LEADERSHIP FOR THE NEXT GENERATION

knowledge WORKER

How leadership uses purpose, personalisation and freedom to transform Generation Y knowledge workers into high performers and navigate their organisations through the generational shift.

"I DO NOT BELIEVE THAT GEN Y WILL SUBSCRIBE TO THE NOTION OF PERFORMING WORK IN THE SHADOWS. EVEN WHEN WE GET OLDER OURSELVES, I DO NOT THINK THAT WE WILL REINFORCE THIS NOTION UPON YOUNGER GENERATIONS, SINCE WE ARE MORE CONCERNED WITH INDIVIDUAL EXPERTISE, INTERESTS AND SELF-REALISATION ON A MUCH MORE TARGETED LEVEL."

(Gen Y, knowledge worker)

A new generation of employees and customers. An intensified battle for the best talent. An updated set of leadership skills required for the vast energy supplies waiting to be unleashed. Will you handle it better and faster than your competition?

Alongside battling all the pressing operational and strategic challenges, recruitingand retaining the best people is vital for top-performing organisations to survive and thrive in today's fiercely competitive economy. Several recent studies provide proof that Generation Y constitute a real powerhouse of vast energy supplies.

Organisations just have to learn how to unleash it and capture its potential value. The fact that Gen Y differ substantially from their predecessor generations poses both a great challenge as well as a great opportunity for employers. The changes that this generation will bring about are predicted to be of a magnitude larger than ever before. Since people and organisations are creations of habits, we have to understand the underlying factors that are shaping these habits, and the changes required for a symbiotic relationship between organisations and Gen Y to be created. Gen Y will not only constitute the next generation employees, but also the next generation customers. For leadership to understand and adapt to these generational changes is essential in order to create high levels of engagement and, in the end, to "make the sale".

Why should you care?

Motivated employees can be a huge differentiator and a key to success, but motivation and sources of meaning change inevitably between generations. As the share of next generation employees increases, leadership have to understand these dynamics and know how to adapt in order to create higher engagement levels and transform the creativity into business value.

- **Customer interaction:** Who will be the winners, when the ways of doing business are being changed?

- **Corporate culture:** How to attract and re-attract the next genera-tion through understanding their motivational drivers?

- **Leadership:** What could lead-ership do to speed up Gen Y development and organisational growth?

"IN MY ORGANISATION, THERE ARE REAL DIFFERENCES BETWEEN OLDER AND YOUNGER GENERATIONS AND HOW THEY APPROACH WORK."

Survey of 5000 knowledge workers
(Boomers, Gen Xers and Gen Yers)

- 12 %
- 16 %
- 72 %

No, I've never noticed any such differences

Yes, there are real differences, but they never pose challenges

Yes, they sometimes/ often pose challenges

Source: Generations at Work – Managing the Clash of Boomers, Gen Xers, and Gen Yers in the Workplace, Zemke et al, 2013

The rise of Gen Y is one of the drivers of the current business paradigm shift

Just like generational changes, the business world is regularly undergoing paradigm shifts. During the 1990s, businesses had to drive down costs and ensure efficient processes, so the context demanded focus on opera-tional excellence. In the beginning of the 2000s, operational excellence had made businesses vulnerable to disrup-tion and, consequently, focus shifted to growth through innovation. Currently, the business world is undergoing yet another paradigm shift, driven mainly by three factors:
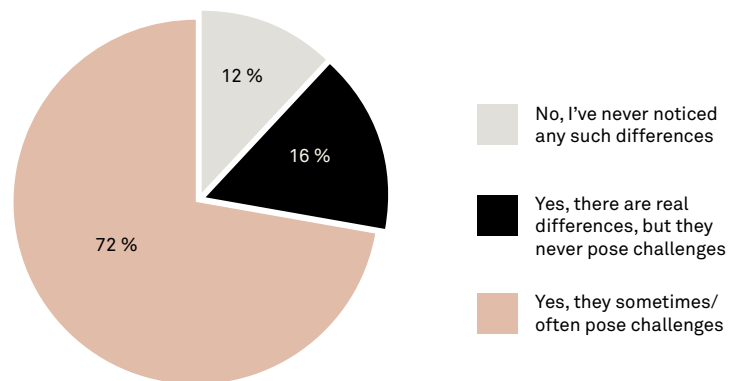
- **An increasingly interconnected world**
Organisations and people are more tightly connected than ever. Any issue spreads at lightning speed risking to cause lateral damage.

- **Employee engagement**
In a world, where personal change is increasingly natural, employees have to be engaged in order to be retained. "Attract and retain" is dead – "Attract and re-attract" is born.

- **The rise of Generation Y**
This latest generation to enter the workforce have great potential, while being fundamentally different from previous generations, requiring changes to how businesses are run.

This article provides an exploration of the last driver, namely how organisa-tions will have to change their ways of running their businesses as the next generation employees gain a larger share of power. It is not to say that this generation have more right than any of the previous generations, only that they are growing rapidly in numbers, which will require changes to be made according to their motivational drivers and ways of working.

Various episodes have shaped the different generations' world views, motivational drivers and values into a unique set of generational characteristics of preferences and behaviours. Notably, the essence of the word meaning in regard to work and conception of life has altered from one generation to the other. Since each generation experience their way as the best or right way, friction due to such generation gaps is formed. As you may have already experienced in your organisation, working together across generational borders may inflict divergences in preferences and behaviour. The career and growth opportunities that the next generation employees are asking for are starting to have great implications for organisational set-ups, work design and reward systems and how employees and managers collaborate.

Therefore: Be warned. The reading you are about to take part in may be provoking to you, whether you are a traditionalist, a baby boomer, a Gen X or a Gen Y, who disagrees with the findings based on several sources, including real-life cases, interviews and statistics. Please decide for yourself to continue reading with an open mind. Of course, everything stated in this article can be ignored, but the question is: For how long will your organisation – and you – continue to thrive?

A seismic shift in the workforce is upon us. Right now

For years, baby boomers and, to some extent, Generation X have controlled the workplace, a fact that is rapidly changing. Between 2007 and 2012, America's 500 largest companies lost half of their senior management due to an ageing workforce. An ageing population also means that there is a smaller pool of new candidates and that the battle for talent intensifies. In 2015,

Gen Y surpassed Gen X to become the largest generation in the workforce. These numbers are continuing to grow rapidly since a large share of Gen Y are still to finish their studies. The change of motivational drivers among the workforce is nothing unique. Companies were blindsided both when the hard-to-manage boomers came along as well as when the self-oriented Gen Xers entered the stage and demanded work-life balance. Before we try to understand the dynamics of these changes, let us examine the current status of the various generations in order to place this article in its relevant context.

Currently, Gen Y are covering the span all the way from new graduates to the ones who in a few years will be knocking on the door to management levels, as well as the people reaching powerful buying positions at potential customers. For about the next 50 years, this generation will be having

an impact on the business world. If waiting too long to adapt to the curiosity and new set of expectations that they are bringing about, organisations risk losing their most talented people and potential sales opportunities to competitors – in the end, possibly even run out of business.

What shaped the generations?

Let us take a look at the driving forces, which have shaped the generations and the effects that these have created.

Traditionalists (1925 – 1943)
The traditionalists grew up during the Great Depression and WWII, becoming the compliant assistants to their parents and older siblings who were heading for the battlefields. Growing up in an overprotected environment with lots of rules and having missed the opportunity to prove themselves in the war, they got nicknamed as the "Silent generation". Their hierarchical and

T

Traditionalists (1925 – 1943)
Moving into bonus elderhood, acquiring a new sort of power position as advisers. The majority of this generation have quit their jobs by now.
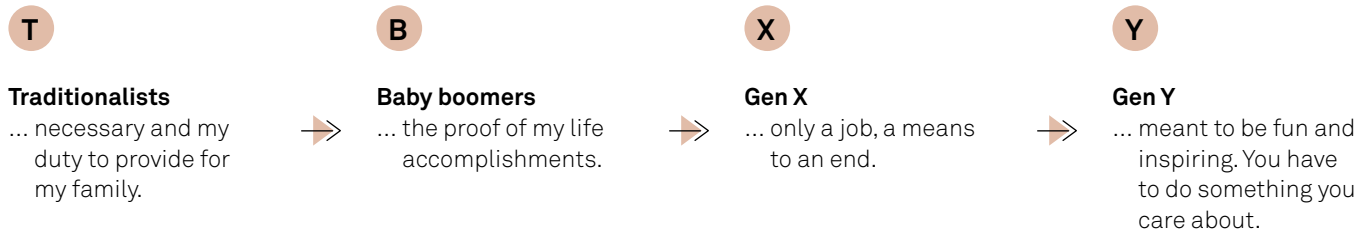
B

Baby boomers (1944 – 1961)
Moving into elderhood and an advising position towards younger colleagues. The youngest boomers will be in business for another ten years or so.

X

Gen X (1962 – 1981)
Moving into midlife. These are senior employees, managers, subject matter experts and leaders at various levels.

Y

Gen Y (1982 – 2001)
Moving into young adulthood. These are the next generation employees and the next generation customers, entering the business world with high ambitions and expectations.

Work is …

T

Traditionalists
… necessary and my duty to provide for my family.

B

Baby boomers
… the proof of my life accomplishments.

X

Gen X
… only a job, a means to an end.

Y

Gen Y
… meant to be fun and inspiring. You have to do something you care about.

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status-dominated upbringing made them very respectful towards authoritarian and fearsome leaders in the workplace. One was not likely to switch employer, since change was counteracting to the structured way of life that everyone was taught to live. Work was seen as necessary, and it was one's duty to provide for his family. Working hard and sacrificing oneself for the greater good became the traditionalist's motto.

Baby boomers (1944 – 1961)
Then came along the baby boomers, a generation who entered the world after the end of WWII. Life was still relatively hard, but societies slowly began to prosper. Better education and technological advancements helped to make the boomers a successful generation. If one was strong, one could make it. Having lived through and survived WWII, the boomers' parents thought that their children should do something of themselves. The boomers were encouraged to challenge themselves, resulting in the "me" becoming the centre of attention. These factors created a competitive, goal-driven and optimistic generation, later on resulting in the first batches of newly produced business MBAs – as well as the first generation of workaholics. Meaning was found by focusing on achieving and getting ahead to eventually ascend

to the meaningful positions if you managed to play you cards right. Laying at your deathbed, the work you had accomplished was the proof of your life success.

Generation X (1962 – 1981)
A global economic recession. The fall of the Berlin Wall. The first personal computers. These factors played an important role in the shaping of Generation X. This generation was the first whose parents were both working, spending more and more time away from home trying to impress their bosses, giving up quality time with their children. Spending on average only 15 minutes a day with adult role models, Gen X became used to being alone. This separateness caused many members of Gen X to turn inwards to themselves, retreating to mantras such as "I have to do it myself". The bright opportunities of the previous generation were now gone, making Gen X a group of sceptical and realistic individualists prone to huge risk-taking, unafraid of switching between workplaces. Due to the turbulent times, employers were not to be trusted and work could disappear at any time, better not to emerge the entire "you" into it. These circumstances helped breed Gen X into the most entrepreneurial generation ever, creating breakthrough products that shifted the paradigm from "withholding

information is power" to "sharing information is power".

Having seen with their own eyes their parents working their butts off, they became more aware than previous generations of how they spend their time and energy, thus demanding more work-life balance from employers. Bossiness and stiff corporate cultures had to make room for hanging out with friends and enjoying life outside work. Work was seen as a means to an end, while real meaning was sought beyond. The increased importance of having a good time brought informality and fun to the workplace, which was previously quite uncommon or even frowned upon.

Generation Y (1982 – 2001)
Millennials. The Idiot generation. Echo Boomers. Generation We. The Net generation. The Global generation. The Always On generation. Generation Why. There are many nicknames for this latest generation to enter the workforce.

Gen Y are often described as a self-entitled bunch of unmanageable kids, raised to the skies by their parents, labelled as exaggeratedly ambitious dreamers who want everything to happen now, both greater benefits and more time off work. Some see this generation as lazy, while they pride

themselves with having been taught to think creatively, finding new and smarter ways to work more efficiently. Since Gen Y were born during relatively good economic times and followed in the wake after the much smaller Gen X, they have always been in demand and have had plenty of choices. A number of key trends have shaped Gen Y into one of the most promising – and misunderstood – groups of people ever to join the workforce, which poses both a huge opportunity as well as a great challenge for employers. Let us find out which trends have had a significant impact on Gen Y.

The first trend: **Parenting**. Gen Y's boomer parents were the first to stop ruling with an iron fist, providing autonomy to their children. Therefore, Gen Y have since early childhood been used to having the possibility to choose from an ever expanding selection of activities to participate in. Gen Y have, in contrast to Gen X, spent several hours a day with adult role models. As opposed to Gen X who generally tend to be individualists distinguished by some degree of trust issues and difficulties to work with seniors, Gen Y are team-oriented and thrive when getting to work closely and collaboratively with seniors, drawing on their extensive bank of experience. Moreover, Gen Y's boomer parents, who were frustrated with trying to be good at everything, encouraged their children to specialise in areas to truly excel. Alongside the constant juggle of choices, this has made Gen Y eager to try and excel in new areas, meaning that they *dismiss the idea of being limited to specialising in one sole, predetermined area of expertise.*

The second shaping trend is the evolution of the essence of "meaning", evolving towards a more targeted **purpose-driven life**. Previously separated professional and private purposes are merging into an overall life purpose. Growing up seeing their boomer parents performing stressful corporate jobs at the same time as catering intensely for their children have made Gen Y very aware of the effects of too high levels of stress. The importance of energy expenditure and renewal, has laid the foundation for a paradigm shift from *work-life balance towards life balance.* This can mistakenly be interpreted as laziness, but Gen Y are in fact every bit, if not even more, as engaged in their work as previous generations. They are not interested in labouring long hours to build a kingdom for a manager, but will work their guts out for a cause and a vision larger than themselves. This misperception has created a wide generation gap between Gen Y and previous generations. Gen Y merely strive to maximise the rewards from a wide range of achievements – before, during and after work – in search of a purpose-driven life, exemplified by the following quote from a next generation employee: "A Gen X colleague of mine kept calling and emailing me on evenings and weekends. I tried to discretely transfer the message that this was unwanted behaviour, only to get the response: "I looked in your calendar, and you did not have anything planned". Puzzled by this ignorance, I made a recurring "Private appointment" in my calendar each evening and weekend in order to make it clear and visual that I indeed had other plans – they just did not involve work". *For Gen Y, work is just one aspect of a full life, which has to be both fun and inspiring.*

The third important trend is the **technological revolution**. Gen Y is the first generation to grow up being connected to the entire world 24/7, thus inventing new ways of socialising and working at the same time as developing an increased awareness of the global economy and the situation in emerging countries. This has strengthened the will to contribute to progress both for organisations and for the larger world. Furthermore, technological advancements in industries such as computers, social media and travelling have all contributed to the new way of living life in the fast lane. *Speed is more important than ever for this "restless generation" and the on-demand culture is anticipated to seep into the workplace as the share of Gen Y increases, affecting career ways, reward models and time-off policies.*

Emerged from the trends already mentioned, **customisation** has arisen as a spin-off trend. Gen Y have always been able to shape the world around them according to their own preferences in a variety of domains:

- **Shaping** the immediate environment: Which internet pages to add to your favourites, personalised marketing, custom-made apparel and individually selected iPhone apps.

- **Expressing** who you are: Gen Y have, since childhood, been allowed to express who they are both during spare time and school hours, being less exposed to authoritarian leadership figures.

- **Flexibility:** The on-demand culture has brought about the opportunity to construct a more flexible existence where change is something natural.

So, always having the possibility to shape one's life according to stationary and emergent needs, the next generation employees will most likely customise their ways of working as well. The one-size-fits-all model is dead.

Last but not least, it is worth mentioning a few key movements which have arisen from the techno-

logical advancements and the new patterns of preferences for how to perform work. These movements are expected to play a significant role in the future of business, and Gen Y will play a key role in transforming them into business value.

Crowdsourcing and social media play huge roles in the lives of Gen Yers; behaviours that are starting to become (or already have become) embedded in our society. Answers and new opportunities are never far away. This openness is anticipated to spread to many parts of how business is done, creating work excitement for Gen Y due to a more collaborative and connected workplace. Gen Y gather information and opinions from a wide range of sources, such as Tripadvisor, in connection with where and how to travel and use their social network on Facebook for all kinds of purposes. More and more businesses are also starting to adopt this way of gathering insights, e.g. LEGO, who use it for product development, and Coca Cola who run their open-sourced "Shaping a Better Future" challenge, asking entrepreneurs to create ventures for improving education, environment, health and youth employment. A recent study indicates that 68% of Gen Y will not make a significant decision before having run it by their network.

Gamification, which is growing in popularity, is a means of spicing up work tasks through game-like approaches in order to create incitements to improve performance in given areas. By providing a story-based experience rather than a "read the manual" approach, it is utilised for e.g. training, team building and innovation purposes. It provides performance-related metrics in real-time, transparency and is related to predetermined goals. The players can earn rewards, level up and build on chosen areas of expertise. An example is the Khan Academy's math programme, which is basically a video game, but where the story is built up around solutions to equations. Under time pressure, players (students) solve problems and immediately get to know if they are right or wrong. In order to proceed to the next level, the previous questions have to be answered correctly. Correct answers accumulate points which leads to players achieving important milestones, each a success that can be transparently shared with the player's Facebook network. Moreover, even the U.S. Army use gamification, not only for training purposes but also to attract new recruits and to promote awareness. For Gen Y, purpose activates participation, collaboration sparks innovation and cultivation triggers devotion.

Big Data is currently bringing about the next era after mass customisation, which was made possible by the digital revolution, called mass personalisation. Utilising the vast masses of data being produced by individuals every day in order to uniquely and continuously modify products and services will provide a competitive advantage for those who manage it well. Gen Y were raised in times when access to information suddenly became available to the masses. They almost expect companies to know what they want, before they even know it themselves. Such expectations have been successfully leveraged by for instance online retailer Amazon and music streaming provider Spotify, who without meeting their customers face-to-face can personalise the entire consumer experience by putting Big Data to work. Quite unlike previous generations, Gen Y are willing to share more information about themselves in order to make their lives easier and more permissive towards product and service suggestions based on their habits.

Methods for achieving goals – by generation
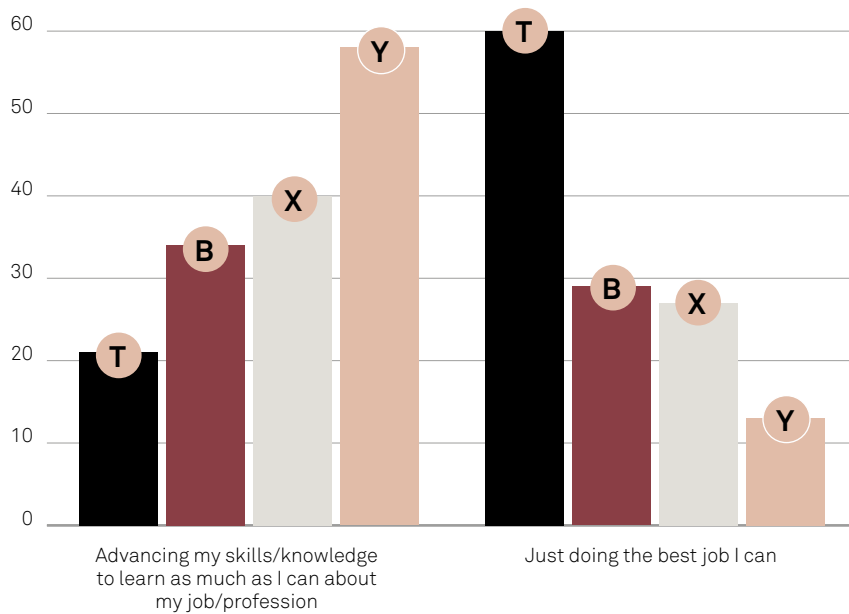
Source: Employee Motivation by Generation
Factors (Survey Analysis), AchieveGlobal, 2009

Acknowledging the need for change

PricewaterhouseCoopers (PwC), the world's by revenue second-largest professional service network are one of the forerunners in the field of adapting to Gen Y. They realised that in order to continue their success story they had to make some tough changes regarding how they run the business. After undertaking a project to find out what gets Gen Y's motor running, PwC have changed their HR policies to reward primarily quality over time spent and value the personal preferences of each individual employee. Previous people strategy, largely resembling people-strategy-as-usual in the professional services industry, meant bigger promotions and bonuses to the ones who sacrificed more of their personal lives. The changes that PwC have made mean that they sometimes have to say no to their clients, but as the U.S. Chairman Bob Moritz puts it: "A greater emphasis on non-traditional career models sometimes gives our clients pause, but we've learned the benefits of sticking to our people commitments". He continues: "It's not uncommon for our longer-term partners and staff to believe that working hard is, or should be, a badge of honour […]. Millennials are often stereotyped as self-absorbed, quick to shift their loyalties, lazy, and uncommitted to work. We've all heard these unfounded myths, and that's exactly what they are. At PwC, we've used education to address assumptions like these. We've helped boomers see that although millennials may be more aware of the ill effects of stress and may value non-work interests and activities more than boomers do, they're every bit as committed to the success of the firm. They're simply not prepared to sacrifice their health and well-being for it […]. Over the past decade, turnover has decreased by about three percentage points – while employee engagement has increased
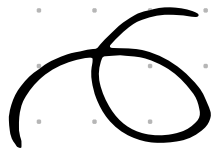
by three percentage points". So, let us take a look at the key results from the PwC project and how the organisation has gone about to implement the changes.

- **The allure of one day becoming partner is no longer enough**
Gen Y is in a constant search of creating impact with a purpose. The need for speed and meaning is greater than far-away monetary rewards, so creating faster career ways, job flexibility and allowing people time to have personal lives are important steps in how to attract and re-attract Gen Y. As Moritz explains it: "Millennials are less willing than boomers to make their work lives an exclusive priority, even when offered the prospect of substantial future compensation. They want job flexibility in the here and now, along with opportunities for training and mobility and better and more frequent feedback and rewards".

- **Be honest and do not mess up**
Gen Y are quick to react negatively to any perceived detachment between the organisation's words and its actions. Be transparent in strategy, values, career paths and compensation and stick to your word. Honesty is very important for Gen Y who look intensely up to their more experienced peers.

- **Gen Y are prone to change their mind**
After PwC realised that they do not want to have Gen Yers leaving them in order to pursue new career goals, they started to break down artificial barriers within the company. When an employee has been on board a few years, opportunities to try new things increase dramatically. In the face of changing life situations such as becoming a parent, employees are offered positions which require

less time away from home. Another initiative allows people to work for PwC during the busiest months and to pursue other interests for the rest of the year.

- **Contributing to the organisation and the world**
Gen Y want to be heard and feel that they are contributing to something larger than themselves. Therefore, PwC now stress the importance of providing Gen Y with the larger context so that they can tie their work to the bigger picture. Gen Y are also more connected to and aware of the greater world, why providing opportunities to participate hands-on in coorporate social responsibility (CSR) projects will be increasingly important, for instance as a part of corporate training programmes. Some studies have indicated that only half as many people leave their current employer, if they have participated in a CSR project during the previous year.

- **Staffing seniors**
Before senior staff are hired by PwC, they are assessed on the degree to which their team members will be given the chance to determine their own working hours and to work remotely. They are also taught to show flexible behaviour themselves, all of which is rewarded in the compensation package.

- **Selling teams instead of individuals**
For instance, in an M&A process, clients may expect the consultants to work 24/7, resulting in burnout having been a major issue at PwC. After having had some tough conversations with their clients, PwC now offer a team available 24/7, but no longer individuals, which is achieved by overstaffing the teams.

Another organisation that has discovered the need for adaption is the Virgin Group. With the motivation "If working 9-17 no longer applies, why should strict annual leave?", they have started to acknowledge people's increased need for flexibility by letting employees take as much holiday as they want. Since such initiatives have resulted in incredibly increased morale, creativity and productivity at a range of other companies, Sir Richard Branson saw no reason not to try it out at Virgin as well. "It is left to the employee alone to decide if and when he or she feels like taking a few hours, a day, a week or a month off, the assumption being that they are only going to do it when they feel a hundred per cent comfortable that they and their team are up to date on every project and that their absence will not in any way damage the business – or, for that matter, their careers! […] If you trust your people to make their own decisions, they will reward you". One should probably acknowledge that the degree of flexibility has to be adjusted for the specific industry, organisation or person, but at Virgin, management is confidentthat the quantifiable benefits resulting from this initiative will prove to be substantial.

Additionally, statistics show that offering flexible working and the possibility to plan one's own time is one of the major motivators for Gen Y, who have an increased demand of autonomy to decide how and when to work – and not to work. In order to attract and re-attract Gen Y, organisations have to take some major steps towards dissolving the clash between old-fashioned time-off policies and the possibilities of working from wherever and whenever enabled by new technologies and social behaviours.

Industry disturbance from within and without

So what does this all mean for your organisation and industry? Disturbance will take place both from within by the next generation employees, which in many ways are challenging today's standards, and from without by new technologies, trends such as crowdsourcing, gamification and big data as well as the predicted changes in the next generation customers' demands and buying behaviour. The following provides an exploration of three main areas being affected by the current generational shift:

1. **Customer interaction**
   Who will be the winners, when the ways of doing business are being changed?

2. **Corporate culture**
   How to attract and re-attract the next generation through understanding their motivational drivers?

3. **Leadership**
   What could leadership do to speed up Gen Y development and organisational growth?

Increasing sales through generational understanding

People like to do business with people whom they know, like and trust, and each generation have its own way of deciding whom they like and trust in business. One should be diligent in searching to understand the generational codes and specific buying process in order to make the sale. *Incorporating generational understanding into training has the potential to create a powerful tool when connected to more commonly used information sources such as LinkedIn, customer websites and annual reports. For example, when selling to a boomer, starting to establish the relationship*

through discretely acknowledging the personal strengths of him or her may be beneficial, while selling to a Gen Xer may require you to immediately cut to the chase. Consultant and researcher Anna Liotta argues in her book "Unlocking Generational Codes" that in order to accomplish effective selling, 90% of the time should be spent in the customer's preferred sales style, while only 10% in your own. Regarding Gen Y, they are more naturally prone to change than previous generations. Maybe, this fact will help lowering the resistance to change and to more easily be able to convey the value of change initiatives to potential customers.

Simple solutions

Today's society is distinguished by an excess supply of information taking shape in a constant flow of news feeds on smart phones, tablets and computers. This will make the need for simple and clear solutions more wanted than ever. *Sticking to complex solutions will cause large implementation problems for the already overloaded prefrontal cortexes of customers.*

How collaboration will look like

The demand for collaborative co-creating assignments rather than pure delivery projects will increase as a larger share of both employees and customers are made up by Gen Y, being collaborative deep into their DNA. Although, an intriguing question is how this future way of collaborating will take shape. *A virtual work environment, people being more aware of their environmental impact and an increased awareness of not wasting one's time may lead to face time being less valued.*

The expert's role in the collaboration

Another disruptive matter worth investigating is what some researchers refer to as "Questioning the expert". Why consult a supposed specialist when

you can get direct access to customers through social media and crowdsourcing? Will this shift the expectations on experts to be drivers of the process rather than to provide the content, shifting the value-adding activities from functional expertise towards change management and process facilitation expertise? Of course, this is highly dependent on the nature of the assignment. While more and more organisations are distilling increasing value from crowdsourcing, expertise providing organisations should also seek to understand how the potential downsides to their businesses from crowdsourcing could be turned around to be used in their favour. *Imagine large professional services organisations to be the Goliaths o f their industry. Who says David will be played solely by the direct threat of smaller upcoming businesses and not by all the individual contributing people, disrupting the industry from below by providing expertise and insights for free and easily accessible on-demand?*

Creating a culture to attract and re-attract the best

Unique, customised employees

More than ever, Daniel Pink's three drivers of motivation – autonomy, mastery and purpose – are immensely important to take into consideration when working actively with an organisation's culture. As mentioned earlier, expertise will likely not be limited only to one area, but rather 2 – 3 different areas mixed into an exclusive skill set. Allowance for this type of individualisation will pave the way for the next generation in their search to connect autonomy, purpose and mastery. The corporate culture must be one that is not stuck to formal job descriptions. Rather, it has to be allowing for people to play where they perform at their best, just as a great sports coach who staffs the team according to where

the players create the most energy and impact. An organisation's success will largely depend on how well and quick they are able to grasp the fact that one-size-fits-all is dead. Creating and sustaining a culture where individual employees are able to find their meaning, chase their purpose and build their own unique areas of expertise will be a key driver of success. Here follows a brief elaboration on what the three drivers of motivation mean for next generation knowledge worker:

- **Autonomy** is experienced when they are provided with the context and bigger picture – the why – but not told exactly how to do things. Less micro-management and more tight collaboration are highly valued.

- **Mastery** is a great driver for the next generation knowledge workers. They have a deep urge to excel, but also to not all be casted in the same mould. The importance to express who you are at work means merging personal interests with professional expertise.

- **Purpose** is an optimisation task consisting of several variables. To add even more complexity to this multivariable equation, the weighting of the variables also changes over time. Work is no longer just a task to perform well or something you do to safeguard your future, rather it has to be something you deeply care about. For more and more people, purpose will also mean to make a contribution to the larger world. High individual performance is achieved when the "whole" is fulfilled. Since purpose is to a large extent found outside work, employers have to be permitting to chase once-in-a-lifetime or seasonally dependent opportunities, therefore getting rid of un-dynamics and instead practising agile business models and working conditions.

Reward and promotion

As a consequence of the need for speed and increased customisation, implementing flexible models for reward packages, pace of promotion and when and where people work will play an important role in attracting and re-attracting the best talent. Only 48% of Gen Y intend to stay for a maximum of 2 years with their current employer. This scepticism about long-term employment, the propensity to change and the higher valuation of opportunity over job security will lead to a lower-than-average employee churn at workplaces where the culture is permitting to the individual employee's day-to-day needs and the ability to adapt to changing life situations. The predicted increase of "seasonal" workers – working one part of the year for the company while doing something else during the remaining part – may indicate a need to create possibilities for people to move in and out of the organisation or up and down hierarchies as life's demands shift, just like the conditions implemented at PwC. *Contrary to some people's belief, such shifts or pauses do not have to impact cognitive thinking negatively, but rather add to the mixed set of experiences and supply the extra energy needed to perform at high levels for extended time periods.*

The next generation knowledge workers are looking for models where performance rather than tenure is rewarded. They expect growth, development and promotion at a pace that takes the boss's breath away. In one survey, 82% of Gen Y said that they are unhappy at work because they think their career paths advance too slowly where they work. A deeper assessment on how organisations can adapt career paths in ways that encourage rather than discourage the next generation knowledge workers will has to be performed, so as to counteract situations such

as the following dialogue between a boomer boss and a Gen Y employee described in the book **The M-factor:**

Boomer boss: "Well, I suppose if you land some new clients, draft several strategic pitches and really put in your time supporting the senior account executives, you may be able to be fast-tracked and be up for consideration after 5 years. That would be lightning speed for this company". Gen Y employee, Liz: "If that was the fast track, Liz knew she was on the fast track out of there". *There may be an average timeline for promotions, but encourage employees to beat it. Gen Y love a challenge and empowering them to take a role in the pace and direction of their careers puts more focus on what they achieve and less on timelines.*

Dynamic recruiting processes

With the age of information having brought about many new means to acquire knowledge, not uncommonly even deeper and more up-to-date than what is being taught at universities, identifying and hiring the best talents will have to take a new approach. When focusing solely on university degrees and off-the-chart course results, organisations risk missing out on real talent and deep expertise not printed on any official paper. A modern, holistic and flexible approach to discover real talent will be increasingly important to minimise the risk of losing potential talents to more adaptable competitors. In many countries, Gen Yers have already had extended work experience during their studies, making entry-level work feel like a step-down. *Along with all new ways of learning, this provides several more factors to take into account in the search for real talent. Of course one could stick to the old model, but a more dynamic approach would be wise to ensure attracting and hiring the best people.*

Sourcing insight in-house

More than any generation before, Gen Y are allergic to "stupid" rules. If leadership find themselves having to spend a lot of time reinforcing certain rules, or noticing that Gen Y are trying to find ways to go around them, they should ask themselves "Why do we enforce this rule?". As long as the rule does not impact sales, safety, customer service, quality or cost, consider changing or getting rid of it.

When leadership have realised that they have to do something about changing the current ways of running the business and/or the culture, make sure to use the existing in-house knowledge by involving the people with first-hand insight before implementing any changes. With a lot of such information in-house and the sparkling engagement when the next generation are being asked to contribute, why not just ask them? *Try to formalise it by establishing a group of next generation employees, advising the HR function on how to evolve and appeal more effectively to their generation.*

Speeding up Gen Y development

One major key to attract the next generation knowledge workers is through high-quality and aggressive development programmes. From many studies, it is known that opportunities for training and personal growth is generally rated as more important than monetary rewards by Gen Y. Once the next generation knowledge worker is hired, though, some studies indicate that increasing salary and bonus levels is the most effective action to retain them. This is of course highly individual, which once again boils down to the need for being able to customise many aspects of work. For the generation who is more connected to the world than ever before, appealing to the wish to contribute to the world will make CSR initiatives ever more important. In one survey, 92% of Gen Yers say that an organisation's success should be measured by more than profit, and more than 50% believed that businesses will have the strongest power in solving the world's largest challenges. *Possibilities to participate in hands-on CSR work and ways to couple such initiatives with*

training will be highly valued by the next generation.

Another challenge lies in the nature of the individually measured performance culture. We know that organisations where collaboration is promoted in-house have a higher success rate of innovation and reaching growth targets. In a culture, where every day not billing a customer lowers the likelihood of reaching individual billing targets, the willingness to help colleagues and to attend training activities decreases. This means that training, although highly valued by Gen Y and a strong motor for energy, may be down-prioritised or accompanied by a feeling of not being present due to cognitive resources being simultaneously deployed elsewhere. *Thus, the motivational effects of training are reduced, transferring more weight to lower-ranked factors, such as salary and bonus levels.*

As a high share of next generation knowledge workers have worked in quite a few organisations already

Workforce composition by generation (%)
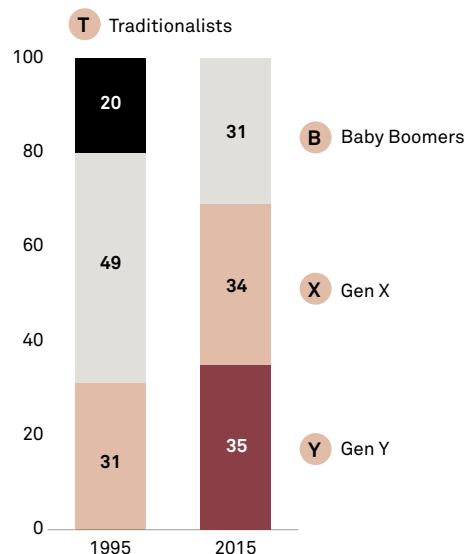
	1995	2015
T Traditionalists	20	
B Baby Boomers	49	31
X Gen X		34
Y Gen Y	31	35

before commencing their first fulltime job, they have often already been exposed to various types of leadership and strategic roles. In fact, a non-industry-specific tendency to hand over more responsibility earlier and earlier to Gen Y employees exists, a transition which also creates a demand for better training. During times when many boomers are retiring from leadership positions and the smaller pool of Gen Xers cannot fill the gaps, Gen Yers will need to take on such kinds of roles earlier in their careers. *Equipping them with hands-on experiences early along with excellent training will prepare them and their organisations for this transition. Such training should also include aspects on how to close generation gaps.* The following quote further demonstrates the importance of understanding generation gaps and doing something about them: "I had been working at the company as a junior employee for one year when I ran into a discussion with a senior Gen X manager who had just been employed. When our talk hit the subject of junior employees, I discovered that we had totally different points of view regarding this subject. His view was practically that junior employees were responsible for bringing coffee on demand. When I said that I would never work under such conditions, he was staggered. He could not understand that juniors would argue about the tasks they were being handed. I tried to explain that I did not learn anything from writing meeting resumes or bringing coffee, and that I did not see myself as being demanding – just slightly ambitious. A little back and forth, we did not come to any agreement on the topic of the role of junior employees". *Providing the tools to understand how generations function differently and how to address the differences have the ability to create a powerful cross-generational workforce.*

"GEN Y'ERS ARE GENUINELY CURIOUS AND NOT AFRAID OF UNCHARTED WATERS. THEY HAVE HIGH REQUIREMENTS ON THEMSELVES AND CHALLENGE THEIR LEADERS ON ENSURING STEADY DEVELOPMENT OPPORTUNITIES. FURTHER, THEY FEEL STRONGLY ABOUT CARING FOR THE WORK COMMUNITY – "WE ARE A TEAM" – AND LIKE TO SPICE THEIR DAILY WORK WITH HUMOUR AND STORIES. ONE OF THE MOST IMPORTANT POINTS IS THAT THEY LOVE FREEDOM, WHICH MEANS THAT LEADERS SHOULD LET THEM PLAN THEIR OWN TIME, BOTH ON AND OFF WORK."

(Gen X, manager)

Personalised leadership for customised employees

Coaching and personal leadership
As opposed to some of the previous generations' opinion that "no news is good news", as many as 60% of Gen Y say that they want coaching and feedback on a daily basis. Combined with regularity, this feedback should also be immediate after action and specific to context. Many Gen Yers have been praised to the skies by their parents since childhood and have not been used to receive bad feedback. Being such "fragile flowers" is likely a vulnerable quality in a competitive environment. *Leaders who take the time to give regular, immediate and constructive feedback help to catch the next generation's small mistakes in order to prevent a big one and potentially even personal distress. To make this happen, leaders and employees should come up with ways to formalise immediate "after action reviews", drawing on the fresh memories to accelerate learning.*

Being given the license to perform
In many industries it is not uncommon for junior employees to be put in the "basement" to perform simple routine tasks and busywork, personal development is severely dampened. Letting the next generation spread their wings earlier will increase chances of them staying with the organisation. Leaders have to know how to nurture their creativity to come up with simple and novel solutions to complex problems. *More stretch assignments earlier in the career provide an excellent opportunity for growth. In order for such assignments to succeed, leaders have to know how to structure and supervise such tasks.* Critical for success is also to let people know how their contribution benefits the whole, so leaders should supply them with the context and let them know their role. "It is important for me to know in which way my work contributes to the whole process. I have experienced that older generations sometimes find that using time on providing the context is a waste of time. But for me, as a member of Gen Y, it is important. In the project that I am currently working on I explained why having a defined role and responsibilities makes me more motivated to

contribute and do a better job". Leaders who know the art of assembling the smaller building blocks into the complete story can expect to unleash much more energy, creativity and value from the next generation knowledge workers. *In the age of information, leaders need more than two eyes and two ears to steer the course.*
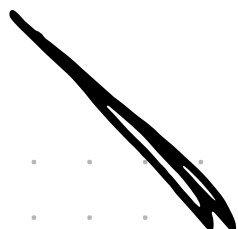
New ways of working tightly together
The next generation knowledge workers rate "Working with a manager I can respect and learn from" as one of the most important aspects of work. As opposed to boomers and Gen X, who generally are used to thinking and creating being done individually after which the input is brought up for discussion, Gen Y want to collaborate with leaders on all aspects of work all the way to visioning and strategising. This is by no means meant to be disrespectful, rather the collaboration style with seniors which Gen Y have been taught since childhood. As this collaboration tightens, sharing personal preferences and boundaries becomes increasingly important in order to amplify joint efforts. Take for instance Clayton Christensen who, like many of his fellow thought leaders, thinks and acts way ahead of the times. According to Clayton Christensen himself, he once shared this personal boundary with his manager when working for a large, famous consultancy in order to be able to optimise all aspects of his life: "*I'm not working Sundays. Or Saturdays. And by the way, not after 6 pm on weekdays*".
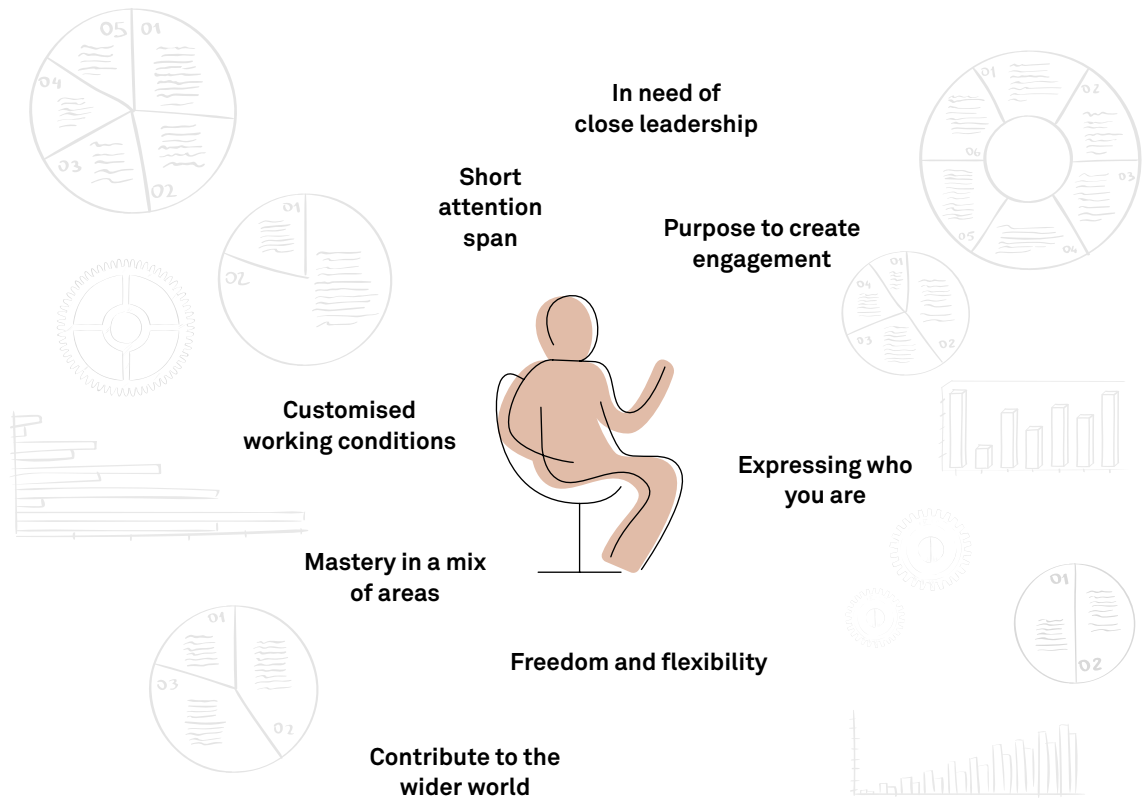
Since the next generation knowledge workers strive to maximise the rewards from a wide range of aspects of life, not just the quick-wins often easily achieved through work, leaders have to let them try out their innovative working methods in order to make things more efficient. If leaders are ready to try such new, efficient and flexible processes they too may be able to finish work in time to make it for an early evening sports class. *The wide-spread presumption to work extremely long hours is under attack. How leaders handle this change may be key to earning trust and creating lasting success.* The basis for promotion, which used to be grounded in not having a life outside work, will undergo dramatic changes in most industries. *Senior management holding on to the old-fashioned models – just like before the changes implemented at PwC, where many partners and senior staff believed working hard was a badge of honour – will not be the role models for the next generation knowledge worker, thus not earning the necessary trust to run their organisations.*

Summing up
To sum up, we return to Clayton Christensen and a term coined by him: **Cramming**. Cramming happens when a business is confronted by a game-changing technology or business model. Under such circumstances, companies mainly see the threat to their core products, missing adjacent opportunities. They race to cram their old products into the new space, much like how news magazines invested large amounts of money to put their content online as the Internet arrived. Meanwhile, a few people saw other opportunities emerging such as Facebook, YouTube and eBay. Management guru Ralph Stacey explains this hindrance to spot new opportunities as "We do what we do, because that's what we do". Boomers do what they do, because that's what they do. Gen Xers do what they do, because that's what they do. Just like technological shifts or other shifts in the business world, generational shifts occur at regular intervals as explained in this article. When this happens, leadership and senior generations need to be aware of the risk of cramming their existing core – old-fashioned ways of running the business, antiqued cultures and previously effective ways of motivating employees – into the new generation of employees, but instead, open up their eyes to the possibilities right in front of them.

Transform the understanding of Gen Y into business impact

In need of close leadership

Short attention span

Purpose to create engagement

Customised working conditions

Expressing who you are

Mastery in a mix of areas

Freedom and flexibility

Contribute to the wider world

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