

GENERATION Y: A STUDY OF THEIR LIFESTYLES

Executive Summary

Over the past twelve months, Chess Partnership has undertaken an in-depth study into both the dynamics of Generation X and Generation Y. They are our managers of today and the managers for the future. In 2002 Chess conducted an extensive survey on the Lifestyles of Managers in the Hospitality Industry. As a result of this research that led to a study of Generation X and we published a report on the values and aspirations of this generation in early 2003. The following results are an extension of this work - looking specifically at Generation Y – those people born from the 80's onwards.

This is a key area of focus as the industry looks at retaining and recruiting the emerging talent of tomorrow. If we do not understand the values and aspirations of this generation then how can we hope to compete for their commitment to this industry?

The research seeks to identify the trends and issues for this new generation. The purpose of this research is to understand this younger group of managers that are our industry's future. We need to understand them before we can put a strategy together to attract and retain them.

The Participants:

Survey: 737 participants from the Hospitality Industry were surveyed from across the UK. 24% were aged between 16-25 (Generation Y), 60% between 26-39 (Generation X) and 16% aged above 40 (Baby Boomers).

Focus Groups: 100 students (aged between 16-23 years old) participated in focus groups from further education colleges and Universities including Oxford Brookes University, Derby University, Brighton University, Thames Valley University, Queen Margaret's College (Edinburgh), Shannon College and Ecole Hoteliere d'Lausanne.

The students were studying hospitality management, event management and tourism related subjects at BTEC OND, BTEC HND, Diploma and Degree level.

Key Findings:

- **The importance of a Work-Life Balance.**

This is a key area of focus for Generation Y;

- 64% of Generation Y expect to work 41-50 hours p/week
- 37% of Baby Boomers work over 50 hours p/week

Just like their predecessors in Generation X, the Y-ers are also looking for a work-life balance. Yet, they are just as focused on developing their careers and not afraid of the hard work and longer hours that it may take for them to reach their goals, however once they reach managerial status they expect a more regular lifestyle. They are happy to work long hours in the short term provided that they are rewarded in return. The old maxim that this industry demands long hours throughout a career does not carry any credence with this group.

These younger managers expect to work an average 40-50 hours per week which is no different to the expectations of Generation X.

- **Career Options.**

Generation Y are seeking to develop their career in;

- 35% in Events Management
- 42% in Restaurant & Bars
- 32% in Hotels.

87% of Generation Y cannot see their career in Contract Catering.

7% of Generation Y can see their career in Facilities Management.

In Generation Y there is a high percentage of motivated individuals who are ready to start their careers. They are realistic, but want their potential to be recognised. But, they are split as to how to reach their goals – and how quickly this should happen.

The more vocational led they are, the more ready they are to start in an operational role or in a management training programme before launching their management career. They are happy to develop their skills through direct, practical experience as they feel this is how they will earn the respect to be a manager. They are steady, methodical and ambitious.

However the more academically minded students are ready to start their management careers 'now'. They are frustrated with an industry that does not always recognise both their abilities and potential and feel restrained by an industry that they feel views practical experience above academic qualifications. They view practical experience as important, but not an integral part to getting the right job. They are ready to learn, but want the freedom to become a manager and the support from a company to develop their management career right from the start.

- **A desire for recognition and commitment, instead of money.**
 - On average, graduates expect a salary of between £16-20,000
 - 75% of Generation Y currently earn between £15-20,000 and 49% expect to be earning between £21-29,000 within the next 3 years
 - 36% of Generation X are currently earning between £21-29,000 annually

Many of Generation Y are starting out for the first time so what they earn is important. But overall, it's not really the salary which is important when they will be choosing their next employer. What they want out of an employer is to have their own identity. They don't want to just be a number or a person in a system – they want people to know them. They want recognition.

What they are asking for should already be part of any company's human resources strategy. But, from their past experiences it is not always being delivered. So for many they look towards the larger, international hotel groups because for them they believe they can offer structure and security, training programmes and mentoring, rewards and recognition.

- **The Importance of Careers to the emerging talent.**
 - Their adrenalin is provided through their career fulfillment.
 - 66% of Generation Y want ongoing development from their employer
 - Generation Y will focus on their self-development more so than going to bar, clubs or dining out.
 - Sport is for fitness, not for fun. They are more individual, with no team focus.

The above trend does indicate a fascinating social trend. The view of sport has changed from one of fun and team play to one of fulfilling a real purpose of personal fitness. At the same time, the buzz/adrenalin kick that was often supplied by sport has been replaced by an increased focus upon career fulfillment.

The natural question that arises from this trend is whether or not Generation Y will prove to be ever more aspirational, and ambitious and can the Industry fulfill their needs and will the managers of tomorrow possess balanced perspectives?

- **Expectation to work internationally during their career.**

It is quite clear that each new generation is becoming far more cosmopolitan and International in its outlook. There is a greater acceptance of cultural differences and lifestyle trends as well as a desire to experience foreign fields first hand. The majority of Generation Y expect to work in more than one country during the course of their careers.

- **Modern technology is not as important as it may appear.**

The research shows an adverse reaction to the ways of Generation X with a movement back towards traditional modes of communication.

- 66% of Generation X have a mobile as their only phone
- 94% of Baby Boomers use a mobile as their secondary phone
- Yet 30% of Generation Y use their mobile as their only phone – a reaction to the immediacy sought by Generation X
- 14% of Generation Y use Text Messaging as a primary source of communication
- 56% use email as a primary source

Modern communication technology is not dictating the way that Generation Y communicate, whether on a professional or personal level. With a Generation that has grown up with mobile phones, text messaging and email they are more IT literate than previous generations. However, they are also showing signs of rejecting the informal, immediate communication approach of recent years.

One of the key trends to come to the fore was that they recognise the importance of face-to-face communication and in fact enjoy being in a customer service environment. There was a belief that the world had become too obsessed with immediate communication at the expense of social skills and a focus on “real people”. They appreciate that the industry is about people, whether they be guests or work colleagues and that what they have learnt to far has helped them to develop their ‘people’ skills.

This trend is important as it displays a potential return to traditional core social values whereby the individual is respected and important. It also displays one area of real idealism from this very pragmatic generation. They want to see “people” truly valued.

- **Newspapers and Journals are in decline.**
 - 66% of Generation Y receive industry news via the web
 - 74% of Baby Boomers receive industry news via journals

In order to get up to the moment news, modern technology plays a far greater role for Generation Y. Over recent years, there has been a decline in younger people buying a newspaper or an industry journal – a habit that was much greater in their predecessors. There is a rise in use of internet for knowledge and research. Web is also the primary source for Generation Y finding a new employer.