Preparing for the Next-Gen Worker: Is Your Organization Ready?

With the emergence of more social and collaborative ways of working, organizations need to amend their hiring, onboarding and employee engagement practices, and fast, if they want to remain viable in the 21st century.
Executive Summary

Both the workforce and the way work gets done are changing, dramatically. New collaborative and social technologies and applications are already reshaping business operations and – just as importantly – providing the resources for a new generation to work in ways that fit more naturally with its digital upbringing.

This next-generation workforce is clearly different from its predecessor, in numerous and sundry ways: different age distributions in different countries (more older workers and fewer younger in developed countries as birth rates decline, for example); more geographically dispersed, with uneven skill distribution, worldwide; and more varied in what they want from work and what they find engaging and motivating. Even the fundamental challenges facing many companies will evolve – from mass production and marketing designed to make and build demand for large quantities of the same product, to rapid customization and innovation for more segmented and often more localized markets.

We use the term “next-gen worker” not only to acknowledge the influx of younger employees into the workforce, but also to recognize that we will all be working differently over the years ahead (see Figure 1 to understand the demographic makeup of the next-generation workforce). Already, technologies that are only a few years old (or less) are enabling individuals to interact more often and more easily with their colleagues, even if they are half a world away. They also prompt employees to think differently about what it means to lead, as well as how to inspire and empower the people they manage.

Is your organization ready for this new workforce and new ways of thinking about work? Most organizations are ill prepared because they are structured to respond to a very different set of business conditions than the ones they face today. Correspondingly, hiring, onboarding and engagement practices are designed to attract and retain a very different workforce from the one that’s already at work and the one that’s close behind.
It’s time to take a hard look at the assumptions that underpin many organizational practices. Are yours still relevant? Have you begun to make the changes required to transition from a 20th century to a 21st century organization?

This white paper explores eight questions you should be asking regarding your organization’s readiness for next-generation workers:

1. What will make or break our business success over the next decade?
2. Have we built an organizational capacity for collaboration?
3. Are we leveraging technology to improve performance?
4. Are we able to tap the best available talent?
5. What does it mean to work in our organization?
6. What do our “managers” do?
7. Are we basing our decision-making on the best possible input?
8. Is our organization ready for the future?

Source: International Data Base, U.S. Census Bureau

Figure 1
Ready or Not, Next-Gen Workers are Coming

1. What will make or break our business success over the next decade — and are we optimized around doing it well?

In past decades, the primary challenges facing almost every business centered on “mass” — how to make, market and/or deliver a large volume of goods at low cost and consistent quality. The companies that mastered the challenge of quantity in the 20th century became industry icons.

While the ability to produce goods — and services — at low cost and high quality will certainly continue to be important, the principal differentiator for companies going forward will be the ability to attract and develop employees with both the skills and desire to adapt the business to rapidly changing customer demands and expectations. The primary challenge is how to capture, share and use the collective intelligence available to the organization in the most powerful, productive new ways — that is, to innovate quickly, efficiently and continuously.

Approaches to innovation can vary from industry to industry. Among the options:

- **Motivating and supporting next-gen workers on an individual basis to contribute their unique knowledge to the success of the whole.** Companies like Kraft and Sabre Holdings accomplish this via sophisticated social intranets that enable rapid and simple connections and sharing.

- **Harnessing and creating value from the smallest units of knowledge, as Google does by leveraging information gained from every search to make its offering better and its advertising space more valuable.**

- **Continually improving processes, as Red Hat does with its strategy development process.** The company allows for transparent collaboration through every stage by making the process a conversation open to anyone who is interested, using blogs, wikis and chats to stimulate conversation.

- **Customizing relationships with customers, suppliers and others, as Honda has done via knowledge-based sourcing.** This approach enables suppliers and Honda executives to collaborate on contract development without animosity or bickering because Honda shares information and insight with suppliers.

- **Detecting and responding to market and environmental shifts, as Gatorade does with its Mission Control Center, relying on continual monitoring of online social media to flag changes in customer attitudes and assist in launching new products.**

- **Combining different types of knowledge and expertise to come up with something better, as CEMEX has done with its Shift platform.** The platform enables 53 individuals — from commercial and marketing functions, sustainability and public affairs, planning and strategy, technology, and environment and regulation — to work together in a single online community on sustainability and worldwide construction standards.

Today, many businesses remain more focused on “old-world” industrial practices that are optimized for making widgets, not harnessing and processing knowledge informed by digits. The drivers of success are changing, and it is becoming increasingly critical to respond to them by leveraging the intelligence of your workforce and broader business ecosystem.
2. Have we built an organizational capacity for collaboration?

Next-generation workers are true digital natives. They have grown up using e-mail, chat rooms, instant messaging and SMS texting to communicate. The introduction of free video calling, social media and the collaboration options delivered via smartphones presents a way of life where real-time virtual interactivity is taken for granted. Digital natives use Skype to speak with friends face-to-face rather than via a voice call. They plan social events through social media (wall posts, groups and event pages). They organize group assignments for college through chat rooms, group pages and video calls. They expect employers to work the same way.

Leveraging intelligence requires building your organization’s ability and willingness to share information, ideas and insights productively. The ability to collaborate can be a powerful competitive advantage – but doing it successfully requires the right context, specific business purpose and leadership from the top, specifically:

- **Highly engaged, committed participants:** Reinforce values and “what it means to work here.”
- **Trust-based relationships:** Facilitate development of personal relationships and shared values and norms.
- **Prevalence of networking opportunities:** Increase physical proximity and provide collaboration forums and technology.
- **Collaborative hiring, development and promotion practices:** Adapt criteria and processes and include curricula on collaboration.
- **Organizational philosophy supporting a “community of adults”:** Rethink work environment rules and adopt flexible work arrangements.
- **Leaders with both task- and relationship-management skills:** Adapt manager selection criteria and development processes to emphasize both sets of skills.
- **Executive role models for collaboration:** Assess leadership behaviors and create a “gift culture.”
- **Productive and efficient behaviors and processes:** Reduce meetings and substitute technology to allow for individual flexibility.
- **Well-defined individual roles and responsibilities:** Clarify task-specific roles.
- **Important, challenging tasks:** Build excitement and understanding about work, leaving approaches open and creative.5

The drivers of success are changing, and it is becoming increasingly critical to respond to them by leveraging the intelligence of your workforce and broader business ecosystem.
Microsoft’s “The New Way of Working” program addresses several of these principles, creating more productive and efficient processes, while enhancing employee engagement. The program – launched at the company’s Dutch headquarters – ensures that employees can access every business application over the Web, from work or home, ranging from invoicing systems to logistics systems to sales information. They can integrate Facebook, Twitter and other social media services into Outlook. Microsoft claims that the technology has reduced the quantity of e-mails each employee has to deal with by 30%. Additional benefits include a happier workforce, improved staff retention rates, increased productivity, lowered building costs by 30% (equivalent to $644,000 a year), a rise in sales in the Dutch offices by 51%, and an increase in the proportion of employees with a “mobile work style” from 70% to 77%.

Collaborative capacity must extend beyond the four walls of the organization to engage customers, suppliers and other relevant stakeholders – current and future employees, community members, shareholders and others. With today’s technology, everyone can have instant online access to information about companies, products and services, as well as the opinions of others. They can collect information, compare features and prices, and sometimes select multiple providers and combine the best of each.

Companies must participate actively in this ongoing communication, for example, by forming online communities for customers and prospects so they can influence the marketplace conversation about the company’s brand and its offerings. The goal is not just to promote products and services, but also to make it easier for customers to learn about them (and sometimes those of competitors). And it’s not just to get product and service information to the customer, but also to invite...
customers to express themselves while the company listens to what they have to say — be it feedback on the product or service, or to learn more about what makes them tick.

If the interaction is rich and the collaboration genuine, customers will carry the company’s message into other communities and help build the brand. Hundreds of companies have set up Facebook and Twitter accounts to develop these relationships, but not all do it well; doing it right requires continuous monitoring and thoughtful response, when necessary. Setting up a social networking presence is part of the answer but not all-encompassing — the hard work is creating social capabilities to drive customer retention, improve share of wallet and enable stickier interactions.

Inviting customers to co-create with you allows them to become “prosumers” (producers + consumers). Prosumption started in the music, video and software industries but has rapidly migrated into the production of physical goods and the shaping of services. Companies that collaborate with their customers have a big advantage over traditional “plan and push” businesses. They can increase sales and improve performance with fewer resources by ceding some control to their customers to define product/service requirements, thereby engaging them and capitalizing on their efforts.

We see this with Threadless, an online social network where members collaborate and submit ideas for T-shirt design, with winners receiving store credit and a cash prize. When the company started, co-founders Jack Nickell and Jacob DeHart sold no more than a handful of T-shirts designed by a just a few artists. In reporting their 2011 performance, they had over 300,000 designs that had been submitted through collaboration from almost 100,000 different artists.

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Quick Take

Building Collaboration in the Competency Framework

Kantar is a network of 13 specialist companies (Op Cos), with roughly 28,500 employees working in 100 countries across various research and consultancy disciplines. Each Op Co has its own global leadership team, with regional leadership teams underneath. Their challenge: Within an Op Co, or even across Op Cos, there was no real incentive to engage in collaborative work behavior, as business objectives were primarily focused on local results.

To address this and truly promote collaboration across geographies and Op Cos, the company took several actions:

- Launched a new executive incentive (compensation) program that ensures regional CEO bonus pools are much more dependent on overall global group performance.
- All of the 13 Op Co chief talent officers have embedded the Kantar chief talent officer’s core objectives into their goals (including sharing successes, best practices, offers, lessons learned), which previously did not occur.
- In an attempt to make associate mobility easier (in terms of vertical and lateral moves), the company has undertaken a foundational step toward a standardized global leveling framework, which makes it much easier for associates to see where they are and then make informed choices about moving globally across the organization.
Similarly, John Fluevog Boots & Shoes encourages consumers to help design new shoes through an Open Source Footwear Social Network. Winning shoe designs have come from a wide range of sources that include a Moscow screenwriter, a Canadian-based digital film maker and a Utah-based children’s book illustrator. Starbucks’ My Starbucks Idea platform has generated tens of thousands of product, customer experience and involvement ideas from customers. At the site, customers can see other ideas, as well as which ones are being acted on and which have been implemented.

3. Are we leveraging technology to improve performance and lower the cost and risk of business processes?

Although mastering quantity, quality and cost may no longer be the only path to success, failing to keep pace can definitely lead to a business’s downfall.

New technologies hold out the promise of many business benefits. They greatly amplify our abilities to interact simultaneously with large numbers of people. As they make their way from use in our personal lives into the workplace, they offer the promise of significant improvements in generating, capturing and sharing knowledge; finding helpful colleagues and information; tapping into new sources of innovation and expertise; and harnessing the “wisdom of crowds.” Collaborative technologies have the potential to shift the way we interact with people on our teams, find external expertise when it’s needed and share ideas and observations more broadly.

Dividing the responsibility for components of a workstream can speed the process by enabling multiple individuals or organizations to work in parallel and share the associated costs and risks. Collaboration provides greater visibility into what’s happening upstream and down and affords more precise coordination throughout a business process.

This modular approach can enable industry participants to self-organize efficiently, increase suppliers’ value, and improve speed, cost and agility for final assemblers.

In “peer-to-peer” production, individuals or groups focus on performing the work that leverages and builds core strengths, using collaboration as a way to ensure that the pieces come together as a seamless whole. And many of the participants may be outside the company. In such a collaborative ecosystem, “producers” may only be responsible for final product assembly or service delivery and marketing. They rely on peer production to tap into dozens, even hundreds, of companies to help design and build product components or provide services essential to the business process.

Other models of distributing work among multiple parties – and sharing costs and risks – are based on “open source” principles. In well-known examples such as Wikipedia and the Linux operating system, collaborative platforms invite the simultaneous participation of many individuals. Members of these self-forming groups share the work, each perhaps contributing only a small amount, but together creating intricate products.
Today’s increasingly digital world makes possible the ability to optimize a number of business processes that are typically conducted manually. Take the interview process, where an organization wishes to interview a candidate who does not live in the same city. Business convention would dictate that the vetted candidates make the trip (by car, train or even plane) to be interviewed. To save on travel time and costs, many organizations will provide videoconferencing to reduce the time and expense associated with travel.

These are not outlier examples. The world over, organizations are finding many ways to harness available technology to accomplish their goals more innovatively, efficiently and quickly.

Kimberly-Clark believes the best way to assimilate next-generation workers into the workplace is to offer them systems that are more engaging and easy to use. Ramon Baez, CIO at the 140-year-old consumer goods leader, says younger generation workers join the organization expecting the technology to be old and antiquated (green screens, dot-matrix printers, etc.). They are often pleasantly surprised that they can get their own laptops and smartphones and, in sales, their own iPads. The provision of future-facing technology is coupled with flexible working options, in terms of hours and location.

The company continues to roll out new systems delivered as software services via the cloud, which are intuitive and enable more social and virtual ways of working. This new-age environment allows next-generation workers to work in ways that are more akin to how they worked in college. They do not have to be “hunters” and “gatherers” of information; rather, they can exercise their brains to analyze and apply information delivered by the “run-the-business” systems. In fact, Baez believes that without such systems of engagement, Kimberly-Clark would be hard-pressed to retain strong talent and high performers.

New technology can also be used effectively to gather information and access ideas. The rich base of information being created today provides fertile ground for insights. Events, behaviors and customer preferences that seem insignificant when viewed in isolation can provide important strategic clues when combined, revealing emerging patterns or trends and offering early insight into potential threats or new opportunities. The powerful tools of business analytics give us new ways to scan, sense and detect important patterns.

4. Are we able to tap the best available talent?

Increasingly, work for your organization will be done by individuals who are not considered “employees.” The workforce will include individuals with a diverse array of work arrangements, some part-time, some cyclical, some full-time, some contract-based – a dizzying array of relationships between businesses and those who perform work. Today, there are many options to employ individuals who are not employees in the traditional sense. In the process, these contingent workers offer companies lower costs, increased flexibility and access to skills that are not available or difficult to develop inhouse. More and more, contingent work is a choice being made by the individual, for a variety of reasons, including a slow economy in many countries.

Just as in the film industry, where individuals come together only when needed for a specific project (rather than remaining on the studio’s payroll when their skills are not in demand), freelancers and global services companies now provide flexible capacity for many businesses. In many businesses, employees will become a subset of those who work with the enterprise as it learns to access and collaborate with on-demand talent.
Taking advantage of these new options for talent requires new practices: new ways of recruiting, tracking talent, maintaining relationships between active engagements, managing projects, providing development opportunities and so on. Each element of the talent management cycle will need to be redesigned to leverage the wealth of skills that exist outside your organization.

Engaging members of the workforce will be increasingly important as we move toward a “two-job norm,” in which most people have multiple sources of income. One job may be a traditional corporate job, while the other may be quite different (writing a screenplay, selling items on eBay, farming at home). As this trend continues, companies will compete for workers’ discretionary effort, creativity and time.

The work involved in redesigning talent management practices can offer a significant pay-off. Expertise on-demand can speed innovation, making it faster, less expensive and more effective by leveraging expertise that you otherwise would not have access to: networks of experts who can address specific business questions (e.g., understand new market segments) or solve problems (e.g., engineering challenges). This collaborative approach can lower costs and reduce risks, because you pay only for results, and accelerate innovation, by finding existing solutions.

5. What does it mean to work in our organization?

Knowledge work is fundamentally a discretionary activity. It can be catalyzed, but it can’t be mandated. Encouraging discretionary effort requires a leader who can set the stage, provide the necessary infrastructure and create an environment that engages players from multiple communities. It is a “pull” rather than “push” approach to achieving business results. Companies must inspire, energize and get the best out of the people who perform work.

It’s not necessarily true that if you pay people more, they’ll work harder or better. Money is important, but we know that other factors contribute heavily to motivation, particularly for non-manual tasks. Knowledge-based work requires the investment of significant discretionary effort, prompted by a sense of control, the right balance of challenge and competence, and a sense that the task is important. “Meaning” is the new currency, as strong employee engagement increasingly requires a sense of “what it means to work here.” Prospective employees nowadays are likely to ask, “What are the values of the organization? How do those values mesh with my own?”

In light of this, a strong case can be made for radically changing the organizational view on what constitutes success. Most organizations use an annual review process to evaluate employee performance and reward them based on “doing the job.” This creates a culture and way of working that views business performance through a specific lens. But while financial performance is paramount for organizations, the next-generation enterprise must also focus on other measures of success that matter to next-generation workers, according to Michele Abel, chief talent officer at Kantar Health. Such measures include greater social responsibility, awareness and action at global, local, and community levels.

We anticipate a shift toward measuring success based on sustainability factors – how organizations contribute to society as a whole, in terms of education systems, low-income neighborhoods, disaster relief, etc. This view of success conveys a sense that all employees can impact not only the company’s financials but also its broader contribution to society. In a recent survey, 80% of respondents in the 13- to 25-year-old age group said it was critical to work for a company that cares about how it impacts society. The study – which surveyed 1,800 people and
was conducted for Jeanne Meister’s book, *The 2020 Workplace: How Innovative Companies Attract, Develop, and Keep Tomorrow’s Employees Today* – also found that over 50% of respondents said they would refuse to work for an irresponsible corporation.16

We are additionally seeing the growing importance of sustainability play out in the formulation of European Union legislation, in which British, French and Danish law require companies to publicize information and business goals for their corporate social responsibility programs.17

6. **What do our “managers” do?**

In an industrial world, value was gained through the inspection of in-process work, and this remains a key element of supervising managers’ responsibilities. This practice still makes sense for work that involves physical or mechanical tasks, where supervision can influence productivity and quality.

Today, however, the quality of knowledge work can only be judged in terms of output; in-process inspection is ineffective or irrelevant. Workers are essentially performing “invisible” tasks: dealing with rich content that flows through infinite links, making decisions about what to share with whom, and digging deep for innovative ideas.

The use of face time as a proxy for productivity and loyalty – leading to fixed work hours and locations – is a deeply embedded talent management practice derived from the out-of-date assumption that managers need to see what workers are doing at all times. Many of us learned our management approaches at a time when the primary challenge was getting people to perform tasks consistently and reliably. We leveraged best practices to achieve a uniform approach. It was essential to have everyone present in the same place and time, in some cases to get the work done, but at a minimum to allow us to gauge performance by watching in-process activities.

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**Quick Take**

**A Productivity Rx: Virtual Work**

Kantar Health’s virtual working arrangement – while unusual in the pharmaceutical space – is a critical component of its employee value proposition. Associates can work from home while still being connected to their teams, as non-office-based employees are provided with laptops and mobile devices that give them access to the corporate infrastructure through secured connections. Several times per year, the organization brings teams together into one place to share updates, develop strategy, review plans and conduct training. As part of the virtual work ethos, online technology is available for employees to create their own “Kantar Health space,” which helps them develop and promote their personal brand identity. Next-generation workers especially value this, as it reflects the way most live their personal lives – creating and maintaining an online presence.

In addition, the organization actively promotes global mobility as a compelling aspect of the employee value proposition. This is attractive to associates and encourages longer tenures, while also nurturing the skills and competence of the workforce as a whole. Many of Kantar’s younger workers join the organization because they want opportunities to work on truly global projects while waiting to work abroad. Ultimately, the program creates a richer talent pool of employees with global experience for Kantar Health to deploy on client projects.
Reverse Mentoring

One way to infuse creativity throughout the organization is through reverse mentoring. With this practice, younger-generation employees advise executives on new ways of working and technological advances. At Kimberly-Clark, an initiative driven by the CEO invited 25 millennials to a forum to discuss new strategic plans and processes. So impactful was the insight provided by next-generation workers that senior leaders used it to chart a course for innovating key aspects of corporate communication to make it more relevant. Notably, some executives also used the experience to inform their own executive learning and development needs to stay current and relevant.

Next-generation ways of thinking and working are typified by environments where the younger worker is both the mentee and the mentor.

7. Are we basing our decision-making on the best possible input? People at the top no longer have the most or necessarily the best information. Technology has shifted the locus of information, as it has become both economically and logistically more feasible to obtain input from a large number of people. For instance, opinion-polling and even democratic elections are beginning to occur in the workplace, and market-based mechanisms allow individuals to make their own mutual agreements around specific projects. Forecasting can be based on input from multiple sources that are close to the market rather than centralized groups, using information-gathering mechanisms that resemble betting.

Today’s collaborative technology offers the possibility of making decisions in ways that are very different from the corporate norms of the past. Through these collaborative approaches, more people are able to bring their diverse experiences to bear and provide input on key decisions, yet the decision process can still be swift. When employees can provide input on important decisions (including the selection of their team leaders or managers), they feel empowered and become more engaged. Most importantly, better and more thoroughly informed decisions result, and people are more committed to carrying them out.

Collaborative, even democratic, decision methods are already familiar in some places: managers who poll employees about key decisions, professional partnerships that elect managers, and worker-owned cooperatives that elect the equivalent of the board of directors and vote on all key issues. These practices could be profitably extended into other aspects of management and corporate governance.
Next-generation workers see their input as a right rather than a privilege and regard democratized access to information as the norm. School systems and colleges foster this view, forming a precedent that influences how this generation expects business decisions to be made.

The role of managers will increasingly be to design and orchestrate systems that engage the participation of others. MIT Professor Tom Malone advises next-generation enterprises to shift away from “command and control” management practices and embrace a “coordinate and cultivate” mentality. The recent social uprisings in the Middle East, as well as the Occupy movements in many major cities across the world, are grounded in an attitude that rejects repressive regimes that dictate the rules of the game. In both these cases, social networks and mobile technologies popularized by digital natives were leveraged to spread the word and invite peers to join and even schedule events. These tools enabled tighter coordination, collaboration and sharing of the responsibility to affect change throughout the movement.

By not trying to control the outcome, but allowing the outcome to evolve through interactions and community, the next generation hopes to thrive by cultivating, not pigeon-holing, talent according to individual strengths, and not penalizing people due to perceived weaknesses or gaps in their skill sets or experience.

As the business environment becomes more complex, the strategy process itself needs to become more collaborative to accommodate next-generation workers. It must shift from a periodic moment of prediction to an ongoing series of adaptive activities — sensing, analyzing, experimenting, discussing — that involve a wide range of participants (such as with the CEMEX Shift platform). This process is fed by information from collaborative applications and customer communities.

8. Is our organization ready for the future?

Many companies have organizational structures that are perfectly designed to meet the needs of businesses in the last century – a time when the primary bases of competition focused on quantity, quality and cost, companies were organized around specializations, and standardization made sense. Hierarchical decision-making and corporate strategies of vertical integration assume high transaction costs and favor efficiency.

But these same structural elements in our organizations hinder the activities that are most important today – sharing information and leveraging intelligence. Cognizant’s future of work “enablers” series of white papers further explores the characteristics of future-thinking companies and examines eight core areas in which organizations can make a series of choices to enable the next-generation enterprise.

Moreover, many of the talent management practices still in place today were developed at a time when the relationship between employees and employers depended on employee loyalty that was reciprocated by the protection and care of the employer. This relationship no longer exists; companies are clear that they no longer promise long-term protection and care (although they have been slower to acknowledge that this lessens the employee obligation for loyalty).

But talent management practices tying employee interests to long-term service still abound: pensions, tenure-based perquisites of any type (amount of vacation time, for example), training and development investments that are focused primarily on youthful new hires and internal promotional ladders based on tenure. Many classic HR measurements (for example, measuring the cost per new hire) stem from this assumption and cause organizations to optimize around lower transaction costs (hiring, firing) rather than the economics of having the best possible skill set for each job.
Today, the organization and scope of most HR departments are predicated on the assumption that companies have “employees.” However, as arrangements become varied, providing a home base for this eclectic pool of labor will simply become too complicated and time-consuming for individual line managers to tackle. A central staff function will serve as the hub for the corporation’s workforce – attracting, tracking, developing and orchestrating this complex talent corps, connecting the right people with the next challenging job. Meanwhile, traditional line managers will likely evolve to roles that resemble program managers or film directors – setting direction and running the team of workers who have been assigned to the task or division at that moment in time.

One of the most discussed – and profound – impacts of today’s technology is that work can often be done asynchronously. With a technological assist, we can coordinate across time and space, resulting in higher productivity, faster cycle times, reduced facilities costs and greater freedom for employees and employers to structure work arrangements that are beneficial to both.

Workers of all ages seek more flexible work arrangements, and meeting these preferences can have a very positive effect on employee engagement and productivity. Over time, in many organizations, today’s limited range of flex-work arrangements will be replaced by individual discretion. People will control when and where they work. Physical meetings will occur less frequently (coordination beats scheduling), but communication will increase.

For instance, Netflix no longer allots specific numbers of vacation days to its 400 salaried employees. According to Patty McCord, chief talent officer of Netflix, “When you have a workforce of fully formed professionals who have been working for much of their life, you have a connection between the work you do and how long it takes to do it, so you don’t need to have the clock-in and clock-out mentality.”

Next-generation workers define a job well done by the outcome, and not so much on following traditional processes or the time it takes to do it. This younger generation in particular does not want to be micromanaged and does not enjoy reporting on how long and hard they worked.

We used to think that an individual’s responsibility was to do a “good job.” Many tasks used to be fairly independent, making it sensible to gauge individual performance against individual objectives. This assumption has shaped our views of corporate etiquette, as well as specific talent management practices.

Many individuals have been schooled that it’s acceptable, even preferable, to mind (only) your own business. Today, however, most tasks are highly interdependent; the quality of a colleague’s work strongly influences the quality of one’s own output. As work becomes more collaborative, the appropriateness – even requirement – of commenting on colleagues’ work increases. Formal talent management practices that were derived from the old assumption of individual responsibility necessitated individually-based performance metrics and performance measures that strongly factor in a person’s long-term capabilities, rather than their contribution to the success of the immediate mission.
Leverage Next-Gen Workers for Competitive Gain

What’s important for companies today and over time is the ability to leverage the rich, untapped veins of collective intelligence within its walls (real or virtual) and to capitalize on that intelligence for a specific purpose: rapid, highly focused innovation. Next-generation workers are no longer willing to simply follow along and hope for the best — good pay, lifelong employment, a steady upward climb. They want challenge, inclusion in decisions, collaborative work and a vision for future advancement, with the development that can take them there. Existing hierarchical organizational structures and cultures are not going to produce agile workers or agile companies — and they are going to doom companies to also-rans or reduce their brand to second-class status.

Companies that fail to recognize the changes under way and those to come will not compete — and the timeline for adaptation is shorter than ever. Our collective experience suggests that a suitable strategy for the business and its people, operations and technology must be put in place to create the next-generation enterprise. Being clear on your organization’s maturity and priorities is critical to not only recognizing the changes that need to be made to become a next-generation enterprise, but also the short- and long-term benefits that can be realized by making these changes over time.

Quick Take

Flexibility: A Key to Trust, Engagement and Innovation

Organizations will need to create more fluid working environments (in-person and virtual) that are flexible, promote innovation and foster trust in the workforce. Kimberly-Clark is a strong advocate of flexible working.

One example where it has achieved this is its 100-person Buenos Aries team, which has seen annual attrition decrease from its high of 16% to 4% today. The key was responding to employees’ desire to work from home at least two days per week. All team members now have a laptop and a mobile phone so they can work remotely, with Kimberly-Clark picking up the cost of the home Internet connection. Employees are still contractually bound to be in the office for mandatory meetings.

Results show that employees of all ages are working harder with this new arrangement, and that millennial employees especially value it, according to CIO Ramon Baez. IT also ensures that personal smartphones can connect to the corporate network and has worked around sticky security or privacy concerns (e.g., the company can wipe data from any phone that is lost or misplaced). A dedicated center of excellence for mobile technology is also helping Kimberly-Clark adapt its business to evolving smartphone technological evolution.
Footnotes

5 Based on “The Cooperative Advantage” research initiative, conducted by Tammy Erickson Associates (formerly The Concours Institute), in collaboration with London Business School in 2006. The initiative was an extensive, academically-grounded, industry-based study of cooperative team work practices, based on results from over 50 workgroups from 15 leading global companies, including ABN-AMRO, BBC, BP, France Telecom, Lehman Brothers, Marriot, Nokia, PricewaterhouseCoopers, Rogers, Standard Chartered, RBS, Reuters, Siemens, XL Capital and Xerox.
7 The concept of prosumers was first introduced by Alvin Toffler, in his book, The Third Wave, Bantam, 1984.
10 Interview with Helen Russell, Kantar Group Chief Talent Officer, conducted on April 25, 2012.
13 Interview with Ramon Baez, Kimberly-Clark CIO, conducted on Feb. 22, 2012.
15 Interview with Michele Abel, Kantar Health Chief Talent Officer, conducted on March 5, 2012.
18 Interview with Ramon Baez, Kimberly-Clark CIO, conducted on Feb. 22, 2012.
22 Interview with Ramon Baez, Kimberly-Clark CIO, conducted on Feb. 22, 2012.
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Acknowledgments

The authors thank the Cognizant Research Center in Hyderabad, India for its research assistance.
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