

Great expectations: managing Generation Y



| | |
|-----------------------|----|
| Foreword | 01 |
| Executive summary | 02 |
| Findings and analysis | 04 |
| Recommendations | 11 |
| Methodology | 15 |

Graduates are a critical part of the UK workforce. Following unprecedented growth in higher education over the past decade, around 230,000 now join the labour force each year. The challenge for the employers and managers recruiting these graduates is how best to capitalise on their skills and to generate maximum value for the organisation.

Today’s Generation Y graduates are likely to have a distinct set of characteristics, perspectives and expectations from the people who are managing them. Previous research by Ashridge Business School identified several core behaviours and attitudes of Generation Y that could cause a disconnect in the workplace.

With this in mind, Ashridge and the Institute of Leadership & Management joined forces to look more closely at the work expectations of Generation Y graduates and their managers. By approaching this research from the perspectives of both graduates and managers, we have gained a clear and compelling picture of the similarities and differences between them, and the potential impact of the disconnect in certain key areas on individual and organisational performance.

The report’s findings have profound implications for a range of stakeholders including employers, managers, graduates and education institutions, as they do also for the UK economy and society in general.



Peter Cheese, Chairman
Institute of Leadership
& Management



Kai Peters, CEO
Ashridge

This research report by ILM and Ashridge Business School examines the attitudes and expectations of Generation Y graduates and their managers in relation to work. It also looks at how well managers understand the Generation Y graduates who report to them.

The findings reveal that the UK’s recent graduates are an academically talented and motivated group with considerable ambition. Yet the research also uncovers a significant level of dissatisfaction among graduates. Nearly a third (32%) are unhappy with the performance of their boss. A majority plan to move organisations within two years. Many want to move as soon as possible. The survey also highlights a significant disconnect between graduates and managers across many issues. This rift in understanding is bound to affect graduate job satisfaction, long term talent planning and management, and individual and organisational performance, and needs to be addressed.

Great expectations

Generation Y graduates are ambitious, strongly motivated by money, status and career advancement, and expect rapid progress in these areas. Managers have a more conservative view of graduates’ pace of progress, which suggests graduates’ high career expectations are a potential cause of dissatisfaction.

- Over half (56%) of graduates expect to be in a management role within three years of starting work, while 13% of graduates expect a management role within a year.
- 38% of graduates are dissatisfied

with career advancement in their current organisation.

Graduates value money and status, and their expectations in these areas are often not met.

- The three top priorities in the workplace for graduates are challenging/interesting work (33%), a high salary (32%) and advancing their career (24%).
- Graduates say the following are below their expectations – salary (45%), job status (30%) and achievement in work (28%).

Freedom and independence

Graduates value a high degree of freedom and autonomy in the way they carry out work. Managers favour a more balanced blend of freedom and control, and do not always appreciate how important independence is to graduates. As a result, managers risk demotivating graduates with a hands-on management style.

- Graduates want their managers to: respect and value them (43%); support them with career progression (36%); trust them to get on with things (35%); and communicate well with them (34%).
- Managers, on the other hand, see regular feedback about performance (50%) and setting clear objectives (49%) as the most important behaviours – and wrongly believe that this is what graduates are looking for

from managers.

- 32% of graduates feel the performance of their boss as a manager is below or greatly below expectations.
- 21% of graduates say opportunities to use their ability and knowledge are below or greatly below their expectations.

Relationships

Graduates want a boss that is more of a coach and friend than a manager in the traditional sense. The research, however, reveals a significant disconnect between graduates and managers over the type of relationship that exists.

- Graduates’ ideal manager is a coach/mentor (56%) or friend (21%) rather than someone who directs (8%) or examines and audits (2%).
- 75% of managers believe they are fulfilling the role of coach/mentor, but just 26% of graduates agree.
- 21% of graduates view their boss as their friend, while only 5% of managers see the relationship this way.
- 19% of graduates see their manager as someone who directs and allocates work, yet only 9% of managers believe they act this way.

Work-life balance

Graduates and managers both value their work-life balance, but managers underestimate its importance to graduates. Despite

their high career expectations and ambitions, graduates do not buy in to a long-hours culture in the same way their managers do.

- Work-life balance is among the top five things graduates want at work.
- 63% of managers take work home at least once or twice a week, compared to 38% of graduates.
- A quarter of graduates never take work home, compared to just 6% of managers.
- 19% of graduates never switch on to work outside of the workplace, compared to 4% of managers.
- 39% of graduates do personal activities at work at least once or twice a week, compared to 25% of managers.

The impact of the recession

The recession has affected graduates’ careers in a number of ways, with many graduates forced to compromise on the roles they accept.

- Due to the financial downturn graduates say they have: taken any job, rather than their ideal job (18%); are working in the right area but not their ideal job (16%); are staying in a job they don’t like (12%). 17% are in the right job but career advancement is slowed.
- 27% say with hindsight they would have got more experience before starting work.

Moving on

Graduates are broadly engaged at work, but this does not translate into a long-term commitment to their employer, with most looking to move on within two years.

- 75% of graduates are proud to work for their employer; 73% are personally motivated to help their organisation succeed; 80% are motivated to go the extra mile at work and 68% would recommend

their employer as a place to work.

- Yet over half (57%) of graduates expect to leave their employer within two years; 40% expect to leave within a year.
- 16% intend to go as soon as possible – more women (19%) than men (11%).

Recommendations

The findings reveal a serious and potentially damaging disconnect between Generation Y graduates and their managers, as well as some key areas that employers can focus on in order to bridge this gap and improve graduate retention and performance.

Acceptance. When recruiting, organisations should, of course, ensure that their selection processes deliver graduates who are a good cultural fit, and who have the requisite skills. But while 21% of managers want to improve the process of matching graduates with the organisation, and 15% want to alter recruitment and selection methods, it is important to realise that the disconnect is not all down to the selection process. The ambition, expectations and focus on the self are part of Generation Y’s fundamental make-up, not character flaws to be screened for during recruitment or managed out.

Communication. Organisations can only benefit by ensuring graduates and management better understand each other. This means encouraging, supporting and equipping both managers and graduates with the skills to communicate more effectively. Regular, open conversations about expectations and ambitions, and how better to align these to the role and organisation, will go some

way to bridging the disconnect between managers and graduates.

Empowerment and autonomy. Employers can evolve their management models and find ways of giving greater autonomy to graduates, while retaining best practice elements such as objective setting and performance feedback. They must encourage and enable leaders to manage the person, not the task.

Coach rather than manage. The current generation of graduates want to be coached rather than controlled and directed. But managers need help and support from their organisations to develop the core coaching skills required to engage and empower graduates without impeding their independence.

Manage career expectations. There is a clear opportunity for organisations to improve the way they manage graduate expectations about career, salary and status. Managers may need targeted learning and development to help them achieve this. For their part, graduates should be realistic about the prospects of early advancement, and be willing to work with managers to find a mutually satisfactory solution.

The benefit of experience. The research findings suggest that Generation Y graduates would benefit from more work experience prior to taking on a full-time position. Finding ways to include elements of real world practical application and work experience into degree programmes is an issue that needs to be addressed by both higher education and employers.

This joint research by the Institute of Leadership & Management and Ashridge Business School provides a unique insight into the attitudes and expectations of both graduates and their managers. In doing so it highlights some important challenges facing organisations seeking to get the best from their graduate recruits. While in a number of areas the survey uncovers similarities between the two groups’ views about work and each other, it also reveals a significant disconnect. It is a disconnect that extends across a number of work related areas, and which impacts directly on the performance, engagement and retention of graduate recruits.

What graduates want

The survey of almost 2,000 recent graduates and their line managers reveals that graduates from Generation Y¹ are a group of individuals with a very clear idea of what they want from work.

Fiercely ambitious and motivated by money, status and career advancement, graduates’ top three priorities in the workplace are to be doing interesting work (33%), earning a high salary (32%) and advancing their career (24%) (See Figure 1). Over half (56%) think they can reasonably expect to be in a management role within three years of starting work.

The graduates questioned also have a distinct vision of the kind of relationship that they want with their manager. They want to be trusted and respected by their boss. Their ideal manager is a coach and mentor (56%), or a friend (21%), rather than someone who directs (8%) or examines and audits (2%).

The graduates seek freedom to work the way they want, rather than to be micro-managed. They want autonomy and independence not hands-on management – objective setting and regular feedback about performance feature near the bottom of the list of behaviours they want from managers.

Although they are very ambitious, graduates want a good work-life balance combined with rapid career progression. Work-life balance is the fifth most important factor in their working life. They tend not to take work home with them that frequently, for example, or be switched on to work when not at work. They are, however, comfortable doing personal activities on company time.

Generation Y graduates are a highly educated group of individuals, with 38% of respondents holding a master’s degree or higher. And a sizeable majority of graduates appear happy with the organisation they are working for: 75% are proud

to work for their employer; 68% would recommend it as a good place to work; 73% are personally motivated to help their organisation succeed; and 80% are willing to go the extra mile at work.

Yet, as we will see, a majority still expect to leave their employer within two years.

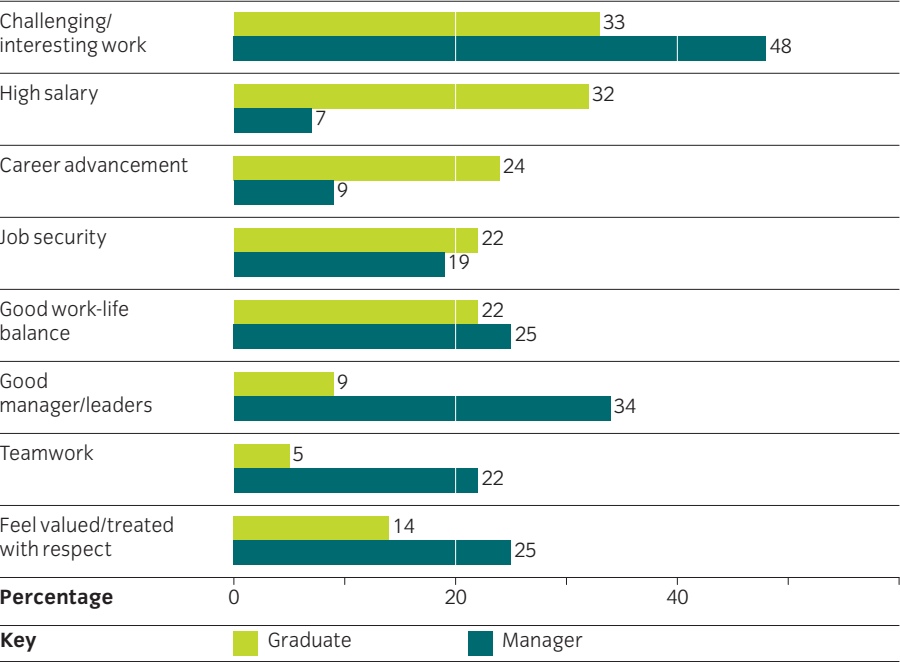
¹ Generation Y covers those born 1982–2002

The graduate-management disconnect

At first glance, a significant proportion of graduates and managers share a similar perspective on working life. Almost half (47%) of graduates and 41% of managers believe there is no difference between the two generations’ attitudes to work – yet there is a substantial gap between the priorities and expectations of each group.

There is a lack of understanding between graduates and management about what graduates

Figure 1: Importance of having the following in your working life



The figures relate to the percentage of the graduates/managers placing factors in their top 3

want from work, how they want to be managed, how graduates feel about their manager’s performance, career advancement and much more. These fault lines extend across many aspects of work, creating a substantial and potentially damaging disconnect between graduates and their managers.

So, for example, when asked what they think graduates value most at work, managers are wide of the mark – underestimating the value of salary (graduates place it second, managers think graduates rate it fifth most important) and work-life balance (fifth most important for graduates, managers think graduates place it tenth), and overestimating the importance of good management and leadership (graduates place it 12th, while managers think graduates place it third).

Great expectations

Generation Y graduates are a very ambitious group of individuals.

They expect quick progression to management, and are motivated by money, status and career advancement. Their expectations about the pace of their career progression are not matched by those of their managers, however. Managers have a more conservative – but perhaps more realistic – view of what is possible in terms of promotion and reward, borne from experience. There are also differences between graduates and their managers in the value placed on certain types of learning and development.

Career progression. Graduates expect rapid career progression. Over half (56%) think they can reasonably expect to be in a management role within three years of starting work. Nearly two-thirds (61%) of graduates anticipate progressing to management at the same pace or more quickly than their boss. And 77% of managers agree. But there is disagreement over just how quickly graduates will become managers. Some 13%

They [graduates] want to be the boss too fast a manager

of graduates think they should be in a management role by the end of their first year at work. But only 6% of managers share that view. And a third (32%) of graduates are aiming to obtain a management role by at least the end of their second year, compared to just 23% of managers who think that target is realistic. Previous research by ILM² shows, however, that most managers are not appointed until their early thirties. This highlights that graduates’ expectations of a rapid rise to management are ambitious, and pose a potential challenge for organisations and their managers. It is little surprise that 38% of graduates are dissatisfied with career advancement in their current organisation.

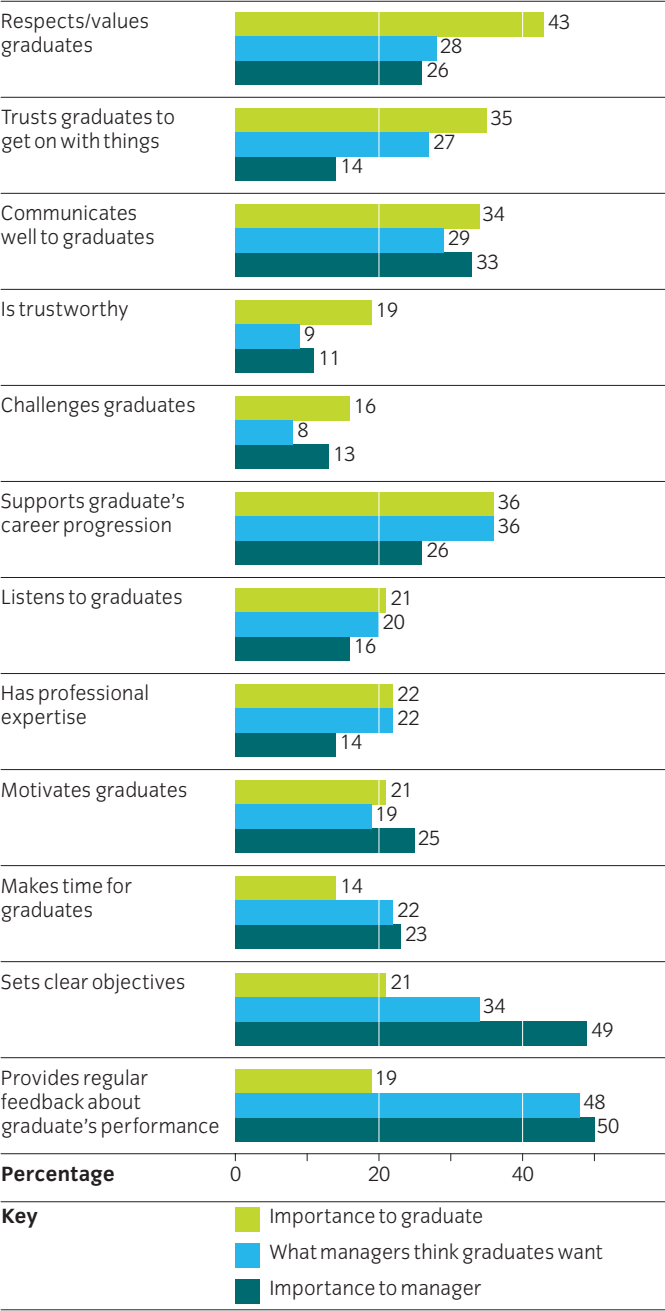
Graduates may believe that their high level of education warrants quick promotion. They are more academically qualified than their managers: 59% of graduates have a bachelor’s degree, compared to 34% of managers; and 35% have a master’s degree, compared to 26% of managers.

² Ambition and gender at work report, ILM, 2011

Rewards and motivation. The research findings show that money and status are very important to the current generation of graduates. And they are largely dissatisfied with their employer’s performance in these areas.

Findings and analysis

Figure 2: Importance of manager behaviour



The figures relate to the percentage of the graduates/managers placing factors in their top 3

Remuneration is a notable point of discontent. A significant proportion (45%) think that their salary is below or greatly below expectations (See Figure 5). Job status (30%) and achievement in work (28%) are other notable points of contention. Career advancement and salary provide the biggest disappointment, with 38% and 45% of graduates

respectively believing the organisation's efforts fall below expectations. Interestingly, men put more emphasis on extrinsic drivers, whereas intrinsic drivers are more important for women. So, for example, women place much more importance on their managers respecting and valuing them – 47% place it in the top three compared to 37% of men.

Freedom and independence

The current generation of graduates values a high degree of freedom and autonomy, whether that is in the way they carry out their work, or the relationship with their boss. Graduates do not want their managers watching over their shoulder and behaving in a controlling and micro-managing way. Managers, however, tend to

Figure 3: Ideal relationship between managers and graduates

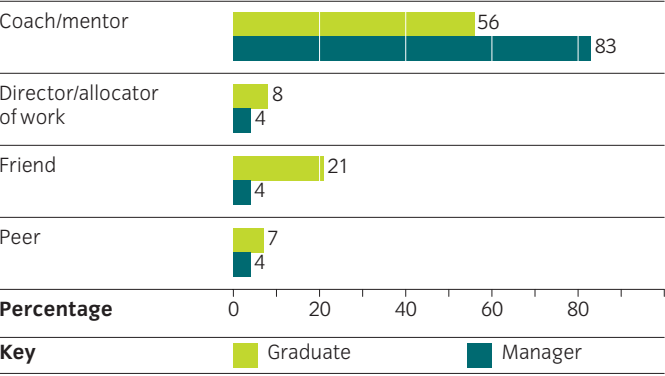
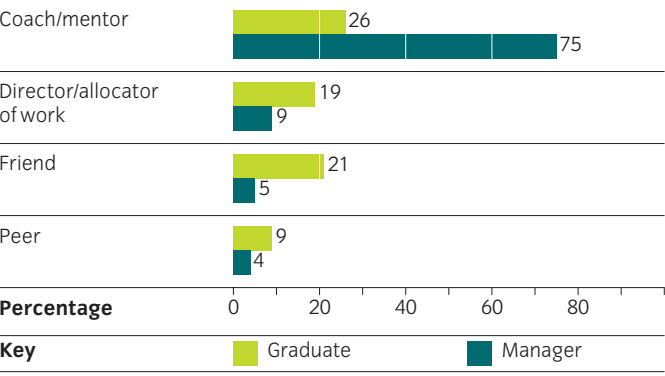


Figure 4: Existing relationship between managers and graduates



“Graduates are more independent than before and they are more enthusiastic. This can create conflicts between the graduate and the manager”
a manager

favour a pragmatic approach that involves a more balanced blend of freedom and control. Consequently, graduates' expectations regarding the degree of autonomy they are afforded and the relationship they have with their manager are not always met.

Ways of working. Managers have a certain view on how to manage their graduates, but that is not how many of today's graduates want to be led or managed. Being respected and valued is the most important management behaviour according to graduates, with 43% selecting it as one of their top three factors, followed by being supported with career progression (36%), being trusted to get on with things (35%) and good communication (34%). Most managers surveyed, however, do not appreciate just how important independence is to graduates.

By contrast, managers feel that regular feedback about performance (50%) and setting clear objectives (49%) are the most important management behaviours for them to display. And they think that graduates share their views on this. But the research shows that graduates have other priorities – they consider both regular feedback and objective setting relatively unimportant, rating them just 8th and 9th out of 12 items (See Figure 2).

“They [graduates] should be flexible about working hours and the types of work that they are asked to undertake while learning not to treat their managers as their friends”
a manager

Graduates were asked whether their expectations had been met regarding the things they consider most important to have in their working life. The responses show that many graduates are dissatisfied about elements of their working life. One in five (21%) say the opportunities to use their ability and knowledge are below or greatly below their expectations, for example, and 22% of graduates feel the same about the level of challenge and interest in the work they are doing (See Figure 5).

Relationships. Graduates are looking for a particular type of relationship with their managers. Asked what it is important to have in their working lives, only 9% of graduates listed good managers or leaders in the top three items (of 25). Managers list having a good manager as the second most important thing to them. And they expect graduates to share their priorities, incorrectly assuming that having a good manager/leader would be in the top four most important things for graduates.

Rather than the conventional concept of a manager who directs and allocates work, the graduates' ideal manager is someone who fulfils the role of coach/mentor (56%) or friend (21%) (See Figure 3). (Although in the Facebook age what constitutes a friend for Generation Y may be a

broader definition than previous generations.) Interestingly, more women (61%) than men (48%) want a coach/mentoring relationship. This may reflect a gender preference for the more collaborative and cooperative approach to work, and a willingness to embrace the emotional and self-awareness aspects of coaching.

Once again the research findings reveal a lack of understanding between graduates and managers. For example, three quarters of managers believe that they are fulfilling the role of coach/mentor, but just a quarter (26%) of graduates agree. Conversely, a similar proportion of graduates (19%) see their manager as someone who directs and allocates work – far from ideal in their eyes – yet only 9% of managers think that they behave like this. And for 21% of graduates their boss is also their friend, while just 5% of managers see the relationship in this way (See Figure 4).

The result of this disconnect is a high degree of dissatisfaction among recent graduates. Managers who believe that having a good manager or leader is particularly important for graduates will be disappointed to learn that almost a third (32%) of graduates feel the performance of their boss as a manager is below or greatly below their expectations.

Findings and analysis

“My line manager sees his job as one to make the department better whereas my view is to benefit my own personal goals and if they fit with the department’s then even better”
a graduate

“Graduates tend to be less engaged with the company and value more their work-life balance and personal interests. Their loyalty and commitment isn’t as strong as the previous generation”
a manager

There’s no ‘I’ in team
When it comes to motivation at work, the current generation of graduates are firmly focused on the self. They are motivated by status and salary and are highly ambitious in terms of career advancement. Plus graduates favour freedom and independence, rather than direction and control in the way that they work and are managed.

Managers, on the other hand, tend to prioritise the team and the organisation ahead of themselves (their top five priorities from work include good leadership and management, and teamwork). When asked to identify areas where attitudes of graduates and managers differ, 19% of graduates and 17% of managers signal “own career versus loyalty to company” as a point of difference.

These findings suggest a challenge for organisations in translating graduates’ strong focus on the self, and their individual drive, into effective team membership, and achieving team and organisational objectives rather than just the graduates’ personal goals.

Work-life balance
Ambitious as Generation Y graduates are, and keen to progress to a management position with greater status and salary, they also say that work-life balance is very important to them. Work-

life balance is among the top five things that graduates want at work. However, graduates and managers have very different attitudes towards work-life balance and commitment to work. Graduates do not appear to buy in to the long working hours culture in the way that recent generations – including many of their managers – have.

Graduates are much less likely than their boss to take work home with them, and if they do it is likely to be less frequently. A quarter of graduates never mix work with home life, compared to just 6% of managers. Two thirds (63%) of managers take work home at least once or twice a week, and 28% four to five times a week or more, compared to 38% and 17% of graduates respectively. Despite their desire to become a manager quickly, most graduates are unwilling to model the behaviour of their own managers as a way of advancing their careers.

The current generation of graduates are more able to separate work from the rest of their life. Almost one in five (19%) graduates never switch on to work outside of the workplace. But only 4% of managers are able to completely switch off from work and 19% are always switched on to work when they are not at work.

At work the situation is reversed,

with graduates far more likely to be doing non-work activities on company time than their bosses. Over a third (39%) of graduates engage in personal tasks while at work at least once or twice a week, compared to 25% of managers.

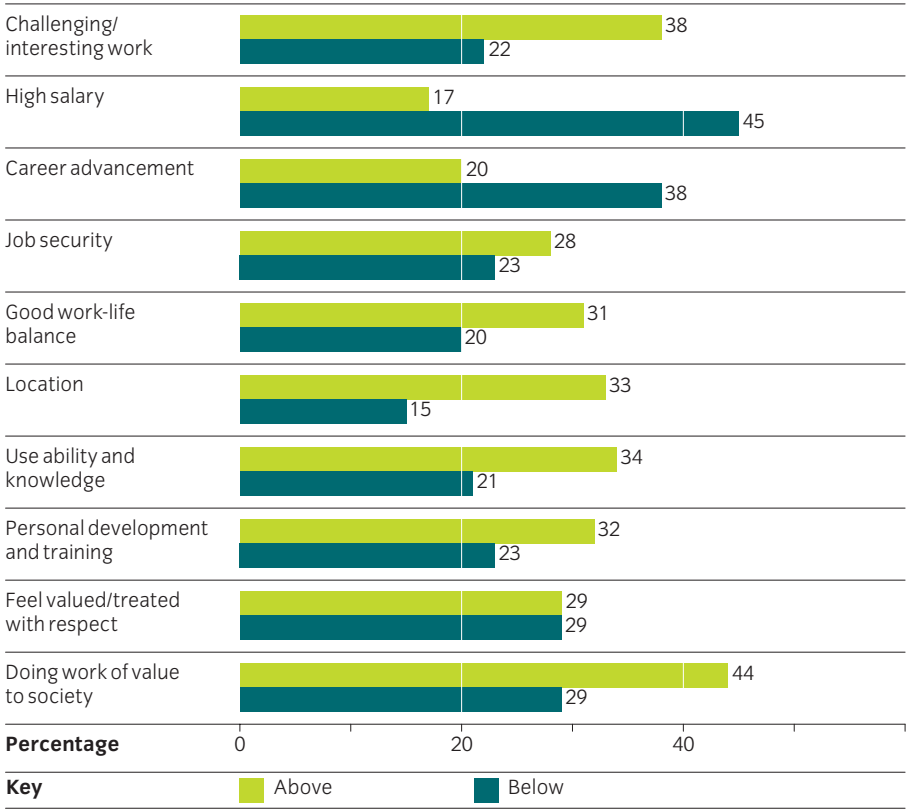
Hard times
The recession has had an impact on the careers of the majority of graduates, with many reporting they have taken the ‘wrong’ type of work, or are progressing at a slower pace than hoped for. Due to the financial downturn graduates say they have opted to take any job, rather than their ideal job (18%), or are working in the right area but not in the ideal job (16%). A smaller percentage of graduates (12%) are staying in a job they don’t like. Another 17% are in the right job but their career advancement is slowed (See Figure 6).

For a significant number (23%), however, the downturn has had no impact. And a very small minority have even profited from the downturn which has, they say, given them better career opportunities.

Graduates express various frustrations as a result of the recent recession, most notably the impact on pay in terms of reduced or frozen salary (19%). Difficulty finding a job (19%), reduced career advancement (13%) and moving to a new job (11%) are also issues.

“He has no life other than work and spends all evening and most weekends in the office, gets very stressed and cares far too much. I do none of these things”
a graduate

Figure 5: Meeting graduates’ expectations



Perhaps the most interesting impact of the downturn, however, relates how the graduate might, with hindsight, have changed their educational path to work. Although 48% of graduates say they would have done exactly the same thing as before, 27% say they would have got more experience before starting work.

Move up or move on
There are some positives, however. Ask graduates if they are engaged with their work and

organisation, and they say they are. Many graduates are proud to work for their employer (75%), would recommend it as a good place to work (68%), are personally motivated to help their organisation succeed (73%), and are willing to go the extra mile at work (80%). These figures should be hugely encouraging to organisations. And yet the research has a sting in its tail.

One of the most compelling findings from the research concerns

57%
of graduates expect to leave their employer within two years

Figure 6: How far has the recent recession had an impact on graduates’ careers?



graduates’ career intentions. Over half (57%) of graduates expect to leave their employer within two years with 40% expecting to leave within a year. A surprisingly high 16% intend to go as soon as possible – more women (19%) than men (11%).

Of those graduates who intend to leave straight away, 75% feel that their need to be treated with respect and to be valued has not been met, while 74% are disappointed about their career advancement.



Figure 7: Managers’ viewpoint: ‘if I could change one thing...’

| | |
|---|-----|
| Improve processes to match graduates and organisation/ get experience | 21% |
| Alter career progression/training | 20% |
| Alter recruitment and selection methods | 15% |
| Alter skills expected/work with uni/other to improve entry standards | 15% |
| Adjust finance/investment | 10% |

Figure 8: Graduates’ viewpoint: ‘my advice to new graduates is...’

| | |
|---------------------------------------|-----|
| Get experience | 30% |
| Be humble/learn/flexible/honest | 9% |
| Work is hard work/boring/needs effort | 9% |
| Choose right degree subject/skills | 9% |

The figures must be worrying for employers. From a purely financial perspective, high graduate turnover is a waste of resources. Recruiting, inducting and training a graduate is a costly process. Equally concerning, however, is the potential impact on developing long term strategy, building an organisation’s talent pool and cohort of future leaders, and indeed on corporate competitiveness. If organisations wish to staunch this flow of talent then they will need to be proactive in taking steps to prevent such an exodus.

Recommendations

It is clear from the ILM and Ashridge research that the UK has a rich seam of highly ambitious, educated and well-motivated graduates, who are a huge potential asset for our organisations.

This should enable employers to develop a cohort of talented leaders and managers for the future. It should also be possible to channel graduates’ talents, energy and desire for career advancement into improved organisational and individual performance and competitiveness.

At the same time, however, the research reveals some major challenges for organisations, managers, graduates and the universities that are developing these graduates for the workplace.

For organisations there is the crucial issue of graduate retention. On the face of it some findings seem encouraging. A sizeable majority of graduates say that they are happy with their employer, and personally motivated to help their organisation succeed. Yet, despite these encouraging noises, over half are planning to leave within two years. A significant percentage are planning or hoping to leave straight away. This is not an ideal situation for organisations or graduates in the short or long term.

Graduates are undoubtedly more job mobile than previous generations. With the ‘portfolio career’ replacing the job for life, their desire to move jobs frequently can not all be blamed on poor management – some degree of churn is inevitable.

Yet our research suggests that graduates’ desire to leave relatively quickly is linked to their dissatisfaction across a number of key areas: the pace of career advancement, coupled with unmet expectations regarding salary and status; a lack of autonomy and freedom to complete tasks under their own initiative in their own way; the failure to manage graduates in the style they most want – coach, mentor, friend.

By bridging the gap between what graduates expect and what organisations provide, employers can pave the way for both better graduate recruitment and retention, and a better working relationship between graduates and their bosses. Given how widespread these issues are, bridging the gap effectively can also provide a source of competitive advantage for those organisations that succeed.

Individual managers have a crucial role to play in overcoming this divide. But these are not problems for management to solve alone. The key challenge and opportunity facing organisations is how to support and enable their managers, and graduates, to achieve a better mutual understanding.

Towards a better understanding Managers and graduates need to arrive at a better awareness of each other’s hopes and

expectations in the workplace. There is a danger that managers see the graduates they manage as younger versions of themselves, with a similar world view.

In many areas, managers appear to be unaware of the extent of attitudinal differences between themselves and Generation Y. For example, they tend to frame possible solutions to the challenges that organisations face in terms of the graduate selection process. When asked if they could change one thing about graduates, three out of four of the leading answers relate to either selection or skills and experience. Over a fifth (21%) of managers would improve the process of matching graduates with the organisation, while 15% want to alter recruitment and selection methods (See Figure 7).

While there is likely to be room for improvement in the selection and matching process – as managers believe – the key issue resides in the fact that, as the findings show, recent graduates have attitudes and expectations common to their generation. It may be the case that graduates harbour unrealistic views on career ambitions, expectations about salary and status, work-life balance and long term commitment, and the kinds of relationship they expect to have with their managers. However, it is no use viewing such expectations

Recommendations

“I think we need to know at the outset what their expectations are. This will help us lead them, and speak their language”
a manager

as character flaws, or as traits to be screened for during the recruitment stage or managed out. They are part of Generation Y’s fundamental genetic make-up.

But while managers cannot ignore or eradicate these expectations, they can and should help graduates to manage them. Together managers and graduates can begin to evolve new models of management.

Communications upgrade

As with many management challenges the solution begins with communication. We know that there is a communication breakdown between graduates and managers because the research findings reveal such a lack of awareness of each other’s feelings and views.

To achieve better understanding in the workplace, both graduates and managers must be able to clearly communicate their expectations and ambitions, and articulate their goals.

Organisations should work on improving the communication between graduates and managers, helping them to find more effective ways to communicate and have a better dialogue. Honest and open conversations are required to build the trust that underpins shared understanding. Graduates need

to be encouraged to tell managers what they want from work, and managers need to be equipped with the skills to facilitate these conversations. Organisations need to ensure that both parties are willing and able to listen. Ideally, there should be a mechanism to make sure that both graduates and management really do understand each other.

Without improved communication it will be impossible to bridge the gulf in understanding that exists between the two groups.

Empowerment and autonomy

A third of graduates (32%) feel that the way they are managed is below or greatly below their expectations, and 29% feel that they are not treated with respect or valued. Another 20% are disappointed with the extent to which they are able to use their ability and knowledge.

Managers, on the whole, adhere to management best practice, by prioritising areas such as objective setting and feedback on performance. But graduates want to be treated as individuals and to have greater freedom over how they reach their objectives than they currently enjoy. They place greater emphasis on softer management skills such as respect, communication, support, trust and listening.

Employers can evolve their management model to embrace new ways of managing. While objective setting and feedback will always remain crucial management functions, the manner in which these are delivered is all-important. The challenge for managers is to find ways of engaging, motivating and monitoring graduates who reject what they see as hands-on restrictive controlled management. Managers can, for example, demonstrate greater trust in the graduates they manage. They can try to fulfil their graduates’ desire for autonomy – by providing safe opportunities for early responsibility. Organisations must encourage and enable their leaders to manage the person not the task. Above all, they must try to fulfil the graduates’ need for independence.

The manager as coach

The current generation of graduates want much more than a command and control, directive style of management from their boss. In fact both managers and graduates agree that graduates want to be managed in a way that involves awareness and understanding, and provides them with a degree of freedom and autonomy.

As the findings show, both groups identify coaching as an appropriate style to use when managing Generation Y. It may not be the only way of managing graduates

“They [graduates] don’t always appreciate that they are starting from the bottom, nor are they always willing to assume this position to get ahead”
a manager

successfully, but it is certainly an ideal way for managers to engage and motivate staff without micro-managing them or quashing their ambition. It also helps meet graduates’ expectations about engagement, development and communication.

A key challenge for organisations wanting their managers to coach graduate recruits is one of perception. At present graduates and managers often have a different understanding of what coaching entails. When asked specifically about their relationship with their graduate reports, 83% of managers aspire to be a coach/mentor and 75% feel that is the relationship they have in practice. Yet just 26% of graduates actually feel that this is what happens in the workplace.

Delivering an authentic coaching relationship will require many managers to adjust the way that they think about, and practice, management. This is an area where organisations can help. In particular, they can enable managers to understand the difference between coaching and mentoring, provide learning and development to help managers develop their coaching skills, and create a culture of coaching that extends throughout the organisation.

Career expectations

The findings relating to graduates’

“Experience of the workplace is far more important than your degree and don’t assume that you know everything because you’ve just graduated”
a graduate

career ambitions again reveal some clear differences in expectations between graduates and their managers. Given the lack of shared understanding it is no surprise that organisations are unable to meet the expectations of the Generation Y graduates that they manage.

Managers do expect graduates to enjoy a faster pace of career progression than they enjoyed themselves. They also realise that there is an expectation gap between managers and graduates in terms of career development. It is just that managers fail to appreciate the extent of that gap – and that it extends across career advancement, salary and job status.

It is managers, however, who have a more realistic appreciation of what is likely or possible with respect to graduates’ career progression. Many will, after all, have managed other graduates and watched them advance through the organisation. Others will have noted the pace of their own progression as a graduate through the management hierarchy.

Therefore organisations need to get better at managing graduates’ expectations about career, salary and status. This does not necessarily mean managing graduate career expectations

down. Organisations must find ways of showing graduates what it is possible to achieve, and making that vision real for them, thereby maximising the opportunity to engage, and more specifically retain, this qualified, ambitious and motivated group.

Human resources, especially those people responsible for managing the talent pipeline, has a key role to play in mapping out potential career paths with visible milestones. They should demonstrate how it is possible to align the goals of their graduates with those of the organisation.

Managing graduates’ expectations around these issues is not an easy task, and managers will benefit from focused learning and development opportunities to help them achieve this successfully.

Graduate experience

The learning curve for Generation Y graduates is a steep one. When they join an organisation graduates are well aware of their lack of experience, ranking it as the area in which they feel least proficient – and managers agree. Initially their lack of experience does not bother graduates: they believe that their interpersonal skills are their most valuable attribute, with 85% rating them important or very important. Experience (59%) is well down the list.

Recommendations

75%

of managers think they are a coach/mentor to graduates

26%

of graduates agree that this is the case

However, when asked what advice they would give to a new graduate, 30% of Generation Y graduates suggest the graduate should “get experience” – the most popular response by some margin (See Figure 8).

Business schools are familiar with the challenge of combining the theoretical and practical aspects of business education. But injecting elements of real world practical application and work experience into degree programmes is an issue that extends beyond business schools to all degree awarding higher education institutions.

Managing Generation Y

To succeed in an increasingly challenging economic environment, organisations must harness the best efforts of all their employees – not least their graduates, who constitute the leaders and managers of the future. Organisations put a lot of effort and investment into nurturing and developing their graduates in order to establish a pipeline of talent that will drive innovation, organisational effectiveness and competitiveness. Yet a widespread desire among graduates to leave their employers after only a couple of years undermines attempts to manage talent effectively and promote the long term success of the organisation.

The research by ILM and Ashridge Business School focuses on a potential pinch point for organisations: the relationship between Generation Y graduates and their managers. While there are a number of areas of similarity, the research also reveals details of an important disconnect between graduates and their managers. It is a disconnect that, potentially, threatens the future success of organisations. Fortunately, in drawing attention to the divide between the two groups of employees, the research also offers organisations and graduates a valuable opportunity to take steps to remedy the situation. It is an opportunity that must be seized.

Methodology

Research methodology

This was a UK focused descriptive research project which took place between January and April 2011. Quantitative data were collected through an online survey. Two groups of participants were invited to take part in the survey: 1) graduate employees; 2) managers who have day to day experience of working with and supervising graduate employees.

An email invitation with a link to the anonymous questionnaire was circulated to all ILM members and to an online research panel. The survey included a request for it to be forwarded to further relevant contacts. The survey link was also placed on the ILM and Ashridge websites, on relevant social networking sites and was sent out to personal contacts. In addition, paper copies of the survey were made available.

Survey design

The survey topics were based on the relevant existing literature. Using a variety of question formats, the survey explored:

- Working life: what is important and expectations
- Managers' behaviours: what is important and expectations
- Relationships between graduates and managers
- Attitudes towards work
- Starting work: preparation for and recruitment
- Learning and development
- Graduate progression
- Work-life balance
- Engagement and intention to stay
- Effects of the recession

The majority of questions were closed-ended (including multiple choice and ranking scale questions). Some open-ended questions were included which aimed to gain a

deeper insight into participants' opinions, beliefs and observations than could be gathered via closed questions. Through these questions the survey also sought to obtain stories and anecdotes.

Two versions of the survey were created (one for graduate employees and one for managers) with a number of key questions remaining the same across both versions to enable comparisons between the groups regarding attitudes and expectations. Furthermore, in addition to describing their own attitudes and expectations, managers were also asked to respond to a number of questions with their opinions of what they believe is important to graduates.

Respondents

A total of 1,222 graduate recruits and 684 managers responded.

Graduates

This group consisted predominantly of Generation Y graduate employees (88% of respondents were aged 29 years and under). This group was made up of more females than males (59% and 41% respectively). The majority (86%) of these employees graduated in the last five years and just over two thirds (68%) have been working for their current employer for two years or less. They are typically working in full time, permanent positions (70%). Over half (54%) of graduate respondents work in a private sector organisation, with the rest working in the public, voluntary or third sector.

Managers

This group consisted predominantly of Generation X (62% of respondents were aged 30 – 49 years) and Baby Boomers (28% were aged 50 and

over). In contrast to the graduate respondents, this group was made up of more males than females (57% and 43% respectively). The majority (80%) of these managers have been working for five years or more, and just over two thirds (68%) have been working for their current employer for three years or more. They are typically working in full time, permanent positions (87%), and managing 10 people or fewer (76%). Two fifths (42%) of respondents work in a private sector organisation, with a similar percentage (41%) working in a public sector organisation, and the remainder working in the voluntary or third sector.

Note on interpretation of the data

When interpreting the findings, it is important to remember that as not all managers and graduate employees were invited to complete the survey, all results describe individuals' attitudes and perceptions. Therefore, the results are based on the opinions of those who took part in the survey and not the entire population of managers and graduate recruits.

In the report text or tables where percentages do not add up to 100%, this is due to multiple answers, computer rounding and/or the exclusion of neutral, don't know or not stated responses.

About ILM

The Institute of Leadership & Management (ILM) is Europe's leading management organisation. We partner with individuals and organisations to help them fulfil their potential and achieve success.

With a broad range of industry-leading qualifications, membership services and learning resources, ILM provides flexible development solutions that can be blended to meet the specific needs of employers and learners. We also undertake a rolling programme of original research to contribute to our understanding of global leadership and management practice. This ensures our products are benchmarked against best practice standards and easily tailored to the economic, social and cultural context of individual organisations and their operating environment.

All ILM programmes are built on in-depth research and carefully conceived to meet the skills requirements of the industries and professions in which they are used. ILM's membership packages are tailored to deliver comprehensive career-long support, development and recognition to leaders and managers at all levels.

We operate internationally, improving leadership and management skills, knowledge and performance across all sectors, from financial services to the armed forces.

www.i-l-m.com

About Ashridge

Ashridge is a leading international business school based in Hertfordshire, England. We work with individuals and organisations from around the world to build management capability and address individual and organisation development challenges. Our clients span the private, public and not-for-profit sectors.

Our activities include open and customised executive education programmes, organisation consulting, MBA, MSc, Doctoral and Diploma qualifications, applied research and virtual learning.

Ashridge is consistently ranked as one of the world's leading business schools. In the latest Financial Times ranking Ashridge was ranked in the top two in the UK for the fourth year running for customised executive education.

www.ashridge.org.uk



For more information contact

Lauren Franze

T +44 (0)20 7294 3054

E lauren.franze@i-l-m.com

Carina Schofield

T +44 (0)1442 841308

E carina.schofield@ashridge.org.uk

Institute of Leadership
& Management
1 Giltspur Street
London EC1A 9DD

Ashridge Business School
Ashridge
Berkhamsted
HP4 1NS

www.i-l-m.com

www.ashridge.org.uk

The Institute of Leadership and Management is a company limited by guarantee (Reg No 601049) and registered as a charity in England and Wales (Reg No 248226) and in Scotland (Reg No SC039693).

Ashridge is Registered as Ashridge (Bonar Law Memorial) Trust Charity number 311096.

Published by the Institute of Leadership & Management

© ILM and Ashridge

ILMASHGEMGY/0711