australia's tourism and hospitality industry has been slow to offer recognised and transportable training while the "upstairs/downstairs" attitude has not always led to talent being the main reason for promotion (House of Representatives 2007).

For the Tourism and Hospitality industry, just like many other industries, Generation Y is a challenge because the technology, mass marketing, political times, and pop-culture in which today's youth have grown up has ensured they are significantly different to previous youth cultures. As a result it has been argued Generation Y will benefit from, and become productive, if a workplace offers multi-tasking and variety, free access to co-workers, a voice in work, project centered work and constant company information through information technology (Eisner 2005). If an organisation does this then its Generation Y employees are productive.

Special processes and systems tailored to Generation Y's sense of comradeship and office spaces that help promote an exchange of ideas should be encouraged (Sheahan 2005). Digital training systems would be readily accessed by this generation and on-site leadership academies and formal mentoring programs should also be established. Additionally some clear indication that an organisation is also socially aware and active is considered to be important, particularly in regard to recruiting Generation Y (Eisner 2005; Sheahan 2005). This all requires different ways of recruitment and selection from more traditional methods with career day seminars and stories about people and their success being more successful in recruitment rather than just using statistics (Eisner 2005).

These all help recruit and retain Generation Y employees but, importantly, they are all also things that Generation Y customers relate strongly too as well.

Methodology

A series of focus groups and individual interviews involving tourism and hospitality mangers were used to examine employee relations in tourism attractions, organised tours, restaurants, and cafes and hotels and resorts located between Sydney, New South Wales in the south and Cairns/Port Douglas, Queensland in the north.

The, first part of the study, the focus groups were conducted in mid to late-2005, in Coffs Harbour, New South Wales and Cairns and Port Douglas in Far North Queensland. Thirty managers from attractions, tour companies, restaurant and cafes, hotels and resort participated in seven focus groups. The managers were identified by the regional tourism organisations and letters were sent out to potential participants inviting them to attend the focus groups.

Three sessions were conducted in the Carins-Port Douglas region and four in Coffs Harbour, New South Wales. In total thirty organisations participated in the focus group sessions. Five of the organisations were tour operators and/or attractions, seven were cafes and restaurants while the remaining 18 hotels or resorts. The five tour operators and four of the cafes and restaurants were small businesses, employing less than twenty people. The resorts employed between 50 and 320 people.

The second part of the study, the face to face interviews, were undertaken with the Human Resource Managers from 17 four, four and a half and five star hotel and resort chains in the first part of 2007. These hotels and resorts were from various geographical locations from near Rockhampton, Queensland in the North to Sydney in the south. These managers represented 50 hotels and resorts throughout Australia and accounted for approximately 3,550 employees in total. The largest organisation employed almost 600 people while the smallest had 15 employees. Initial contact for the face to face interviews was made with the Human Resource Managers by telephone. During the call the purpose of the research and the need for the interview was explained. The questions to be used in face to face interviews, together with a covering letter, were then sent by mail or email to the managers who had indicated a willingness to participate in the research. A 75 per cent acceptance rate was achieved.

The interviews were conducted between mid-March and mid-May 2007. Each interview was conducted in a place agreeable to the case study respondents and a field questionnaire was used as the basis for the face to face interview. The interviews were conducted in order to determine ownership structures and employment patterns. Additionally data was sought on each organisation's human resource recruitment and

selection, development and their service quality strategies as well as their knowledge capital perceptions. The data was then coded and field questionnaire replies were analysed against set research objectives along with the recorded responses obtained from the interviews. Follow up questions and phone interviews were then used with 'innovator employers' to gather more information about the phenomena and the strategies they had adopted to recruit, retain and motivate Generation Y employees. An analysis of the employment instruments used by the innovator organisations who were interviewed in 2007 was also carried out.

Findings: A General Overview

A number of themes emerged from the focus groups and interviews. Managers believed overwhelmingly the most important requirement for employees in tourism and hospitality was 'people skills' or customer service skills. Employees needed to be well presented and have the confidence to deal with people in an appropriate manner. It was felt technical skills required by employees could be taught, especially 'on the job'.

The high labour turnover level in the industry was seen as a pressing concern by most managers, which was exacerbated by the tight labour market. There was a strong feeling there was a need to change the perception of employment in the industry. A 'career culture', with improved career progression, had to be created to replace the perception of low pay, long hours and boring work. It was felt many employees, especially the young, saw employment in the industry as an interim measure before getting a 'real' job.

There was also a perception that there was a lack of formal training throughout the sector and this needed to be addressed in order to overcome labour issues in the sector. In addition, there was also a feeling amongst managers that there were gaps in training offered by educational institutions, particularly in the area of business and economics. It was also suggested many people who received industry training were inappropriate for the industry. Managers felt that the unemployed were undertaking training 'often just to get dole'.

Another particularly strong theme to emerge was in relation to Generation Y employees and their 'work ethic'. A number of employers suggested a number of young employees were impatient and were unprepared to go through a learning and maturation process. They wanted a promotion straight away. These findings are discussed in greater detail in the next section.

Generation Y employees

Twenty-nine of the 30 managers involved in the focus groups indicated they had some issues or problems with Generation Y employees. In addition, 13 of the 17 HR Managers interviewed in 2007, had similar views on Generation Y employees. These results would seem to support the broader multi-industry view on Generation Y presented by Preston (2007).

Many of the managers specifically referred to what they considered was Generation Y's reluctance to 'do the hard yards' in a job before seeking promotion. The following statements represent the feelings of many managers:

> *Some of them think that you can come straight out of uni (university) and go straight into a management position. It doesn't work like that." (Hotel Manager, Mid-North Coast NSW 2006).*

> *They don't seem to want to stand still. Trying to keep them focused is the hardest thing. They don't seem to be willing to do what has traditionally been required in a job. (Restaurant Owner, Far-North Queensland 2006).*

> *They are a hard market. They want everything now but they don't want to work hard for it. (HR Manager, 4 Star Hotel, S.E Queensland 2007).*

Additionally a number of the managers interviewed also said they felt Generation Y had unrealistic expectations when it came to both promotion and remuneration.

> *I told a new staff member who was a Generation Y graduate not to come to me in 12 months and ask for fifty grand a year because I told her she wasn't going to get it. So she waited 13 months and then came and asked me for it! (HR Manager, 5 Star Hotel, Sydney 2007).*

Despite the majority of managers having a negative view of Generation Y employees, four managers were very positive about Generation Y employees.

Responses to Generation Y

Despite the managers' generally negative perceptions of Generation Y employees, they were utilising strategies that would accommodate this generation. For example, when the managers who were interviewed in 2007 were asked what type of recruitment tools they used, all stressed the importance they placed on the internet and the intranet as

they understood that Generation Y is attracted to modern technology. All the hotels and resorts used *seek.com.au*, while another eight *mycareer.com.au*. In addition, many had spent a lot of time upgrading their organisation's web sites so that they were *"attractive and user friendly to Generation Y*" (HR Manager, 5 Star Hotel, Sydney 2007). The reasons for the widespread use of the internet as a recruitment mechanism is summarised by the following statement from an HR manager at a four and a half star Hotel in South East Queensland.

> *It's our primary tool….both via seek.com and our own homepage, which we set up about 18 months ago. We find we get a lot of younger applicants that way - they (employees) use the internet in the first instance. We get about 60 per cent through our own site, 30 per cent through seek.com and the rest through the others.*

In discussing the retention employees in the industry and strategies that could address the issue, a majority of managers, especially those from larger workplaces, saw training as being important, especially to Generation Y employees. This view existed despite the wide variation existing in the types of formal and informal training offered by the organisations.

Interestingly it was the 'outriders' or the four organisations that saw Generation Y employees in a positive light that offered more in the way of formal and transferable training. These four managers from large hotels and resorts, where Generation Y accounted for between 40 and 60 per cent of all staff, had ensured that their training strategies were interactive, portable and could be used and delivered as much as possible via the internet.

The broad range of employment strategies adopted by these four organisations, who could be considered 'innovators', all took account of the fact that Generation Y is strongly influenced by new information technology and popular culture. The managers' attitude to Generation Y from these four innovative hotels and resorts is encapsulated by the following comment.

> *They are the first IT generation and they are switched-on and keen, wanting to be friends with everyone at work and wanting to get ahead fast and achieve. So we have to adjust our recruitment and retention as a part of that. So I've become an instant expert on all things Generation Y. They see training as being very important; it shows to them that you care. (HR Manager, 5 Star Hotel, Sydney 2007).*

Broadly speaking the four innovators indicated that they had employment strategies focusing on technology, socialising at work, training, social activism and reward and recognition. Their strategies, in relation to each of these themes, are now considered.

Technology

The literature suggests Generation Y is the most technically literate generation in history and therefore enter the workforce with command of a wide variety of information technologies. They often have technological abilities way ahead of the information technology already being used in the workplace (Reynol & Mastrodicasa 2007). The challenge for organisations is to harness the technological skills of the young workforce. In the focus group discussions and interviews it was clear, as stated previously, a few of the organisations were better in this areas than most of the businesses. The employers who saw this as an opportunity had gone further in using the internet as a recruitment instrument than the majority of employers. In these cases the organisation constantly updated their web sites and surveyed Generation Y staff and prospective staff to ensure their sites were user friendly and attractive. For example, one hotel chain had personalised their web sites *"so prospective employees from Hotel Schools and Universities can see photos of their graduates who have got jobs with us. We find they'll relate to the personal angle far better than dry sums and statistics*" (HR Manager, Sydney 2007).

In addition, all four innovators had staff doing job rotation to various degrees so they could use their technology skills more broadly. The four organisations also arranged for staff newsletters to be sent out in hard copy as well as electronic via staff intranet thereby catering to the communication abilities of Generation Y in the best possible manner.

Socialising at work

As discussed earlier, team work, special spaces, process and systems tailored to Generation Y's sense of comradeship help promote an exchange of ideas and increases productivity. Sheehan (2005) argues these characteristics should be encouraged in the workplace. The four hotels and resorts who looked on Generation Y's different attitude to work as a positive had grasped this concept with alacrity. Team work was the norm in all four organisations. In addition, one hotel manger, where 60 per cent of the workforce consisted of Generation Y employees, understood music was a crucial part of Generation Y's background and make-up and it could be could be used to ensure happier and more productive employees. The manager stated:

We spent a lot of time and effort putting piped music into what we call the heart of the hotel, those areas where only staff goes. We have found that piping radio and modern music in has improved their demeanour out of sight. We have an eclectic mix - Nova, Triple M, and Triple J. They are happier. We have bright colours in those areas as well. We are finalizing a new staff canteen. Like McDonalds it will have a minimalist feel. For the first twelve months it is $2.50 a meal then $3.50 a meal thereafter. We have an internet portal in it." (HR Manager, 5 Star Hotel, Sydney 2007).

All four innovator hotels and resorts had active social clubs run by volunteers; many of them Generation Y. The activities undertaken in the social clubs were wide-ranging and varied.

We have a strong social club. Movie nights, canoeing, 10 pin bowling, climbing the bridge. Belgian beer restaurant nights. We are even talking about sky-diving. So the sky's the limit – literally!" (HR Manager, 5 Star Hotel, Sydney 2007).

We have reef trips and rainforest walks. Diving, sailing, movie nights and restaurant nights as well. (HR Manager, 5 Star Resort. Far North Queensland 2006).

One hotel, in response to Generation Y's liking for fitness and the fact they appreciate their employers offering gym memberships and health insurance (AMP-NATSEM Report 2007), had made a point of catering for this Generation Y characteristic.

We have introduced an employee gymnasium. I think we are the only five star hotel that has done that. It has a chill out area with bean bags and flat screen TV's. They can come in during their breaks or before or after work if they want." (HR Manager, 5 Star Hotel, Sydney 2007).

In summary, it was apparent the four innovative hotels and resorts had adopted an approach to recruiting, retaining and motivating Generation Y on the basis that "if you can't keep Generation Y entertained, you can't keep them" (Sheehan 2005, p. 63).

Training

Training and development is the key for organisations in their attempts to attract and retain Generation Y. Training can also help Generation Y overcome their exaggerated sense of self importance and impatience (Sheehan 2005) since it helps them mature and learn what they need to do in order to earn promotion with an organisation. The four innovator employers understood that Generation Y want to continually learn new skills and that it was important to provide an opportunity for them to utilise their old and new skills. Often ongoing learning and development was as simple as setting up an internal mentoring program or networking sessions, or formal structured courses through external educational providers.

All four innovator organisations understood this and had introduced a series of wide-ranging formal and informal training programmes. Notably their training schemes were more varied in content than the training programs of the majority of other participating organisations. The importance of on-going training amongst innovator managers is indicated by the following comments:

> *You've got to keep them stimulated. And that is where training is important. Training keeps them keen and it keeps them around for longer too. It's a great retention tool.* (HR Manager, 5 Star Hotel, Sydney 2007).

> *We realise training is important for our staff, particularly the younger ones. They respond to it well. It's great for motivation.* (HR Manager, 5 Star Resort, SE Queensland 2007).

Social activism

Eisner (2005) and Sheehan (2005) discussed Generation Y wants to see some clear sign an organisation is also socially aware and active. One hotel in particular had grasped this concept and was using a pioneering approach in this area:

> *We have a hotel environment and social issues team made up of staff volunteers. They have made sure all the light bulbs are eco-friendly. They have also gone further. We have sponsored three staff members from poor families from our hotel in Fiji to work and to play rugby here for a year. When we tell potential employees about this we get a positive reaction. I've had staff tell me that the environment and social issues team is one of the reasons they came to work for us.* (HR Manager, 5 Star Resort, SE Queensland. 2007 Case study database).

Reward and recognition

A number of commentators have noted employers need to ensure entry level employees can see there are steps in place to enable them to progress up the career ladder. If jobs are seen as a dead-end then organisations will not retain their staff (Bell and Narz 2007; Sheahan 2005; Eisner 2005). These commentators also stress rewards need to be open and provided reasonably frequently where they are deserved. Companies adopting a "sacrifice now for reward later," policy will suffer as "Generation Y won't buy that" (Sheahan 2005, p. 36). All four managers from the innovator organisations stressed they had widened the type of rewards they provided and, in addition, managers were encouraged to offer verbal praise on a regular basis, when warranted. Additionally, more novel forms of fiscal reward had also been implemented.

> *We have reward system called cashiers which they can cash in for movie tickets, birthday presents, and that sort of thing. It's very popular. We also have associates of the quarter. We also have team awards. The team award of the year is worth a thousand dollars. They can spend that as they want as a team or split it up among them, they can spend it anywhere in town. (HR Manger 5 Star Hotel, Sydney 2007).*

All four innovator employers offered performance assessments at least twice a year and stated they ensured any identified training was carried out and any encouragement and rewards were reinforced as part of the performance assessment process. All four managers also eschewed individual employment agreements such as Australian Workplace Agreements (AWA's) in favour of either awards (three) or a certified agreement (one). All employers paid many of their staff above award wages. All stated awards and certified agreements tended to be more comfortably accepted by Generation Y employees. One HR manager noted:

> *I use the fact we are on the award and that we pay penalty rates to destroy my competitors in the local labour market. (HR Manager, 5 Star Hotel, Sydney 2007).*

The hotel using certified agreements had also moved to offer more permanent employment for staff by reducing the number of casual employees in favour of a flexible part-time arrangement where all part-timers are offered 20 hours a week minimum at different peak demand times of the week. Included in the certified agreement was also a pay-for-skill-attainment clause where employees got pay rises for passing competency

tests relating to their work. The Human Resource Manager said this system "*was very popular with our younger Generation Y staff*".

Discussion and Conclusion

Popular culture in the form of new technology and music and film has been a powerful shaper of Generation Y's attitude to work. Generation Y is the first generation to come to the workplace having mastered new technologies in schools and at home. The information technology revolution has been referred to as the third industrial revolution, (Greenwood 1997) but it is different to the previous industrial revolutions in that much of the technology has become readily available outside of the workplace prior to the availability in the workplace. Previous generations of employees could only learn about new technologies in the workplace, the IT revolution, on the other hand, has gone beyond the boundaries of the workplace.

As a result, a techno-savvy Generation Y has arrived in the workplace uniquely equipped like no other expecting equipment that is up to date. If a manger can not master information technology, show they are not competent in it or are not good mentors then they will not command the respect from Generation Y employees. In the words of one manager interviewed in 2007, Generation Y:

> *Don't respect experience. They expect competency. It highlights some managers who are managers shouldn't be managers. (HR Manager, 5 Star Hotel, Sydney 2007).*

Organisations that strategically target their employment policies and practices to address areas of importance to Generation Y will be successful in attracting and retaining Generation Y employees. Organisations need to provide access to modern information technology, an enjoyable and social workplace, provide ongoing training and an awareness of social responsibility and ethical responsibility. In addition, they need to recognise and reward achievement through the regular use of fiscal and non-fiscal incentives. The four innovator organisations identified in this research had achieved below industry labour turnover rates in the 2006-07 year with the lowest rate of 12 per cent. Their rates compared very favourably with an average industry turnover rate of 47 per cent for top-end hotels and resorts (Tourism Transport Federation 2006).

Admittedly the four innovators were large organisations with substantial resources, and it was apparent the strategies used were mostly strategies applied to a chain of 23 hotels and resorts across Australia. For most of the smaller operators who participated in this

study, a number of the initiatives offered in the larger workplaces, such as gymnasiums and piped music, would be beyond their resources. Nevertheless, some of the initiatives implemented required few financial resources and were relatively easy to implement. These initiatives included the formation of social groups, the utilization of team work, the provision of non-fiscal rewards and access to internet stations during rest breaks. Yet their impact on morale and staff retention was described as emphatically positive by the mangers from the innovative organsisations.

The need for portable formal training recognition also needs to be addressed at a national industry level, not only because it helps with general staff retention and allows for career paths to be built but also because it strongly appeals to Generation Y, a mobile generation who nevertheless reward training with commitment when it is given. Fortunately the need for a portable recognised national industry scheme has now been identified as an important feature of effective management in the industry (House of Representatives 2007).

The innovators discussed in this paper have discovered they have benefited from lower staff turnover and higher staff morale from their initiatives addressing the needs of Generation Y employees. These organisations have realised Generation Y has moved from the information age to the entertainment age and expect to have fun at work where possible (Sheahan 2005). This can mean happy staff and happy staff usually translates into happy customers.

One Human Resource Manager said:

> *A lot of employers see Generation Y as a problem. That's not the case here. Problem? What Problem? They are an opportunity. (HR Manager, 5 Star Hotel, Sydney 2007).*

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