Talent Management in the 21st century

By Thomas Ng

Part II — Managing Generation Y

IN PART I last month, I described the different generations of workers - Traditionalists, Baby Boomers, Generation X, and Generation Y (or Millennials, or Net Generation), and what shaped them. I also mentioned that any attempt at any aspect of Talent Management is ill-conceived, if it is not based on an understanding of these different generations.

Since Gen Y is increasingly infiltrating the workforce, including the management ranks, it surely is critically important that we figure out how to manage them effectively. Particularly in the Philippines, with the exponential growth of the BPOs, and the increasing exodus of the more experienced talent overseas, the situation is more acute.

There are some contrarian views that we should not bend over backwards to try to accommodate this new generation of workers. They should be the ones to grow up and adjust to the real world. Well, first of all, there are much more of them than us. Secondly, it is not the just the workforce that they are infiltrating. They will become the largest consumer group, and eventually investor group.

In any case, what I am suggesting is really "Management 101" - understanding your people, and finding out how to get the most out of them.

Here comes the bad news   In my opinion, and I am speaking in general terms, the Filipino corporate culture is ill-equipped to deal with Gen Y. My exposure to corporate life here today suggests that the environment is still:

Hierarchical, top-down, and formal - it was quite an effort to get people in my office to stop calling me "sir." It is even common to call your boss "boss." I have worked in many countries in Asia and beyond, and this 1 have only seen in the Philippines. Now, even my employees who are in their early 20's call me by my first name. I am told this is very rare in the Philippines.

Extremely non-confrontational, so it is very hard to get any real feedback. Employees almost never tell their bosses what they really think. And bosses hardly tell employees what they think of them. Everyone tries to say nice things, even if they do not really mean it.

- Over process-oriented, to the point that processes can become the ends, not the means to produce results. I have come across companies who are anal about assessments and reviews of employees. They take so long to get it done, that when they finish, it is either time to start next years' assessment review and/or the results are no longer reflective of the situation

- Old-school style of command and control-type management, with time clocks, sign in sheets etc.

- Low transparency, where managers hoard information as it gives them power. Informal political "old boys" networks still thrive.

- Young employees are expected to be subservient. They will not speak at a meeting with third parties if a more senior person is there.

- In spite of the Philippines being among the leading nations in the world for internet use, and social networking, the vast majority of management are not familiar with what is going on, and even frown on young people spending too much time on the internet.

Gen Y are tech-savvy, ultimate multi-taskers, who are globally connected. They grew up doing homework with music in the background while instant messaging classmates, downloading music, and eating dinner - all at the same time. So how do we manage them, and get the best out of them?

Gary Hamel, who the Wall Street Journal recently ranked as the world's most influential business thinker, and who Fortune magazine has called "the world's leading expert on business strategy", has summarized 12 post-bureaucratic realities that are most at odds with the legacy practices found in large companies today. He has labeled Gen Y, as Gen F (the Facebook Generation).

The Facebook Generation vs. the Fortune 500 - The Wall Street Journal March 24, 2009

The experience of growing up online will profoundly shape the workplace expectations of "Generation F" -the Facebook Generation. At a minimum, they'll expect the social environment of work to reflect the social context of the Web, rather than as is currently the case, a mid-20th-century Weberian bureaucracy.

If your company hopes to attract the most creative and energetic members of Gen F, it will need to understand these Internet-derived expectations, and then reinvent its management practices accordingly. Sure, it's a buyer's market for talent right now, but that won't always be the case—and in the future, any company that lacks a vital core of Gen F employees will soon find itself stuck in the mud.

With that in mind, I compiled a list of 12 work-relevant characteristics of online life. These are the post-bureaucratic realities that tomorrow's employees will use as yardsticks in determining whether your company is "with it" or "past it." In assembling this short list, I haven't tried to catalog every salient feature of the Web's social milieu, only those that are most at odds with the legacy practices found in large companies.

1. All ideas compete on an equal footing.

On the Web, every idea has the chance to gain a following—or not, and no one has the power to kill off a subversive idea or squelch an embarrassing debate. Ideas gain traction based on their perceived merits, rather than on the political power of their sponsors.

2. Contribution counts for more than credentials.

When you post a video to YouTube, no one asks you if you went to film school. When you write a blog. no one cares whether you have a journalism degree. Position, title, and academic degrees—none of the usual status differentiators carry much weight online. On the Web, what counts is not your resume, but what you can contribute.

3. Hierarchies are natural, not prescribed.

In any Web forum there are some individuals who command more respect and attention than others—and have more influence as a consequence. Critically, though, these individuals haven't been appointed by some superior authority. Instead, their clout reflects the freely given approbation of their peers. On the Web, authority trickles up, not down.

4. Leaders serve rather than preside.

On the Web, every leader is a servant leader; no one has the power to command or sanction. Credible arguments. demonstrated expertise and selfless behavior are the only levers for getting things done through other people. Forget this online, and your followers will soon abandon you.

5. Tasks are chosen, not assigned.

The Web is an opt-in economy. Whether contributing to a blog, working on an open source project, or sharing advice in a forum. people choose to work on the things that interest them. Everyone is an independent contractor, and everyone scratches their own itch.

6. Groups are self-defining and -organizing.

On the Web, you get to choose your compatriots. In any online community. you have the freedom to link up with some individuals and ignore the rest, to share deeply with some folks and not at all with others. Just as no one can assign you a boring task, no can force you to work with dim-witted colleagues.

7. Resources get attracted, not allocated.

in large organizations, resources get allocated top-down, in a politicized, Soviet-style budget wrangle. On the Web, human effort flows towards ideas and projects that are attractive (and fun), and away from those that aren't. In this sense, the Web is a market economy where millions of

individuals get to decide, moment by moment, how to spend the precious currency of their time and attention.

8. Power comes from sharing information, not hoarding it.

The Web is also a gift economy. To gain influence and status, you have to give away your expertise and content. And you must do it quickly; if you don't, someone else will beat you to the punch—and garner the credit that might have been yours. Online, there are a lot of incentives to share, and few incentives to hoard.

9. Opinions compound and decisions are peer-reviewed.

On the Internet, truly smart ideas rapidly gain a following no matter how disruptive they may be. The Web is a near-perfect medium for aggregating the wisdom of the crowd—whether in formally organized opinion markets or in casual discussion groups. And once aggregated, the voice of the masses can be used as a battering ram to challenge the entrenched interests of institutions in the offline world.

10. Users can veto most policy decisions.

As many Internet moguls have learned to their sorrow, online users are opinionated and vociferous—and will quickly attack any decision or policy change that seems contrary to the community's interests. The only way to keep users loyal is to give them a substantial say in key decisions-. You may have built the community, but the users really own it.

11. Intrinsic rewards matter most.

The web is a testament to the power of intrinsic rewards. Think of all the articles contributed to, Wikipedia, all the open source software created, all the advice freely given—add up the hours of volunteer time and it's obvious that human beings will give generously of themselves when they're given the chance to contribute to something they actually care about. Money's great, but so is recognition and the joy of accomplishment.

12. Hackers are heroes.

Large organizations tend to make life uncomfortable for activists and rabble-rousers—however constructive they may be. In contrast. online communities frequently embrace those with strong anti-authoritarian views. On the Web, muckraking malcontents are frequently celebrated as champions of the Internet's democratic values—particularly if they've managed to hack a piece of code that has been interfering with what others regard as their inalienable digital rights. These features of Web-based life are written into the social DNA of Generation F—and mostly missing from the managerial DNA of the average Fortune 500 company. Yeah, there are a lot of kids looking for jobs right now, but few of them will ever feel at home in cubicleland. So, readers, here's a couple of questions: What are the Web-based social values that you think are most contrary to the managerial DNA one finds inside a typical corporate giant? And how should we reinvent management to make it more consistent with these emerging online sensibilities?

If your company hopes to attract and keep the most creative and energetic members of Gen Y, you will need to reinvent your management practices accordingly.

1. Managers need to re-invent themselves. Do not rest on your laurels. Your respect and prestige is based on what you are today, and what value you can add. Not what you did a decade ago. For Gen Yers not only is respect earned, it must be constantly earned.

2. And even if you can establish yourself legitimately, do not expect Gen Y to suck up to you. It is not in their DNA. Consider yourself a mentor, not a boss. You really do need to leave your ego behind.

3. They are not good with office politics, and will not play that game. If you are not able to control this in your environment, be prepared for damage control. And Gen Vets do tend to vote with their feet.

4. Embrace the internet. Understand how it has evolved, and how it will affect not just your Gen Y employees, but also your customers, and other stakeholders of your business in the future.

5. When you understand the internet, you will then realize that information is no longer power. You will never be faster or more effective in gathering information than the Gen Y, so you need to accept that they will know more than you.

6. Hence you should respect their inputs. They are used to having their voices heard. Let them participate in decision-making, and make their own mistakes. Neither you nor anyone in history has got it all right always, anyway.

7. Accept that they are multi-taskers, and that they are capable of significantly higher productivity than earlier generations. Not spending as many hours sitting at their desk as you would expect, does not necessarily mean they are not producing results.

8. It is not in their DNA to goof off. They are "hyper-active", and hence have a problem sitting there and not doing anything. So you do not really need to monitor them too closely. Set the goals and expectations, and measure the results.

9. Give them flexibility. As long as they are responsive, and can deliver results, why do you care what time they come to the office and leave. They will work on the move, and they will work from home. They will work whilst watching TV. They are incapable of doing only one thing at a time. They have to multi-task.

10. Provide them with the latest most appropriate technology and tools. They do not necessarily have to cost a lot (again you need to get familiar with what's out there, and what is really needed), and the return in productivity can be significant. Give them unlimited access to high speed internet, and give them dual computer screens to work with. Yes, they might spend some time chatting with their friends etc, but the bigger picture, again, is increased productivity.

11. The shortest point between two points for them is a straight line. So watch out bureaucracy. They are an "instant" culture - instant messaging, instant information on the internet etc. When they work, they are constantly reaching out to their social network, asking advice, getting answers etc. Do not put them in meeting after long meeting, where they are disconnected from their world, and have to listen to someone pontificating and highfalutin. If you have a longish message or wisdom to impart to them, put it on YouTube. If you want to also allow Q&A, set up a blog.

12. They have a tendency to be very close to their parents, who have significant influence over their jobs and career. Do bear this in mind when trying to recruit, and in retaining them. For example, airlines are now emphasizing that the travel benefits are extended to parents, and even the American military recruitment advertisements say "you made them strong...we'll make them army strong," i.e. targeted at parents.

13. They grew up with corporate social responsibility being taught in school for the first time, and this is augmented by what they see on the web, and Al Gore. Hence they are very aware and concerned about the environment, and social equity. The least your company should be doing is to make an attempt to align itself in this direction. Allow them the time and space for social and volunteer work.

14. Lastly, the good news. They are not as driven by money as we would expect. See Gary's point on intrinsic rewards above.

Much of what I have just mentioned is based on studies in the USA. However, the internet has made the world quite flat, and truly borderless. There may be some exceptions in some aspects, but this is the first generation that is quite homogenous the world over.