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# Working with China's Generation Y

Multinational companies in China need to consider new strategies to manage Gen Y employees, now half of China's working-age population

By [Nandani Lynton](#) and [Kirsten Høgh Thøgersen](#)

Population demographics make it essential to understand the priorities of Chinese employees born in the 1980s: They make up about 50% of the country's current working-age population. Although local and foreign organizations in China must learn to manage Gen Ys effectively to remain successful, they are struggling. In a previous article, [Reckoning with Chinese Generation Y](#), we introduced our research showing that urban Chinese Gen Y members are smart and well-educated. While they hold on to many traditional values, they are beginning to challenge the preeminence of hierarchy.

In urban China, Gen Y is a group of exceptionally talented people. No other generation in Chinese history has received such high-quality education for so many people. Chinese Gen Ys are single children born under China's one-child policy. According to studies such as those by Posten and Falbo of the Guttmacher Institute, China's solo children perform significantly better academically than peers with siblings. These single children have grown up in traditional extended families (including four grandparents and two parents), under pressure since kindergarten to pass entrance exams. This means that the child's educational performance has been a top priority for six adults.

Chinese culture has always emphasized academic excellence as the source of family pride and achievement. Cross-cultural IQ studies indicate that culture impacts even IQ: Memorizing some 2500 Chinese characters at an early age stimulates the brain and Chinese show higher IQ scores on average. This means Gen Ys have been generously stimulated throughout childhood and now have more advanced and complex brains than many other people. So a large number of Chinese Gen Ys are gifted.

Gifted people are often hypersensitive. Psychologists call it over-excitability (OE). Because of their constitution and their upbringing, many Gen Ys suffer from unhealthy perfectionism, meaning that any work that is less-than-perfect is unacceptable and merits criticism. This creates self-doubt, performance anxiety, and ultimately, procrastination. Being exceptionally bright does not necessarily mean being successful: For instance, most members of the Mensa society for people with high IQs remain unexceptional.

## GENERATION GAP WITH MANAGEMENT

In our interviews with business leaders, they experience Gen Y members as ambitious and demanding, hypersensitive, and almost allergic to criticism. They are puzzled by the amount of "emotion" Gen Y employees add to the workplace. The combination of high intelligence and overexcitability explains many of the difficulties managers have with their Gen Y staff.

While they take for granted that hierarchy exists, Gen Y does not comply with hierarchic rules as the previous generation—the generation of their managers—does. This creates friction between young staffers and supervisors.

Many multinational companies in China have a layer of Gen X middle managers who tend to be less assertive than

their Gen Y staff. These managers may rarely voice opinions in meetings, yet are now managing a group of young people with good English skills, full of confidence in speaking up and interacting with foreigners. The young want to take initiative and share ideas but lack experience. Their immediate bosses at the middle level feel squeezed, not respected, and unable to deal with their young subordinates.

Even in the service sector, where the middle managers are considered quite modern, friction persists between the generations. For example, a typical 40-year-old manager lives easily with the idea that organizations have written rules that are not always implemented. This manager trusts his superior to treat him correctly. Gen Y is drawing a line between personal and professional contexts and does not bear this trust outside personal relationships. Gen Y has grown up with grandparents, parents, and teachers all telling them what to do. "We don't want to be talked at anymore," they say. They want to learn but they do not want to be told what to do and how to do it. They long for good role models. When asked, Gen Ys often mention Apple ([AAPL](#)) CEO [Steve Jobs](#), who is cool, creative, successful, and has a clear personal image.

For Gen Y, the good boss is like a kung-fu master who stays in the background, teaching through small hints. The good boss is highly available to his employee and has trust in them. He is balanced and nonemotional. He knows how to share his skills without talking much but rather expresses himself in the right dose, at the right time and place. It is not about telling workers what to do but waiting for the right time to drop by their desk and ask: "Have you asked yourself X? Perhaps you might have tried Y?" Difficult to achieve? Yes, but it is important to show Gen Y why they should respect their boss—and then they will.

### **BRAINSTORMING ENCOURAGES GEN Y STAFF**

Gen Y listen to those they trust. They want kindness and sympathy at the workplace. Our research shows that they predominantly trust their peers. So while it is necessary to build trust and loyalty, this can be difficult for older managers. It will take time and consistent behavior to give Gen Y a feeling of security so that they can share new ideas or experiences without worrying about rejection.

Companies do well to share information and future strategies with Gen Ys. Brainstorming with these gifted staff members on projects or approaches can generate ideas that managers might never have thought of on their own. Being involved creates a sense of pride and a feeling that they are doing something important. The key is to give Gen Y some influence.

Most Gen Ys know they become overly enthusiastic about projects and then get discouraged easily. They also realize that they can be too emotional and that this ultimately affects their performance. Many of the Gen Ys we interviewed said they want training in interpersonal skills and communication so they can communicate emotions and talk about how to deal with their problems more constructively.

Gen Y resists discipline more than the previous generation, but they need to train their behavior in a disciplined way. When Gen Ys become over-emotional, they benefit from being reminded of the big picture. They need help learning persistence—to solve problems step-by-step and to learn that there is always a solution. This helps build self-confidence and a reputation for being steady and reliable.

Gen Y's reputation as highly critical and judgmental reflects the issues surrounding interpersonal communication. Gen Ys are very insightful and their understanding of organizational problems is an asset to a company, but they need to find an effective way to communicate their thoughts. Getting feedback helps Gen Y learn how being overly critical affects other people. Young workers should be encouraged to ask their friends and family for feedback, too. Overall, Gen Y needs training in active listening, which helps their performance and career.

Many supervisors of Gen Y don't understand why management should change instead of Gen Y adapting. Given the demographics and global economic developments, the answer seems clear. In one meeting the CEO answered the change question simply: "Because Gen Y is the future of our company." It is imperative for any company doing business in China and with Chinese to understand Gen Y and to find ways of working with them effectively so as to tap their huge potential.

*Lynton is faculty at the Euro-China Centre for Leadership and Responsibility at the China Europe International Business School in Shanghai. With more than two decades of international experience in the private and public sectors, Lynton focuses on developing effective leadership in global organizations. Thøgersen is a professor at Sun Yat-Sen University, Guangzhou and currently a visiting scholar at CEIBS. A Ph.D. in clinical psychology from Aarhus, she has worked in international clinics in Beijing and Brussels for 20 years while running a private counseling practice.*