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# What's next for HR?

The arrival of Gen Y calls for a realignment of people policies

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**T**he Nasscom HR Summit to be held in Chennai on July 28-29 this year, is likely to attract HR professionals from the IT and ITeS industry from across the country. Among the themes this year are the role of leadership in crisis, people strategies for crisis times, rethinking employee engagement, best practices in managing change and making the changes stick, creating high performers and managing a global workforce besides a debate on cutting edge HR practices. In the context of the Summit, I discuss some cutting edge next practices in HR.

**NEXT PRACTICES ADDRESS GEN Y**

It was Dr C. K. Prahalad who coined the term, "next practice" even as the management universe was still using the term "best practice". Next practices represent an orbit change since they will help HR and business leaders manage the new generational workforce that is entering organisations. Welcome to the world of Generation Y (Gen Y) or the Millennials!

The HR practices of the past helped attract, retain and engage the "baby boomer" generation and generation X (Gen X) that largely constituted the workforce for the last 25 years or so. It is unlikely that these people practices will equip and empower HR leaders to get, keep and motivate Gen Y which is dramatically different in its aspirations, capabilities and outlook. Some of the key attributes of Gen Y are:

**Value learning;** acutely afraid of obsolescence

**Value instant gratification;** want goals set on Monday, review done on Wednesday and rewards declared on Friday!

**Enjoy action** over pep talk

**Work hard** but value work-life balance

**Willing to listen,** but have a mind of their own

**More entrepreneurial;** higher risk appetite

**Willing to be led,** refuse to be managed!

**Outspoken, often blunt;** speak their mind without fear

**Question authority;** respect expertise

**Do not like** a job just because the pay-cheque is good; value learning and advancement opportunities more

Even more important is that the millennials do not fit into any single mould. Each of them may have much in common, but they are also individualistic in their aspirations and motivations. An understanding of the millennial workforce and designing the appropriate people programmes and processes are key to building significant competitive advantage in the coming years.

By definition, best practices are best only in an organisational context. It is a misnomer to assume that what is a best practice for one organisation will deliver similar value to every other organisation. In other words, "best practices" represent the efficiency dimen-



sion of HR practice while "best-fit" practices add to the effectiveness. Next practices in HR must be designed to satisfy two important and distinct criteria: (a) suited to the millennial workforce; and (b) tailored to the context of an organisation. I put forward certain next practices that will be effective in harnessing the genius of the talented Gen Y.

**UNDERSTANDING NEXT PRACTICES**

For ease of understanding, I would attribute the following to the Next Practices (NP)

**NPs represent** the futuristic best practices; they also represent an orbit change since they are focused on the millennial that will come to constitute the majority workforce in the current and next decade

**NPs are strategic** and are tied closely to the specific strategy of the company

**NPs create an employer branding** that will provide fairly lasting competitive advantage in the talent market

Some of the best practices of the past will still remain relevant but will not generate distinct advantage. Next practices, on the other hand, will demarcate the "men" from the "boys" when it comes to where HR leaders belong!

**DESIGN PRINCIPLES FOR NEXT PRACTICES**

I list a few key design principles that HR leaders need to keep in mind while putting in place these next practices:

**Empowering the Millennial:** HR systems in the past were designed with the focus on empowering managers. This was a marked change from the good old practices of the late '50s and '60s when these systems centralised power with the personnel function. Next practices must pass on power to Gen Y.

This can be very difficult for most HR managers and line managers who will inevitably feel an erosion of their authority.

**Make Millennials design partners:** HR systems in the past were largely designed by the "HR experts" inside or "HR consultants" from outside. While these internal or external sources of help and expertise will continue to be valuable, next practices will extensively leverage the participation of the gen Y workforce themselves.

**Flexibility:** Next practices in HR will have to pay attention to the divergent needs of the diversity amongst the Millennials. Next practices must become "boutique" in nature.

**Transparency:** Millennials anticipate and appreciate transparency. They would like to be educated and convinced of the "what" and "why" of policies and programmes.

**Escalation as normal and integral:** Millennials attach a lot of importance to people practices being seen and experienced as just and fair. To meet this end, they would welcome policies and practices that provide a hassle-free avenue for escalations without any backlash.

**Contribution and not hierarchy driven:** Millennials respect and embrace practices only if they are focused on contribution and simply not based on hierarchical positions or service loyalty. These next practice design principles are only illustrative but important. In part II, I will discuss six next practices that will help attract, keep and engage the emerging Gen Y or the Millennials.

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**(To be continued)**

**A different cup of tea.** — Mohammed Yousuf