

Leveraging Employee Engagement through Learning & Development for Competitive Advantage with Special Focus on Gen Y

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Abstract: The corporate world could not stay aloof from the wave of globalization, demographic changes and technological advancements. One of the prominent & most talked about drivers of this paradigm shift is the influx of the Generation Y in the workforce. India's boasts of the world's youngest population across the world. Managing, engaging & retaining Generation Y by way of Talent Management practices has become the order of the day & is in fact turning out to be the great challenge for corporate professionals. The following conceptual paper tries to present in the best possible manner distinctive traits of Generation Y & the way it can be catered to by way of customized learning & development practices, supplemented by relevant company mentions.

Keywords: Talent Management, Employee engagement, Gen Y, learning & development.

1. INTRODUCTION

Raising the Bar: Talent Management in action:

Today societies & businesses are witnessing unprecedented change in an increasingly global market place; with many companies competing for talented people, who are having high performance & high competence at the workplace (Berger & Berger, 2004). Over the years the nature of GDP in India & across the world has seen a significant shift toward services. What does this actually mean for the management profession? This equation can easily be answered if you look at how services are generated. Service of any kind, be it the customer service executive who gives information when you call at the bank, or the Guest Relations executive at the hotel where you have organized a conference who ensures that your event goes clockwise. This is all generated through people. Other factors present, it the right person performing the right task, that counts & brings about competitive advantage for organizations.

Over the last few decades, human resources have therefore, assumed strategic importance. Globalization, the process by which economies, societies, cultures are fast integrating through a globe spanning network of communication & trade. And so, in an age when those who possess knowledge & not capital or means of production, it is no surprise that a contest of talent has been raging since the 1990's.

As the importance of people to the bottom line grows, the rules for managing people are dramatically changing. Demographic, economic, technological & socio political phenomena are driving the most drastic workforce changes in decades, creating a workforce that is more mobile, informed & in demand than ever before. Organizations which are enthusiastic for gaining competitive advantage over their business rivals need to manage their talent in vigilant & effective ways. It is clearly seen that the global conquerors of the world are those who possess more scientific, concrete information.

Today's business environment wedges the role played by human resource in the organization. Human resource is playing its role as a strategic partner instead of supporting administrative tasks in the organization because the greatest assets of the organizations are its people. Industry is seeing many organizations implementing integrated Talent Management processes. Talent Management is of core vitality of the business to meet & exceed as well as future business strategies & goals.

The concept of talent management was derived from World War II (Capelli, 2008), however its strategic importance has been realized when Mc Kinsey consultants group claimed the human resource as "War for Talent" in late 1990's. This war for talent was prompted by the realization that talent shortages were increasingly becoming one of the biggest human resource concerns for multinational corporations.

2. UNDERLYING THE DRIVERS OF CHANGE

The next generation Talent Management practices are impacted by the following major factors: 1. Economic Revolution 2. Demographic changes. These factors are dramatically influencing the way people work, the way companies are organized and the way talent is managed.

Economic changes:

Knowledge economy:

The transition to a knowledge economy has transformed the way companies are valued. Talent is now a required strategic asset. Key changes in the future include a continued blurring of lines between inside & outside talent that will result in an expansion of the talent management scope.

Globalization:

Companies are going ever more global. European expansion is old news; the top expansion projects for global companies now include China, Russia, Mexico & the rest of Asia. The continued expansion provides with both challenges & opportunities around talent utilization & development, diversity & risk management.

Skill gaps & structural Unemployment:

An ever increasing pace of change means organization will face more structural unemployment challenges & skill gap issues. As a result, re skilling, continuous peer to peer learning cultures will become increasingly important as will be the ability to rapidly & accurately identify current organizational skills & talent.

Demographic Changes:

The older vs. Younger Generation:

Significant demographic changes are taking place where population growth rates & aging population are poised to stifle local economies. The ability for organizations to successfully tap into global talent or effectively move talent from area of abundance to scarcity is becoming a strategic issue.

Workforce Diversity:

Today's global landscape has been thrown to a new diversity challenge that many organizations are ill prepared to meet & manage. While workplace diversity adds breadth, depth & scope to the organization it also has the potential to adversely affect individual & group performance thus creating obstacles which many impede the attainment of broader of organization goals & bottom line results. The organizations of today have been confronted with a unique diversity challenge with namely three generation working side by side, each with its unique personality traits, value & work preferences & working style in stark contrast with each other. The three generations are namely

Baby Boomers (1945- 1964):

Baby boomers are currently the largest generation in the workforce, although they will be overtaken by Gen Y over the next ten years. The current literature suggests that (Smola & Sutton, 2002; Eisner, 2005, Lancaster & Stillman, 2005; Kupperschmidt, 2000) Baby Boomer's value job security & stable work environment. They are loyal to the organizations, idealistic & ambitious. They are suggested to be focused on consensus building & mentoring. Lastly they are suggested to be very sensitive to status (Kupperschmidt, 2000).

Generation X (1965- 1980):

People belonging to Gen X are generally characterized as cynical, pessimists' & individualistic (Smola & Sutton, 2000, Kupperschmidt, 2000). They are also considered to be entrepreneurial, comfortable with change & less loyal to an organization. Instead they are viewed as independent & as result of an economic crisis in their formative years are more likely to leave job in search of more challenging options, higher salaries. They are said to have lack of respect for authority (Howe & Strauss, 2007) and a strong focus on work life balance.

Generation Y (1980 - 2000):

This generation is the children of baby boomers who were born between 1980 and 2000 (Foot & Stoffman, 1998). In other literature, this generation is classified using a variety of terminology including "the baby boom echo" (Foot & Stoffman, 1998, p.30), "the nexters" (Zemeke *et al.*, 2000), and the "millennials" (Lancaster & Stillman, 2002). Generation Y is the first generation born in a technologically based world (Smola & Sutton, 2002). They have never been known to a world without cellular phones, compact discs & video games (Hatfield, 2002, p.73). Their lifestyle has been defined by increasing school violence & celebrity scandals. Further defining the generation is an increase of diversity including ethnic, linguistic, non traditional families & sexual alignments as well as change of media to include talk shows, reality TV & internet where everyone can have their say & even be a star (Paul, 2011).

3. THE RISE OF 'TROPHY GENERATION' IN INDIA

The newest & youngest members of the work force all over the world are making their presence felt, causing businesses to rethink their workplace practices & adapting flexibility at workplace to this new breed of Generation Y (Gen Y) employees and managers. With about half of India's one billion people under the age of 25, (Figure 1) Gen Y of India is the world's largest compared out of total 1,723,911,077 which is 25.47% of world population (Indian Population Bureau, 2009). The Generation Y in India is remarkable group which is ambitious, optimistic, embraces change & has a clear sense of where they are headed. In India, they will be the largest percentage of employed workforce for the next 50 years. Therefore, Generation Y professional's skills & potential are crucial if economies are to move up the value chain. In addition, as the Baby Boomers retire, both Gen X & Gen Y replaces them.

Describe the large potential of Gen Y workforce, it is mentioned many a times that they are not 'employment ready' & so their talent is in short supply. Whether the challenges posed by Gen Y also called Trophy Generation, outweigh the opportunities they present, i.e. their ability to use communication technologies & social media, their tech savvy culture, new ways of contemplating work, new managerial forms are creating both challenges & opportunities in the workplace. There is little doubt that organization those embrace the challenges will be in a better position to benefit from their skills & high potential.

4. UNLEASHING THE MAGIC OF ENGAGEMENT THROUGH LEARNING & DEVELOPMENT FOR ENGAGING GEN Y

Traditionally Indian masses believed in serving an organization lifelong. However, the 1980's witnessed the migration of prominent nations to industrializing economies which holds the courtesy of introducing this generation ushering a wave of corporate revolution. This influx of this generation has redefined landscape of the corporate. They question boldly & seek answers aggressively. As the previous generation retires, the Gen Y dominance over the workplace is increasing.

Connecting with the generation Y is seen as huge challenge for the corporate professionals whose style of working is in stark contrast with their predecessors. Gen Y abrupt, technologically savvy, multi taskers, and individuals with short attention span. Technology is just another way of life for them. Gen Y has access to considerable amount of information via multiple sources like television, internet, mobile's PDA's, print media? However all the information they receive may not be of use or standard? This creates a false impression in the minds about the corporate. They start creating fancy pictures & start dreaming of very comfortable & cozy life, immediately after their post-graduation. There are disillusioned that they would be plasticizing what they have learnt in their professional courses. The transition turns out to be reality shock which they are unable to fathom.

But the foremost thing is that they are too important to be ignored. Ignore at you own peril is the right fit for this generation. Fortune magazine claims that they are destined to be the highest performing generation in today. The key to this pertinent corporate dilemma is **Employee Engagement**. Over here we would limit our analysis to the high

maintenance generation i.e. the Generation Y. The concept of ‘Employee Engagement’ emerged in 2006, when CIPD (Chartered Institute of Personnel Development) undertook a survey of level of engagement in the UK workforce, findings of which were published in report entitled ‘*Working life: Employee Attitudes & Engagement*’ (Truss et al 2006). Employee engagement has become a hot topic in recent times.

Given the fact that people today are the competitive edge, the value of employee engagement can never be underscored. But at the same time, it is not easy to measure the benefits of employee engagement in rupee terms because there is a lot which goes into the performance of the organization. Watson Wyatt’s 2008/2009 Work USA Report ‘Driving Business Results Through Continuous Engagement’, released 10 February 2009, states that highly engaged employees are twice as likely as their less engaged peers to top performers. Employee engagement fosters & drives discretionary behavior, eliciting employee’s highest productivity, their best ideas & their genuine commitment to the success of the organization. Engagement contributes significantly to an organization’s performance, leading to improvement in service quality, customer satisfaction & long term financial results.

Substantial research has been undertaken by the management & behavioral sciences that supports the theory that when employees are engaged, service quality, customer satisfaction, employee retention, productivity & financial performance improve. By contrast, when employees are alienated or disengaged, organizations experience declines in all areas. Cracking the code to employee engagement – learning how organizations can win the hearts & minds of their employees – remain a complex yet critically important challenge facing organizations as they strive to reach the highest levels of performance in changing & competitive environments.

5. DRIVERS OF EMPLOYEE ENGAGEMENT

The changing nature of work & the emergence of the global economy both have affected not only what employers want from their employees, but also what employees want from their work & their careers. For example, in the 1980, surveys were able to identify such factors as pay equity, job security, personal accomplishment & the opportunity for employee input as drivers of employee satisfaction. By the 1990s – with the disruptive trends of corporate reorganization, outsourcing & diminished job security–employee’s relationship to their work had evolved, so that professional–developmental opportunities, clear organizational direction & good work life balance had become keys to feeling committed as well as satisfied.

As mentioned in the previous paragraphs that Gen Y presents a unique corporate conundrum. They are one generation which would not enticed by a manager’s job, salary or perks or lucrative assignments. They have seen their parents chained to their desks & become stressed, all for money. Salary & status are not on the priority list. Considering the fact that Gen Y is very vocal, they like to be challenged & hungry for stimulation. Their own development is very important to them & they, in fact expect significant contribution from their employer in this area. Structuring their learning & development by using approaches that will support their individualism, provide variety & be meaningful will likely have the best results.

After thorough analysis of the various industries& the associated learning & development initiatives, we present over here some of the unique learning & development initiatives that would turn out handy to satiate the learning & development need of the millennial:

6. CONVENTIONAL TRAINING WITH A MILLENNIAL MAKEOVER

Looking into the current context, the efficacy of regular training programs has been questioned. In the past decade or so, the whole idea of learning has undergone a drastic transformation; people refuse to adhere to conventional learning methods, they want to learn just what they need, and why they need it. This why learning has progressed from tradition classroom environments to broader non-linear settings. Looking into the new breed of Gen Y, often credited with the patience of money lender & attention span of a bumble bee, there is an urgent need to overhaul the training programs making it more millennial friendly & that too from the basics.

The foremost is the medium of the message. In the past, training traditionally had been a classroom activity. The trainer would stand up on a pedestal, and deliver knowledge while the trainee, sponge like would, lap up what was delivered. The millennial generation is technology prone. Technology has impacted every sphere of life. In order to create brain compatible learning experiences for a generation which has grown on a staple diet of television, trainers need to include

more imagery & change in training. The key to bring home the training concepts, it is the medium of instruction which hold the keys as traditional methods of training have mundane. The need of the hour is to design & develop training programs which this young breed of employees can conform to. Television & mobile & e-learning could probably be the right because of their unique advantages as being image rich medium, their ubiquitous presence. Inclusion of innovative three dimensional imagery as spatial activities, games, doodles stories that would get the learner's whole body involved in the learning can be some other options.

Reverse Mentoring: The new development mantra :

The phenomenon of mentoring has been in existence for a long time. Most of us have experienced mentoring in its various flavors: structured, informal, coaching focused etc. But the key note over here to consider is that mentoring from times immemorial takes place with an explicit expectation that knowledge transfer takes place from a more experienced (older) mentor to the relatively less experienced (younger) protégé. This calls for serious attention in the wake of the demographic, social & urban shift of our country, clearly extending to our workplaces as well. Drawing examples from the IT sector employing large young IT professionals of our country new transformed & repositioned mentoring has come into existence addressing the unique development concerns of younger workforce.

Reverse mentoring as the name suggests combines the solidity of existing employees' experience with the exuberance of new joiners, hence it turns out to be a powerful tool in their possession. Reverse mentoring in the case of IT companies essentially fresh graduate engineers don't the role of 'reverse mentors' of existing project managers & new lateral hires at middle management being reverse mentors to existing senior managers. The major payoffs of 'reverse mentoring' are increased ownership amongst the new entrants, generation of fresh ideas & environment prone to harness them, inclination of the organization mindset to competencies (rather than years), fostering strong relationships, development of newer insights about market realities & competitive positioning.

Job Shadowing:

Understanding the importance of the engagement of Gen Y with the organization with immediate effect an important technique adopted as a part of the induction process 'Job shadowing'. Job shadowing is successfully practiced at Nokia through its shadow program, wherein every new employee is assigned to a person from the top/ senior leadership team of organization as a mentor for a week. The employee assists the leader as their shadow – accompanying them on all business meetings & other related activities, familiarizing the employee with business ethics, values of the company. The shadow cum candidate is picked from different functional areas as this helps the new joiners in understanding cross functional dependencies that exist and are critical to meeting business objectives.

Buddy system: A friend within:

A well designed orientation & formal induction program can achieve much, but it is sometimes the informal aspects of the socialization process that tend to sometimes get ignored and it is these that affect the new incumbent's perception of the organization. The answer to this is the 'Buddy system', wherein new joiners are assigned a buddy. A buddy has formal responsibilities, much like a mentor or a coach, to help integrate the new comer seamlessly & effortlessly into the workplace, so that he can start contributing productively within a least possible time. The basic idea behind the buddy system is promoting systematic sharing and learning by way of a more comfortable, casual and informal relationship. The buddy system is simply a more systematic handholding mechanism to ensure that such concerns get addressed effectively during first few days. Buddy system serves as a useful tool for new employees to progress up the learning curve faster and get productive easily.

7. CONCLUDING REMARKS

Contemporaries & peers have been complaining about the way the current generation is thinking & responding to various situations. Comparison is quickly made with 'how they used to' or 'they used to behave'. Managing generation gaps is very complex. Looking into the current corporate landscape & the high magnitude infusion of Gen Y, Trophy Generation, and Generation Goog by whatever it called, with their unique traits of personality, values & preferences, the war has just begun. Engaging them by unique & customized learning & developmental opportunities has become the order of the day.

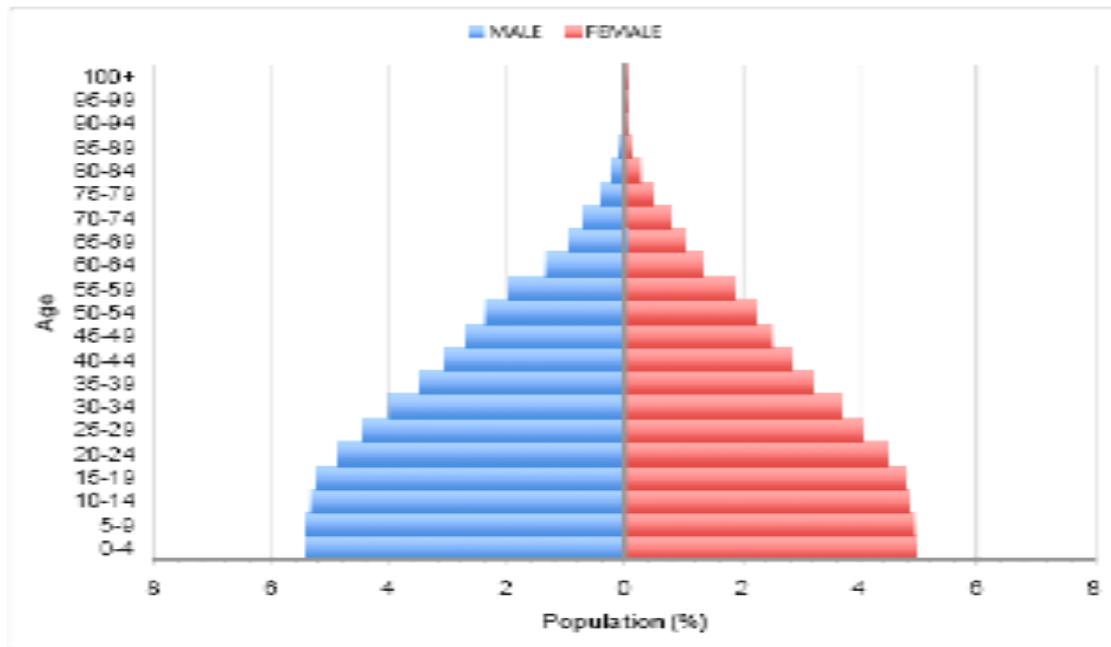


Figure – 1 - Indian Demographic Pyramid

Source: United Nations (2009), International Database

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