

Managing A Multi-Generational Workforce



The workforce is undergoing an extreme demographic change with an influx of Millennials and the exodus of baby boomers who are retiring. The future of talent is at a pinnacle with a new generation preparing to serve as tomorrow's leaders. The argument can be made that managing multi-generational workforces is not a new or novel concept to the CHRO, but there exists one key differentiator with the emergence of Millennials – digital media. Millennials are the first generation to enter the work place who have grown up in a world where everything from knowledge, news and culture to entertainment has been readily and instantly available to them. Factor this phenomenon into present day where Millennials are the fastest growing segment of the workforce, and CHROs are facing unprecedented uncertainty in retaining and attracting future talent.

CHROs must understand trends and preferences of Millennials in order to prepare for and support their rise into leadership roles. These driving trends include:

Mobility

Death of the Pension Plan and the Rise of Wellness

A Corporate Culture of Contribution and Sharing

Mobility

Surveys and studies have consistently revealed that Millennials are experience driven and are constantly seeking new learning opportunities. This trend has greatly influenced the way Millennials approach career development and has reinvigorated an appreciation for a healthy work-life balance.

Current trends show that Millennials will jump from one opportunity to the next, and hold nearly a dozen different positions with different employers throughout a career. This poses a new challenge to CHROs in terms of understanding the work ethos of a generation that is mobile-centric. Smart and perceptive human resources leaders must observe the different work styles of their multi-generational employees and creatively integrate these observations into their organisation's culture. Sally Stetson, Co-Founder and Principal of Salveson Stetson Group Executive Search based in Philadelphia, has seen CHROs begin to adapt to the mobility trend. "Companies are attracting and retaining the most talented Millennials if they are flexible with their location, hours and environment. As long as they receive clear expectations, Millennials will appreciate the ability to get the job done wherever they are and not necessarily in the traditional 9-5 construct. The key is to engage, inspire and reward them for a job well done," Stetson said. While flexibility and telecommuting is not a new concept, Millennials have adopted mobility as the new norm in their career and workplace.

In New York, Barbara Stahley, Managing Director at Chadick Ellig, is also seeing this trend slowly integrate into many organisations. "Millennials grew up online and are accustomed to sitting down at their laptop anywhere in the world and being productive. CHROs are acknowledging this trend and providing new generations more freedom in the way that they work. This flexibility is also appreciated by older workers who may be balancing childcare and eldercare demands," Stahley said. The innate trust and self-sufficient nature of mobility offered by companies caters to Millennials' profound passion for a strong work-life balance. A corporate culture that celebrates independence, flexibility and wellness will retain strong bright talent.



IIC Partners interviewed 3 search consultants from its Global Human Resources Practice Group to understand the challenges of managing multi-generational workforces, and how organisations can better manage and retain Millennials.



Sally Stetson
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Death of the Pension Plan and The Rise of Wellness

With the advent of mobility, the long-term retention tools organisations and CHROs used in the past require a creative refresh. Today, very few pension plans exist, which was drastically different compared to 30 years prior. Pension plans and cash bonuses were key retention tools that companies used to attract and retain their best talent for the long-term. With the financial crisis and collapse in 2008, organisations realized that pension plans were no longer a viable or sustainable retention strategy. In turn, Millennials witnessed the security of their predecessor's retirement funds vanish in a matter of months. The idea of one company providing financial stability in retirement to an employee that dedicated a career of service was dissolved. Additionally, the mobile nature of Millennials contradicts the core concept of pension plans as a retention strategy. Millennials are not interested in being employed or tied to an organisation for their entire career.

Other benefits such as exclusive club memberships or elitist status programs are also predicted to lose their valor in attracting future leadership. Mirko Petrelli, Principal at Stones International, located in Hong Kong, predicts that the benefits and rewards related to status will dissapate in the near future. "Having an individual corner office or a membership to an exclusive club provided through your company will be obsolete a decade from now. In general, perks and benefits that represent elitist status will not hold the same merit that they once had before," Petrelli said. CHROs will need to find new alternatives beyond the traditional tactics of the past to attract and retain future talent.



An emerging trend that has gained significant traction among Millennials is health and wellness. In a recent survey administered by the HR Policy Association, 43% of CHROs said they were most concerned with the rising costs of healthcare, and are focused on finding the right health plan strategies. Sally Stetson has seen some CHROs responding to this trend by aligning healthcare with corporate culture. This focus and emphasis on health care corresponds well with Millennials' focus on wellness and desire for a strong work-life balance. "I believe health care and the approach will continue to take priority and change over the next 10 years. A greater emphasis will be placed on wellness to better serve the interests and preferences of future generations of leaders," Stetson said.



A Corporate Culture of Contribution and Sharing

Technology is transforming the way individuals work and interact with one another in the work place. Video conferencing has allowed companies to connect with each other across time zones and consult in real-time. Millennials grew up in an environment where the ability to connect with the other side of the world was just a few clicks away. Barbara Stahley has seen this international curiosity and need for information trickle into Millennials' work ethic and desire to learn from other cultures in a professional setting. "Millennials strongly value the opportunity to work abroad or join a different part of the business to gain broader exposure to more aspects of the business or international cultures. They've always had information readily available at their fingertips and often respond well when that is the case regarding promotions and career development. Information is critical to Millennials – and having it also plays a key role in engaging them," Stahley said. Integrating learning opportunities across the organisation or expediting training can reward, educate and engage all generations of the workforce.

Millennials are extremely interested in development opportunities and want to do more meaningful work that contributes to the organisation's success. The more opportunities, collaboration, stretch assignments and interesting projects made available to Millennials, the more they will be engaged. Sally Stetson suggests that CHRO's combine learning and the passage of knowledge between generations as a form of engagement to begin reforming a corporate culture. "Companies would be wise to engage baby boomers and pair them with the Millennials for more mentoring opportunities. In addition, the baby boomer generation can also be mentored by Millennials in technology initiatives or social media," Stetson said. CHROs must integrate multiple generations in mentor and mentee programs and trainings in which all feel they can contribute value. Millennials thrive on knowledge and information sharing. Providing Millennials the opportunity to exchange information across multiple generations and levels of an organisation is a key tool in fueling their collaborative ethos.

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Engaging Millennials

To effectively engage Millennials in the workforce organisations must provide the opportunity to:

- Do meaningful work
- Contribute to organisation's success
- Collaborate with leadership
- Participate in stretch assignments
- Exchange information



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CHROs must begin to encourage and involve Millennials in more functional aspects of the business that provide value. The key to engaging Millennials is inspiring them to excel and rewarding their success. Human resources executives must create high performance environments for individuals motivated by development and information sharing.

The CHRO is at the heart of the decision-making process for hiring, attracting, retaining and engaging young talent. Companies must have a CHRO in place that understands and implements programs tailored to serve the needs of multiple generations. Sally Stetson has begun to see this trend from her clients looking to appoint a new CHRO that values and understands managing multi-generational workforces. “Companies are seeking open-minded individuals who are aware of the different interests, needs and ways people enjoy working. Savvy HR leaders must regularly assess what motivates and interests the workforce and then create an environment that is flexible to meet the way they approach their work,” Stetson said. The CHRO must serve as the driving force to understand the future leadership and redefine the corporate culture of the workplace. However, many companies continue to struggle to proactively plan for attracting and retaining future talent. Mirko Petrelli sees many organisations utilise the CHRO as a reactive and task oriented role to supervise traditional HR processes. “Many companies are still focusing on skills, language capabilities and industry knowledge, without paying the necessary attention to executive presence, influence skills, flexibility and exposure to a diverse workforce,” Petrelli said. “The CHRO should be a goal and decision-making oriented role that can effectively support the formulation and implementation of company strategy, act as a coach, and sounding board for the CEO and top management,” he added.

Organisational change and cultural shifts cannot occur overnight. Shifting from one dynamic to another is a delicate process that must be carefully enacted and implemented over time. However, in order to attract, retain and engage the best talent for the future, companies must reassess and begin to reform their corporate culture today.

About IIC Partners Global Human Resources Practice Group

The IIC Partners Global Human Resources Practice Group is comprised of a seasoned team of executive search consultants with unparalleled industry knowledge and expertise in identifying the best senior executive Human Resources talent. Human Resources executives must possess the technical qualifications, right leadership style and serve as a trusted advisor to the senior leadership team. The IIC Partners Global Human Resources Practice Group has unrivaled access to passive talent markets in over 34 countries and regularly collaborate to deliver the right candidate to the client.



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