



# PARADIGM SHIFT

Competing  
in the new  
age of jobs





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– JACOB MORGAN, CO-FOUNDER, THE FUTURE OF WORK COMMUNITY



# PARA- DIGM

**A**cross America - and particularly among technology and creative types - the grumbling is getting louder.

“They are not using me to my full potential.”  
“I’m not growing.”  
“I don’t have access to the tools I need to excel.”  
“I’m not getting the mentoring I expected.”  
“I don’t see any opportunities for advancement.”  
“I’ve been here just 18 months and I’ve already outgrown this job.”

Before you dismiss such remarks as the whining of a spoiled generation, consider that Millennials - or those born between the late 1970s and late 1990s - now make up the largest group of people in the United States and much of the global workforce. They will make up half the U.S. workforce by 2020 and 75 percent by 2025, as Baby Boomer retirements accelerate.

Consider also that decades of research by both academics and consultants demonstrate a direct correlation between employee engagement and financial performance. Aon Hewitt boasts that, on average, companies certified as “Best Employers,” earn operating profits that are 4 percent higher; sales growth that is 6 percent higher; and employee turnover rates that are 33 percent lower than their non-certified peers.

Make no mistake. Winning the hearts and minds of Millennials will be critical to winning the talent war in the coming decade, and that will require countless companies and managers to make big changes in how they manage and motivate the workforce.

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# SHIFT



In its 2015 Trends in Global Employee Engagement report, Aon Hewitt found employee engagement levels plateaued in 2014 and that employees' overall work experience was deteriorating. In October 2015, Gallup reported that the percentage of U.S. workers it considers engaged in their jobs averaged just 32.1 percent, essentially unchanged since March and well below the levels seen before the last recession.

Yet, even as the unemployment rate approaches its lowest level in 75 years, many employers remain oblivious to the forces driving the griping.

"This is a generation of employees with technological fluency that is willing to live at home longer until they find a company that they truly want to work for," writes Jacob Morgan, who has interviewed dozens of CEOs around the world for his work as an author and co-founder of Future of Work Community, an online resource for talent management practitioners. "In other words, organizations must shift from creating an environment where they assume that people need to work there to one where people want to work there."

Morgan says the most forward-thinking employers are

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—HR CONSULTANT  
SUSAN M. HEATHFIELD

investing hundreds of millions of dollars to overhaul their technology, offices and talent management systems in a bid to create

such environments.

"The big shift we are seeing now is that the employees are telling the organization what tools they want to work with, what values they want to promote, what types of places they want to work in," Morgan says. "I can't think of a single industry where this is not relevant. It cuts across all careers, whether engineering, marketing or in any creative position."

In his 2014 book, "The Future of Work," Morgan lays out how technology, demographics and globalization are reshaping the workplace and the steps employers can take to gain an edge in competing for top talent.

## WHY CHANGING THE WORKPLACE MATTERS

**M**illennials are even hastening the demise of one of corporate America's most despised institutions – the annual perfor-

mance evaluation. Accenture made waves in July 2015, when it announced it would eliminate its annual review process beginning Sept. 1 after concluding it caused more frustration than results. The global consulting firm is moving toward a system of more frequent and less formal evaluations.

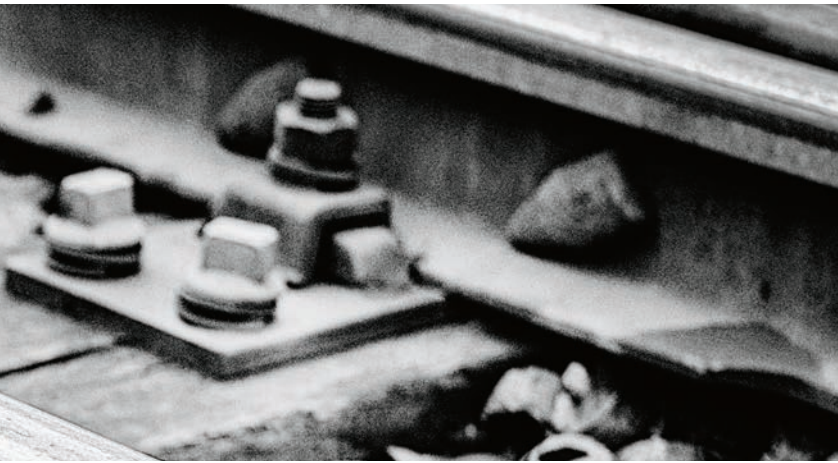
To compete for top programmers, TechSmith participates in a program at nearby Michigan State University that pairs Amazon, General Motors, Ford, Symantec and other employers with teams of computer science

students to develop market ready applications. The program gives it an edge when it comes to hiring interns. TechSmith also keeps its kitchen stocked with food and beverages, has lunch catered every Friday and holds employee recognition events every month.

Heathfield predicts that technology companies based in small markets will have to become much more comfortable hiring remote employees if they are going to compete for top talent.

"One of our challenges in mid-Michigan is that if we

have some candidate in California who loves our company and wants to work for us, there are no other companies he can work for here if the position does not work out," Heathfield says. "Our chief technology officer is retiring in 2016, and I absolutely believe the CTO we hire to replace him is going to be remote. That's a huge jump for my husband, but not so much for our daughter. At her last job, she had teams in six countries and her boss was in London. It's a different world."



In the realm of technology, companies are shifting to Cloud-based tools, enabling workers to quickly and inexpensively organize around projects regardless of their location. This is allowing new levels of collaboration and innovation. Yet the gap between the consumer web and enterprise remains large and is creating growing employee frustration at many organizations, Morgan says.

In its most recent report on global employee engagement, Aon Hewitt found increasing employee dissatisfaction with many of the resources they are provided.

"Employees who are engaged, but not empowered, are more likely to be frustrated, burned out and become disengaged," says Ken Oehler, Ph.D., Aon Hewitt's global engagement practice leader. "This puts organizations at risk of having suboptimal productivity and higher-than-average employee turnover."

That has not stopped employees and job candidates from using the connectivity enabled by the web to strengthen their own hand in employment negotiations.

A top employee with high-demand skills who no longer wants to commute three hours a day to and from the office need only start returning emails from recruiters on LinkedIn, for example. This reality not only helps explain

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the proliferation of "Best Places to Work" lists, but also the eagerness of employers to get on them.

To get on those lists, employers must be prepared to assign new employees to teams and projects that will challenge their skills, provide career counseling, feed them and allow them to telecommute for those occasions when they need to leave the office early or come in late so they can attend a family activity, care for an ailing parent, or attend to some other personal priority.

"Millennials value flexibility more than money," says Susan M. Heathfield, a consultant who writes about human resource topics on About.com when she's not helping her husband run TechSmith Corp., a 300-employee software company in Okemos, Mich. "Sure, they want all the money they can get, but work is something you do in between weekends." ■

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# STEPS

for winning the talent war

**01 Mentor.** Career opportunities remain the top driver of employee engagement worldwide, ahead of "Organization Reputation" and "Pay," according to an annual survey conducted by the global talent management consulting firm Aon Hewitt. Yet a majority of employees do not see a path forward at their organization and the percentage of U.S. employees who were satisfied with career opportunities at their place of work declined 3 points to 44 percent from 2013 to 2014.

**02 Provide an annual training stipend.** Today, top performers are more self-directed, says Jacob Morgan, co-founder of the Future of Work Community, an online community dedicated to helping companies win the war for talent. This is not because they have a sense of entitlement, but because they have a greater appreciation for how technology can make their skills obsolete, disrupt their careers and dilute the ties between employer and employee. Thankfully, that same technology means employees usually can obtain the training they need online 24/7 and often for free, or at a much lower cost than just 10 years ago. Consider offering an annual training stipend employees can spend as they see fit.

**03 Move to the Cloud.** One immediate way to enable ownership is to move company tools to the cloud where employees can access them from any device, at any time without costly provisioning by your IT department. This provides employees with tremendous flexibility as they seek to balance work, family, friends, hobbies and health.

**04 Make the workplace more social.**

Create a fun, physical workplace where people will want to come to work. This may include providing rooms with sofas and coffee tables, free food and beverages, a more open floor plan and small meeting rooms to encourage collaboration.



**05 Provide a greater purpose.** Six of 10 Millennials surveyed by Deloitte in 2014 said a "sense of purpose" was part of the reason they chose to work for their current employers. That number rose to 77 percent among high users of social networking tools compared to just 46 percent of those who are the "least connected."