

THE HINDU BUSINESS LINE

Delivering next practices

A look at some HR initiatives tailored for Gen Y

C. Mahalingam

Part I of this article discussed the entry of Gen Y (the Millennial) into the workforce and the need for HR leaders to recognise and act on the fact that the best practices of the past that helped attract, engage and retain the baby-boomers and Gen X will not deliver value to the millennial. This paradigm change calls for new generation HR practices that I call "Next Practices for the New Gen."

Next Practice in Career Management: From experience-driven career paths to competency-based, contribution-driven career paths:

Gen Y believes in staying ahead of technological changes by fast-tracking their learning curve. They are comfortable embracing advancements in M-Learning (mobile learning) and exploit the same to hone their competencies. Career paths will need to be designed to reflect this trend. Traditional career paths that prescribe minimum service in each rung of the corporate ladder does not carry much water with the millennial generation. They are willing to have their competency validated by experts and valued peers, but will rarely tolerate a refusal of advancement simply because they do not have the ' requisite' years of service at each level.

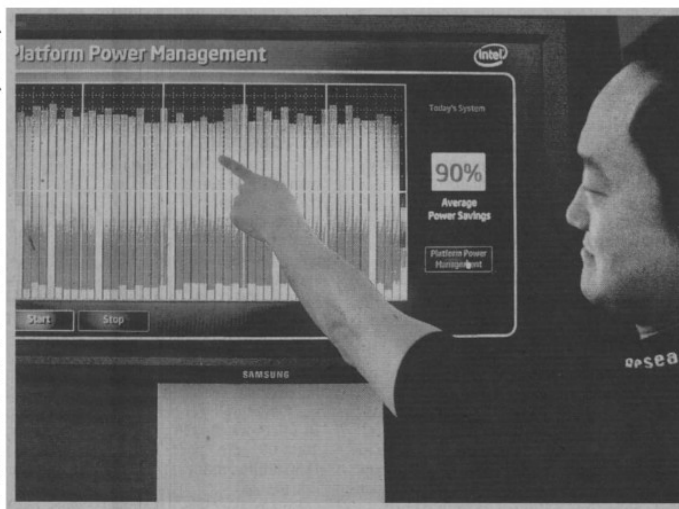
Gen Y is also particular that their career progress is not just evaluated by departmental superiors but by their peer group with subject matter expertise. The career path at an American multinational in the domain of DSP for semiconductors is largely determined by a process of election to the level by the peer group. This represents the empowerment principle discussed earlier.

Next Practice in Learning and Development: From manager-owned training budgets to employee-owned training budgets:

In the past, training budgets were owned by the HR function or the line managers concerned who would decide where to invest the money and what programmes to nominate their employees for. This practice is unlikely to produce the desired results in the context of Gen Y. The next practice to induce learning would be to allocate individual budgets to each employee and help him or her manage it for the overall benefit of the organisation. Fears that such a 'dilution' would lead to misuse are unfounded. The author implemented a similar system back in 1997 while he headed HR for the software subsidiary of a large European consumer electronics player in India; the exercise delivered effective results. The employees not only exercised extreme care in choosing their programmes, they also took self-development a lot more seriously than when managers tended to own it in the past.

Next Practice in Performance Management: From performance goal-setting to defining boundaries and results:

Goal-setting and ensuring that employees



The 'Cool Designer' at work? That is next practice in title convention for you! — Bloomberg

meet the SMART Criteria (Specific, Measurable, Attainable, Relevant and Time-bound) will prove to be a less-than-effective practice going forward. There are enough studies that substantiate that over-emphasising on goal-setting can actually become counter-productive as it takes away the "inside-out" motivation and replaces it with an "outside-in" motivation. HR leaders will do well to study and understand the emerging 'phenomenon' called the "motivator's dilemma." This means understanding and knowing when the effect of external goals becomes de-energising instead of energising! Gen Y is likely to enjoy discussions around the results to be achieved and boundary conditions (major do's and don'ts) around expected outcomes rather than a micro-managed traditional goal-setting process.

This may sound counter-intuitive, but the Harvard Working Paper titled 'Goals Gone Wild - Systematic Side Effects of Over-prescribing Goal-setting' will be informative for HR leaders to understand the "motivator's dilemma" and, therefore, why Gen Y would refuse to pay attention to traditional practices of goal-setting and an associated form-filling exercise.

A company voted as one of the world's great places to work in the business intelligence software space practices this approach and has demonstrated tremendous growth and employee retention.

Next Practice in Recruitment & Selection: Frenzied hiring and even more frenzied layoffs to carefully-crafted contracts for employment:

HR practitioners have frequently found

themselves engaged in frenzied hiring in boom times and reckless layoffs during recessions. Their business leaders have been partners in precipitating this practice for many years now. While this has left Gen X completely demoralised, Gen Y may not tolerate it. Given that Gen Y does not attach any value to service loyalty, HR leaders would do well to administer carefully crafted contracts of two or more years for them. Since Gen Y is not particularly concerned with employment security, they would very likely welcome the system of contracts for a pre-agreed duration renewable by mutual consent.

This next practice at once eases worries surrounding attrition and also does away with surprise resignations and the consequent negative impact on business deliverables. Organisations can refresh their talent based on the "talent on demand" supply-chain principles while employees can explore either extending the contract or moving on. One of India's most successful product software companies in the banking domain that was recently acquired by an American database market leader successfully deployed this practice for several years.

Next Practice in Title Convention: From pigeon-holing designations to offering a basket to choose from:

Gen Y does not see any reason why fancy titles should only be restricted to grey-haired senior executives. Mentors, Gardeners, Chief Fun Officers, Chief Servants, and the like are becoming fashionable with the senior management. Thankfully, Gen Y is not clamouring for such designations but would like more cool and contemporary des-

ignations commensurate with their roles and responsibilities. In the past, organisations could get away by insisting on uniformity and 'industry standard'. Designations such as 'Cool Designer', 'Imagineer' and 'Quality missionary' are likely to appeal to them more than anything that has been in vogue till now. HR leaders must work with the millennials to devise novel designations that reflect their contributions and passion. It may sound crazy, but remember it is better to be crazy than to be a loser.

Next Practice in Reward, Recognition and Engagement: From fiddling with salary components to expanding choices outside of compensation:

Gen Y is not necessarily motivated by money or at least not as much as the previous generation was. Given their preference for "blended life" even more than work-life balance, HR leaders can seldom motivate the millennial by dangling a bit more cash in recognition of valuable contributions. Authors Joe Pine and Jim Gilmore significantly add to our understanding of what works for the new generation customers in their bestselling book: *The Experience Economy*. Organisations will do well to offer a similar ethereal experience to their Gen Y workforce by seeking out employee views on what matters most to them. Some may prefer longer vacations while others may prefer a sabbatical and sponsorship to an executive education programme overseas while still others may prefer donating money to a social cause close to their heart. Creative rewards and recognition will become an imperative and the trick lies in making Gen Y a partner in determining the new basket.

A French multinational high technology company offers a unique basket of rewards and recognition and needless to say, it enjoys a distinct competitive advantage in attracting and retaining top talent.

CONCLUSION

The above illustrative next practices are basically directional in nature intended to provoke a radically different thought process amongst HR professionals. Needless to say, it takes courage and conviction to put such ideas into practice. But then there is rarely reward without risk.

Smart HR managers will recognise the changing colour and complexion of the workforce constituting a significant per cent of millennials and the fact that what holds the key to their engagement is anything but what came to be regarded as 'best practices' of the past. As with every generation of new and next practices, some HR leaders will get off their boats and walk on water while some will miss the boat!

(The writer is Executive Vice-President & Chief People Officer with Symphony Services Corporation. He can be reached at mahalingam.c@symphonyssv.com)

(Concluded)