

THE MILLE NNIAL WAVE

EMPLOYEE ENGAGEMENT



You know those old sea captains,

flawlessly polished with a perfectly pressed uniform? Even their sea-swept beards are in perfect order. This appearance demands immediate respect from the staff on deck, who are controlled by a 'master and commander' style of leadership where everything runs according to discipline and process. Well that's ye old way of work.

It's been calm sailing across the seas of leadership for the most part, but now the weather is changing. The 'millennial wave' is coming. How will the good ship of business deal with this turbulent population?



The forecast

This employee engagement paper explores the issue of the growing millennial workforce and how they have changed, and continue to change, the landscape of the working world across the globe. In response to this ever-changing landscape, the importance of an organisation's ability to **change** with this **change** is discussed. And by **change** we're not talking a few drops of something different... we're talking oceans.

An analysis of the latest statistics surrounding global engagement is carried out. Don't worry though; there aren't too many of the same old stats that everyone seems to be churning out. The stats are there to highlight a major point – unfortunately that point is that our recent efforts to engage our employees have not been too successful. So we touch on the importance of leadership actually committing to building an engaging workplace, not just saying it, along with some ideas that can be put into place immediately to start turning these worrying stats on their head.

Then the stormy weather – if the stats don't say much for our current engagement efforts, things are only going to get more difficult when the 'millennial wave' comes crashing in. Millennials will make up a vast majority of the

workforce in the very near future, and if we are unable to engage today's workforce, the perfect storm is right around the corner, as these millennials aren't sticking around for the same careers their parents had. And perhaps more threateningly, with the use of social media these tech-savvy millennials can literally sink a brand overnight, as a customer or an employee.

So with this in mind, we talk about the importance of preparing a workplace that is ready for the millennials, with a few ideas on how we can set our organisations up to ride effortlessly **with** the 'millennial wave', and benefit greatly from it, rather than being washed up by it.

This millennial wave shouldn't be feared. It's dynamic and it's exciting. This paper is designed not only to use as many questionable puns as possible, but also to help you understand the approaching wave so you can prepare and start building a work environment that will prosper from its natural force.

So maybe it's time to grab your surfboard, abandon ship and get ready to ride the 'millennial wave'.



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The numbers

U.S. EMPLOYEE ENGAGEMENT, 2011-2015

Monthly averages

■ % Engaged employees



Figures shown are for November of each year

GALLUP

'Employee engagement' has been the talk of the town within the global world of work over the last decade. Any leader who is any leader has claimed it to be at the forefront of their agenda. But what does engagement actually mean? The term 'employee engagement' was such an exciting term when it was released into the organisational world. Now though, much like the figures associated with it, it's become a bit stale:

13%

of the global workforce are 'highly engaged'¹

26%

of employees are 'actively disengaged'²

80%

of senior managers are not passionate about their work³

79%

believe they have a significant engagement and retention problem⁴

75%

are struggling to attract and recruit the top people they need⁵

83%

feel they don't have a compelling and engaging employment brand⁶

54%

of employees recommend their company as a place to work⁷

1-2 Steve Crabtree, Worldwide, 13% of Employees are Engaged at Work, Gallup, October 8, 2013.

3-6 Jeff Fermin, 13 Disturbing Facts About Employee Engagement, HuffPost Business, January 13, 2015.

7 Josh Bersin, Unlocking the Secrets of Employee Engagement, Risk Management, Strategy and Analysis from Deloitte, 2015.

So with
78%

of business leaders rating retention and engagement as either urgent or important⁸, it seems crazy that after a decade of organisations around the world implementing 'employee engagement' initiatives, we are still seeing these kinds of stats.

⁸ Steve Crabtree, Worldwide, 13% of Employees are Engaged at Work, Gallup, October 8, 2013.

Why are engagement stats so low?

88%

of employees still have no passion for their work⁹

To get straight to the point, there is generally a drastic lack of employee involvement in 'employee engagement'. This lack of *employee involvement* in 'employee engagement' is a fundamental part of why these initiatives never really have any impact. In fact, 70% of these change initiatives fail completely¹⁰.

You may have noticed that this 70% researched by HBR is a stat from 2000. A follow-up study of this statistic by HBR 13 years later, however, highlights that things haven't really changed:

“Change management has been in existence for over half a century. Yet despite the huge investment that companies have made, most studies still show a 60–70% failure rate for organisational change projects — a statistic that has stayed constant from the 1970s to the present.”¹¹

So if a 70% failure rate of change initiatives back in 2000 wasn't worrying enough, the fact (and figure) is that even with this knowledge we have done very little about it. This isn't to say we haven't been talking about it, writing about it, having endless meetings about it. So why is it that this failure rate has pretty much stayed the same over the last 45 years?

As engagement hit the scene, it became the professionally 'trendy' tick box – if you didn't have an 'employee engagement' department (often one or two people) dedicated to engaging the thousands of employees within the business, you were a bad employer and socially unacceptable within the corporate world. We've seen it all so often, where these people within the engagement department have big ideas and real dedication to making a better workplace for their coworkers, but there is frustratingly little they are able to achieve due to the lack of buy-in and real resource dedicated to their cause from leadership, the very people who employed them to 'change the world' in the first place.

9 Jeff Fermin, 13 Disturbing Facts About Employee Engagement, Huffpost Business, January 13, 2015.

10 Nitin Nohria & Michael Beer, Cracking the Code of Change, Harvard Business Review, May 2000.

11 Ron Ashkenas, Change Management Needs to Change, Harvard Business Review, April 16, 2013.



Why doing engagement right really matters

➔ IF YOU REALLY WANT TO SEE THE BENEFITS OF ENGAGEMENT, YOU NEED TO DO IT RIGHT

Of course, top management haven't got to where they are today without looking after the organisation's bottom line, and quite rightly so. But there is clearly a lack of faith from top management in just how much positive impact this 'employee engagement' business has on the 'actual' business.

The most compelling case for the connection between engagement and bottom line was the Towers Watson 2012 Global Workforce Study of 32,000 employees across 30 countries.¹² This study also recognises a difference between 'traditional engagement' and 'sustainable engagement':

- * Traditional Engagement is the willingness to invest discretionary effort on the job
- * Sustainable Engagement is a work environment that more fully energises employees by promoting their physical, emotional and social well-being

The definitions of these two types of engagement are quite different, and the following results¹³ that relate to them really highlight the benefits of doing engagement right:

COMPANIES' LEVEL OF ENGAGEMENT	AVERAGE ONE-YEAR OPERATING MARGIN (%)
Low Engagement	10
Traditional Engagement	14
Sustainable Engagement	27

SO WHAT DOES 'DOING IT RIGHT' MEAN THROUGH THE LENS OF (CO-FOUNDER OF GOOGLE, LARRY PAGE? HE LIVES BY THE GOSPEL OF '10 TIMES BETTER'. AS IT SEEMS WITH ENGAGEMENT, MOST COMPANIES WOULD BE HAPPY TO IMPROVE BY 10%. PAGE SAYS, HOWEVER, A '10% IMPROVEMENT BASICALLY MEANS YOU ARE DOING THE SAME THING AS EVERYBODY ELSE. YOU PROBABLY WON'T FAIL, BUT YOU ARE GUARANTEED NOT TO SUCCEED WILDLY.'¹⁴

¹² Tony Schwartz, New Research: How Employee Engagement Hits the Bottom Line, Harvard Business Review, November 2012.
¹³ 2012 Global Workforce Study, Towers Watson, July 2012.
¹⁴ Steven Levy, Google's Larry Page on Why Moon Shots Matter, Wired, January 17, 2013.

Page expects his employees to create products and services that are 10 times better than anybody else's.

Changing by 10% is tweaking. In order to improve by 10 times you have to turn things on their head,

explore what is possible and have much more fun in the process.

As a company that continues to be voted the best to work for, remains a growth stock, and even has a film about it, you can guarantee that this type of thought has gone into engaging its own employees.

BUT WE'RE NOT GOOGLE, I HEAR YOU (RY

No you're not, and nor should you try to be. Every organisation is unique and there is no universal model of engagement for all workplaces. But this idea of really changing the way you look at building a better place for your employees is relevant to all. If you *really* want employees who truly love your workplace and strive to take the company's performance to the next level, it's time to stop taking shortcuts and do things properly. Do things *right*.

Top three tips

HERE ARE A FEW RIPPLES YOU CAN
MAKE RIGHT AWAY:

1

WASH AWAY THE ANNUAL SURVEY

'75% of brands don't know what engagement is – but are measuring it'¹⁵. Companies are spending billions conducting additional employee engagement surveys to hear what they already know¹⁶ – your people are not engaged, and it doesn't matter how many times you ask them to colour in circles that answer closed questions, it isn't going to change

without serious action. And by serious action we do not mean an off-the-shelf engagement programme that increased (sorry – tweaked) engagement by 10% for another company. Take this money and spend it on doing some investigation into WHY they are not engaged. This leads nicely on to the next tip.

MAKE IT PERSONAL

Understand what 'engagement' means in the context of **your** organisation. Asking employees to rate things on a scale of 1 to 5 is completely relative to how they feel in that moment. For example, if an employee has just 'bumped heads' with their manager they are likely to rate their manager's capability a couple of points down. So guess what that means? Another management programme that won't work 70% of the time. Invest time and resource into finding out exactly what it is that stops employees from connecting with

their work. Get underneath the skin of your own people and ask for suggestions of how it could be made better. Every organisation is different and the people within it will have different ideas about how it can be made better for them. This is employee engagement after all – employees will probably have a pretty good idea of what works for them. Co-create ideas with your employees and trial them. Not everything will work immediately, but it will become clear that the ball is rolling, and that alone will get the party started again.

2

3

TAKE A HOLISTIC APPROACH

Going back to the thought that engagement has become a bit stale of late, the word itself really does limit our thinking. It insinuates that it is indeed the 'engagement department's' job to reach out and 'engage' people¹⁷, and that they are solely responsible for it. This is not and should not be the case. An environment needs to be built and embedded across the entire organisation. An environment that has been designed from the bottom up¹⁸, that is led and modelled from the top down, allowing

each employee to have ownership of their level of engagement. Unlike the engagement surveys and programmes, this is not a once-a-year deal. This needs to be a cycle. We live in an ever-changing world where new challenges continuously require new thinking and actions¹⁹. An environment built by employees that is harnessed by leadership allows continuous co-creation in order for it to grow, attract and retain the right people, and succeed organically.

¹⁵ Vala Afshar, 50 Important Customer Experience Stats for Business Leaders, HuffPost Tech, October 15, 2015.

¹⁶ Roberta Matuson, The Real Truth About Employee Engagement, Forbes Leadership, January 13, 2015.

¹⁷ Josh Bersin, It's Time To Rethink The 'Employee Engagement' Issue, Forbes Leadership, April 10, 2014.

¹⁸ Vala Afshar, 50 Important Customer Experience Stats for Business Leaders, HuffPost Tech, October 15, 2015.

¹⁹ Chartered Management Institute, 6 Companies That Get Employee Engagement – And What They Do Right, December 11, 2015.

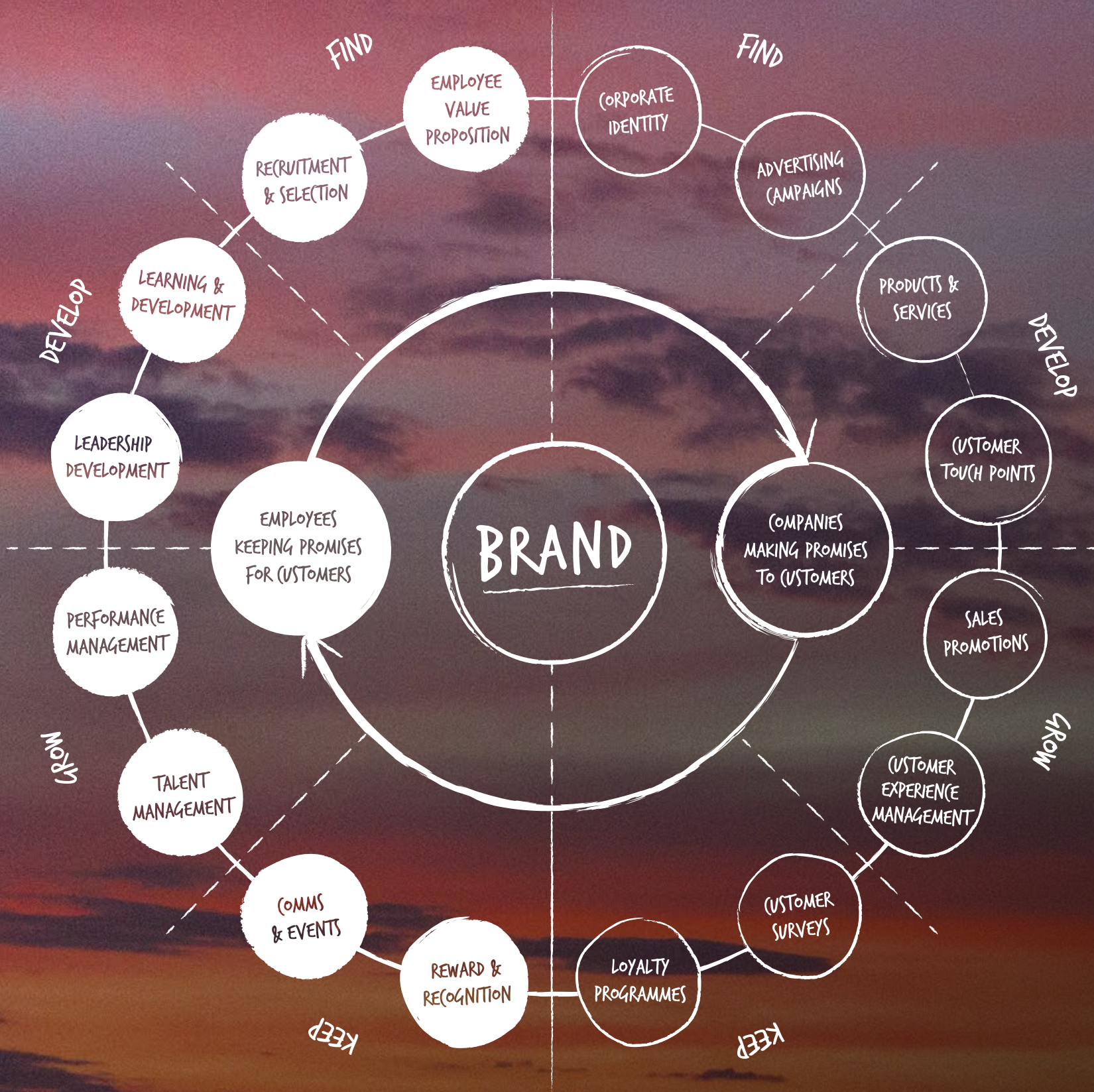
A holistic approach

A HOLISTIC APPROACH TO YOUR BRAND PROMISE FOR
BOTH EMPLOYEES AND CUSTOMERS

When it comes to taking a holistic approach to your brand promise, everyone in the organisation must be on the same wavelength and connected to the same brand identity in order to deliver that distinguishable brand service to customers.

Companies who get this are starting to break down the silos that exist between organisational departments. And what is promised externally by a brand must be matched internally through culture. Organisations such as Patagonia, Red Bull and Valve are already taking charge when it comes to taking a holistic approach, aligning the whole company with what their brand stands for. They all share a sense of purpose, pride and alignment. It's what makes them stand out, and is the reason they continue to succeed.

Below is a model we call ‘living brands’, which represents what these companies are doing to make sure that what is promised to customers on the outside is mirrored for employees on the inside.



A major component of a ‘Living Brand’ is making sure their people are 100% bought into, and emotionally connected to their brand. A brand that is consistent throughout the entire organisation, engaging every employee to the same purpose. Dan Pink’s theory on how to drive up employee engagement highlights purpose as one of three main elements. Employees who understand and are connected to the purpose of the organisation, and to how their individual roles contribute to this purpose, are much more

likely to be satisfied and to perform well. If this connection is consistent and prevalent across the whole organisation, you’re well on your way to smooth sailing. What works will quite obviously vary by industry, location, company size, vision, etc. One thing is for certain – motivating high performance and aligning business strategy requires getting to the heart of what matters to your employees²⁰.

Some companies that are nailing it (steering clear of ones we hear about all the time: Google, Virgin, Facebook)

SOUTHWEST AIRLINES²¹

Southwest have been in operation for 44 years and for an industry that is often in the spotlight for grumpy employees and poor customer service, Southwest have managed to keep loyal customers through happy, friendly and helpful employees.

They’ve done this by seeing their purpose as connecting people with what’s important to them, not just as transporters of people. The goals and visions are communicated to employees in a way that makes them feel part of a unified team. Employees are encouraged to create new ideas of how to go that extra mile and make customers happy.

CHEVRON²³

Oil and gas companies are often victims of negative PR and public opinion. Chevron employees, however, responded favourably towards the company’s culture. Employees compared Chevron to other similar companies and pointed out “the Chevron way” as being one dedicated to safety, supporting employees and team members looking out for each other. Chevron shows that it cares about employees by providing health and fitness centres on site or through health-club memberships. It offers other health-oriented programmes such as massages and personal training. Chevron insists employees take regular breaks. In other words, the company shows it cares about the well-being of employees, and employees know that they are valued.

AMERICAN EXPRESS²²

In a world where results are everything and goals are often largely about what results people achieve, regardless of how they achieved them, American Express is different and was so even 25 years ago. The company has an equal weighting between achieving goals and how they’re achieved. It is not possible to achieve top results, ratings, pay and potential bonuses without considering the impact of your behaviours. This is the service profit chain in operation.

ADOBE²⁴

Adobe is a company that goes out of its way to give employees challenging projects and then provides the trust and support to help them meet those challenges successfully. While it offers benefits and perks like any modern creative company, Adobe’s is a culture that avoids micromanaging in favour of trusting employees to do their best. Micromanagement and ratings are avoided as they kill creativity, autonomy and teamwork. Managers take on the role of coach, allowing employees to set targets and guiding them along the way to meet those targets. Ongoing training and a no-fear risk-taking ethos also contribute to the Adobe open company culture.

So you won’t create a work environment that employees can fall in love with simply by purchasing some beanbags and a ping pong table. It’s understanding what your employees need in the context of their world (your organisation) that will help them connect with the business, connect with their work, and connect with the customer.

²⁰ Sylvia Vorhauser-Smith, How the Best Places to Work are Nailing Employee Engagement, Forbes Leadership, August 14, 2013.
²¹ Chartered Management Institute, 6 Companies That Get Employee Engagement – And What They Do Right, December 11, 2015.
²² Chartered Management Institute, 6 Companies That Get Employee Engagement – And What They Do Right, December 11, 2015.
²³ Sujan Patel, 10 Examples of Companies With Fantastic Cultures, Entrepreneur, August 6, 2015.
²⁴ Sujan Patel, 10 Examples of Companies With Fantastic Cultures, Entrepreneur, August 6, 2015.

The millennial wave is approaching

So, IF (FOR THE MOST PART) WE'RE NOT GETTING ENGAGEMENT RIGHT TODAY,
THINGS ARE ONLY GOING TO BECOME MORE DIFFICULT.

WHY?

Well, the millennials are here and they're rapidly taking over – influencing the landscape of the working world... all over the world. In fact, millennials will make up a staggering 75% of the workforce in the next decade²⁵. Companies that are at the cutting edge and shifting more dramatically, such as PwC, estimate that by 2017, a jaw-dropping 80% of its global workforce will be millennials.

The environment that they've grown up in, and are dictating, enables them to tear organisations apart. They are demanding faster responses and feedback, both as

customers and as employees, and people are jumping on board. With the likes of Twitter and Glassdoor.com they can share any experience, good or bad, and send it viral. Organisations dishing out bad customer and employee experiences have nowhere to hide anymore. Even companies that do a fantastic job are getting overrun due to the high, fast paced, ever-evolving needs of the millennial. Look at the London black cab, an unbelievable service completely washed up by Uber – a company that was designed to meet today's requirements both from a customer and an employee perspective.

So WHY ARE THESE MILLENNIALS
MIXING THINGS UP SO MUCH?

If we begin by looking under the surface of the millennial, we can see what impact society is having on them and the implications this has for how they're shaping the working environment.²⁶

25 Business.com Editorial Staff, How Companies Are Changing Their Culture to Attract (And Retain) Millennials, Business.com, August 19, 2015.
26 Jeanne Sahadi, How Companies are Changing Old Ways to Attract Young Workers, CNNMoney, July 23, 2015.

Societal impacts on millennials

BENEATH THE SURFACE OF THE MILLENNIAL



Peak home-buying years for millennials have increased massively and over 30% of 18–34-year-olds live at home with parents²⁷



Significant milestones like marriage and children have been put off by millennials²⁸



The percentage of young married couples living on their own has dropped by more than 50% since the 60s²⁹

Career jobs do not really exist anymore. Gone are the days where being loyal to a company will set you up for life, helping you to buy a house, start a family and pursue expensive hobbies. Millennials have grown up in a world where the landscape is constantly changing. A world where if you can't walk down the street whilst transferring money and doing your make-up at the same time, you get left behind. They are used to change and they are comfortable within it. Hence candidates are not looking for a career; they are looking for work experience³⁰. Not experience in one thing at one place, either; they want it all and aren't scared to move around for it.

So with this, *retention* has obviously become an issue. Especially when 60% of millennials think that staying in a job for 7 months is being loyal³¹.

Work has become something more than just a means to afford our houses, our children and our hobbies. 88% of millennials want 'work-life integration', which isn't the same as work-life balance, since work and life now blend inextricably³². People are now 'following their passions' and most of the time this is incorporated into their job.

The same things that used to keep employees loyal to a company do not seem to work with this new wave of millennials. However, just because millennials are swapping jobs doesn't mean they're doing so because they hate their job or their manager. Retention and engagement are such important and connected words around the workplace now that a lack of one immediately tends to be assumed a result or cause of the other. Of course, this is true in many instances and if the workplace is not built to move with this millennial influx, it may be the case. However, millennials crave change and will often leave a job that they have loved and thrived in, in search of the next exciting venture.

60% of millennials think that staying in a job for 7 months is being loyal

With this in mind, it is important to **move with the millennial wave**. Don't desperately try to retain these millennials with the same benefits that worked 20 years ago. Refrain from only offering them a 'career' where they are brought up slowly to fit the company mould. They don't want to wait 15 years to accelerate like prior generations³³. Hire them for their skillset and let them use it – they're an energetic bunch, full of ambition, they will probably surprise you. Build an environment that they can fall in love with. Do not deny the inevitable. They will most likely move on. This doesn't mean they are not worth looking after. Quite the contrary. Connect them with your brand emotionally and they will give you dedication and productivity, taking the organisational performance to the next level. Furthermore, they will spread excellent word of mouth about the company, attracting the next wave of top talent. If there is going to be inevitable employee churn with this millennial wave, don't try to prevent it; set up an environment that will allow your organisation to ride this wave and flourish from it.

27-28 Millennials – Coming of Age, Goldman Sachs, 2016.
 29 2014 Millennial Impact Report, 2015.
 30 Bersin by Deloitte, 2016 Trends in Organisations' Human Relations, Conference held December 2015.
 31 Karie Willyerd, Millennials Want to Be Coached at Work, Harvard Business Review, February 27, 2015.
 32 Bersin by Deloitte, 2016 Trends in Organisations' Human Relations, Conference held December 2015.
 33 Karie Willyerd, Millennials Want to Be Coached at Work, Harvard Business Review, February 27, 2015.

Millennial workplace requirements

THE FOLLOWING STATS ARE THOSE THAT WERE MOST COMMON AMONGST RESEARCH INTO WHAT MILLENNIALS LOOK FOR IN A WORKPLACE:

- Millennials want to be in harmony with their company's *real* values (not with what is said through internal comms)³⁴
- 64% say it's a priority for them to make the world a better place³⁵
- Having their passions and talents used to the fullest and believing in the company's mission and purpose are the two factors that most influence a millennial in their role³⁶
- 88% prefer a collaborative work culture rather than a competitive one³⁷
- Millennials are reluctant to buy items such as cars and music, instead turning to a new set of services that provide access to products without the burdens of ownership, giving rise to what is being labelled a 'sharing economy'³⁸. And this is reflected in the way they like to work. Shared spaces and shared project responsibility
- 74% want flexible work schedules³⁹
- 72% would like to be their own boss. But if they do have to work for a boss, 79% of them would want that boss to serve more as a coach or mentor⁴⁰
- Millennials want feedback 50% more often than other employees⁴¹
- 58% of millennials believe communication is the most important leadership skill⁴²

So what do we do with these precious, momentous millennials? Of course carrying on as before won't work, and changing a working environment isn't that easy (as we've seen from the percentage of successful change initiatives). So let's keep it simple and focused. The research highlights three key areas:

1. ENTREPRENEURIAL SPIRIT
2. MANAGERS TURNED MENTORS
3. CONNECTION TO THE CAUSE

34 Karie Willyerd, Millennials Want to Be Coached at Work, Harvard Business Review, February 27, 2015.
 35 The Intelligence Group, 2015.
 36 2014 Millennial Impact Report, 2015.
 37 Bartie Scott, What Millennials Really Want at Work, Inc., July 21, 2015.
 38 Millennials – Coming of Age, Goldman Sachs, 2016.
 39-40 Bartie Scott, What Millennials Really Want at Work, Inc., July 21, 2015.
 41 Karie Willyerd, Millennials Want to Be Coached at Work, Harvard Business Review, February 27, 2015.
 42 Bartie Scott, What Millennials Really Want at Work, Inc., July 21, 2015.

Building a workplace for the millennial

1. Entrepreneurial spirit

This can be broken down into two subcategories:

1. Manner of work
2. Integration of life

MANNER OF WORK

There are companies who have already become millennial magnets through setting up this entrepreneurial way of work.

An 'employee-owned' consulting firm in Minneapolis called Barr Engineering Co. has what they call a 'free market' structure⁴³ where employees don't have a traditional boss. They choose the projects they work on, either serving as manager in a team, or reporting to the manager of an individual project.

Bigger companies who are being smart and starting to catch on to the millennial wave, such as GE, are starting to move away from organisational charts to a less rigid, less process- orientated culture, allowing employees to have autonomy in their work, try new ideas, and make their own decisions.

INTEGRATION OF LIFE

As mentioned before, the line between work and play for millennials is very blurred, bordering on non-existent. So work and play must be integrated and work not around but with each other.

Karyn Twaronite, EY global-diversity and inclusiveness officer, said: 'I really see there's an empathy gap in the workplace. When there's frustration about work-life balance, and you think your boss doesn't get it, that very likely could be true.'⁴⁴ The leaders and managers of today are most likely outside the millennial bracket and potentially do not understand the life of a millennial, and are therefore unaware of the consequences this has on their working life. However, if managers can begin to understand the millennial, they will have a much better chance of building an environment in which millennials, and the future organisation, will perform extremely well.

Again, this is all directed by the nature of your business and the collection of people that it is made up of. So with context in mind, we take a look at what some of these consulting firms are doing in order to provide their people with healthy work-life integration.

The millennial manner:

Sense of community – leading workplaces such as Google and Airbnb are all set up to drive a sense of inclusion and teamwork

Team networks – people working on projects with responsibility and freedom to innovate amongst themselves

No command and control – No more cascading projects. Projects are set by managers, and teams or individuals organise themselves and how they achieve the goals that are set

McKinsey – employees can take 5 to 10 weeks off between projects in order to pursue interests and hobbies. The time is unpaid but on top of regular paid holiday time, and they keep their benefits.

PwC – personal needs and hobbies are accommodated. If there are certain things important to an employee, the best is done for the work to fit around those things.

Barr Engineering Co – when an employee works long hours they can choose whether they are paid overtime or whether they take the equivalent days off in compensation.

There are very similar wants from consultants that seem to lead to similar integration ideas that have been put in place. It is clear, however, that these are still quite personal to the individual employee. Good employers are starting to invest time into working out ways that will make employees' working lives much more rewarding, because that is what's going to make them more productive and go further for the organisation.

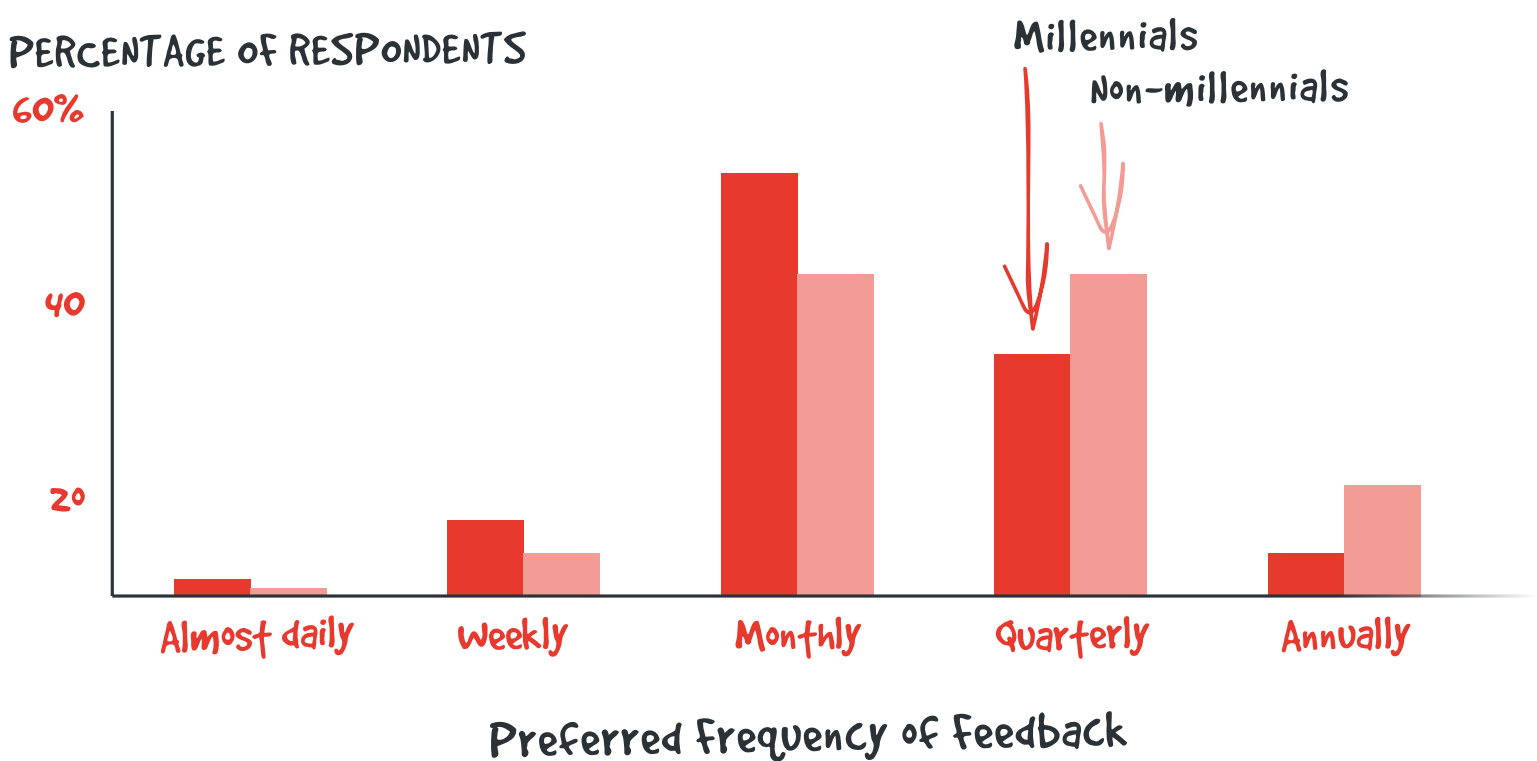
⁴³ Jeanne Sahadi, How Companies are Changing Old Ways to Attract Young Workers, CNNMoney, July 23, 2015.

⁴⁴ Brigid Schulte, Millennials Want a Work-life Balance. Their Bosses Just Don't Get Why, The Washington Post, May 5, 2015.

2. Managers turned coaches/mentors

How often employees want feedback from managers

Most millennials prefer monthly.



SOURCE SAP

HBR.ORG

At present there is a lack of feedback in companies. More specifically, only 46% of millennials agreed that their managers delivered on their expectations for feedback⁴⁵.

This seems criminal seeing as coaching is the #1 part of performance management correlated to business results, as there is a very strong correlation between the feedback culture and company performance (HR Trends 2016).

Traditional performance reviews and rankings that lead to performance plans and micromanagement must be scrapped. Some companies have been leading the way in replacing the traditional review with regular coaching dialogue:

Accenture – hold a much more fluid performance system where employees receive ongoing, timely feedback from their managers following assignments. They’re rid of rankings and distribution curves and all that jazz. Deciding to evaluate the employee in his or her role, not on a curve compared to someone else in Bangalore or wherever else in the world. It needs to be relevant and employee focused⁴⁶.

Netflix – managers and employees were asked to have conversations about performance as an organic part of their work. They saw that traditional corporate performance reviews were largely driven by fear. Talking simply and honestly about performance on a regular basis yielded far more productive results than grading everyone on a five-point scale⁴⁷.

It’s time to end performance management that hunts those who are not performing and sets them scarier targets. Performance management needs to be a tool for managers to help employees take their performance to the next level, with every conversation, benefiting employees as well as the organisation. Managers must be seen as trusted **fuellers** of performance. This is done by investing time, resources and energy to listen and stay connected with your people⁴⁸.

So with ratings and form filling gone, only the good stuff remains and we want to do more of it. The good stuff is frequent, warm, quality performance conversations. And there are two types:

1. More regular talks
2. Small talks

More regular talks are for planning and reflecting. They give clarity and structure to those who need it. Even those who don’t think they like structure do actually like structure. An Olympic team won’t win without structure.

Small talks happen every week. 10–15-minute check-in conversations that are the difference between people feeling supported or not, connected or not, confident or not. These conversations create an environment of autonomy, mastery and purpose.

⁴⁵ Karie Willyerd, Millennials Want to Be Coached at Work, Harvard Business Review, February 27, 2015.
⁴⁶ Dominique Mosbergen, Dread Performance Reviews? This Company’s Getting Rid Of Them, Huffington Post, July 22, 2015.
⁴⁷ Patty McCord, How Netflix Reinvented HR, Harvard Business Review, January 2014.
⁴⁸ Nora Wu, Anne Donovan, Julie Gordon & Julia Sheasby, Engaging and Empowering Millennials: A Follow-up to PxCs NextGen Global Generational Study, PwC, 2014.

More regular talks

There are four things people value in these talks:

1. PURPOSE AND PLACE

- Get clarity on how my role links to the bigger purpose of the organisation
- Get clarity on the specific expectations of me this year
- Get positive reinforcement of how that's all going

2. MASTERING MY CRAFT

- Agree objectives, approaches or skills to help me thrive in my current role
- Get positive reinforcement of how that's all going

3. SHAPING MY FUTURE

- Support development goals and plans to thrive beyond my current role
- Get positive reinforcement of how that's all going

4. EMPOWERING OTHERS

- Agree how I can support my colleagues to thrive
- Get positive reinforcement of how that's all going

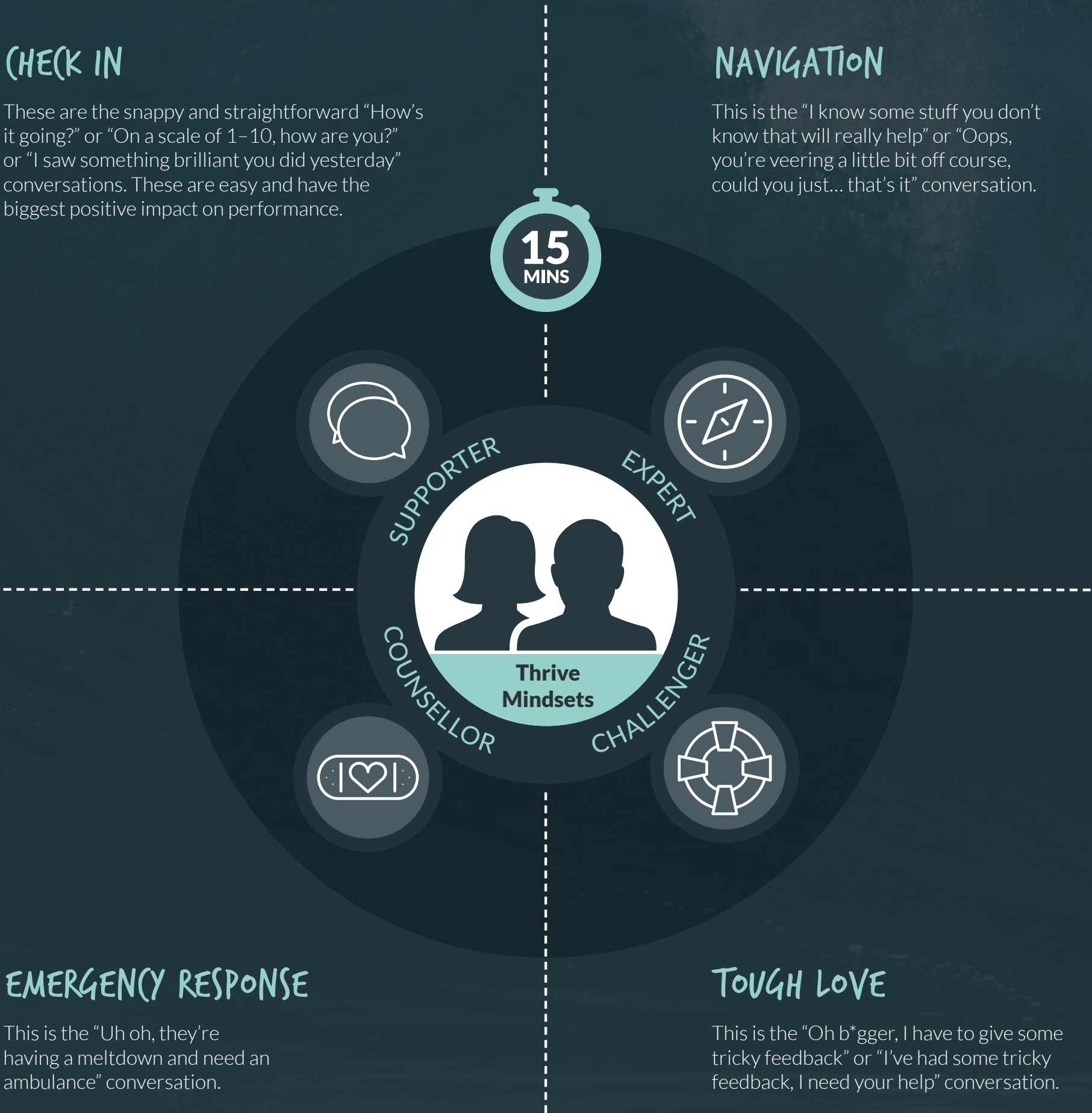
Small talks

CHECK IN

These are the snappy and straightforward “How’s it going?” or “On a scale of 1–10, how are you?” or “I saw something brilliant you did yesterday” conversations. These are easy and have the biggest positive impact on performance.

NAVIGATION

This is the “I know some stuff you don’t know that will really help” or “Oops, you’re veering a little bit off course, could you just... that’s it” conversation.



EMERGENCY RESPONSE

This is the “Uh oh, they’re having a meltdown and need an ambulance” conversation.

TOUGH LOVE

This is the “Oh b*gger, I have to give some tricky feedback” or “I’ve had some tricky feedback, I need your help” conversation.

3. Connection to the cause

Millennials need to incorporate their passions into their work as much as possible. They seek jobs with companies that act in alignment with their beliefs. They want to dedicate themselves to a worthy cause, and if they find one they connect with, they'll act as if it's an extension of their own self.

Give these millennials a reason to get out of bed in the morning and a reason to kick-start that 'change the world' enthusiasm to go above and beyond for your organisation. Give them a compelling vision for the future, one that they

want to bring to life and be a part of. A poster with the five values stuck on the kitchen wall is not a vision and they will see straight through this – they can probably create a better picture with an app they have on their phone anyway.

Look at Walt Disney: he was sat on a bench watching his two daughters riding a carousel in LA and envisioned a place where both children and adults could play together. Today, Walt Disney's vision is worth \$128 billion and his company is the largest media conglomerate in the world⁴⁹.

So whatever your brand vision, make it strong, consistent, and prevalent throughout the entire organisation. Dedicate time to connecting your employees to the big picture, understanding where they fit in and how they are contributing to the bigger picture. What part of the miracle-making machine are they? Give them purpose and meaning within a cause they are 100% bought into, and you have a seriously powerful collection of people that make up your organisation.

The benefits of connecting your employees to your brand go further than a happy and productive workforce. Let's look at things from a marketing angle. 13% of unhappy customers tell 15 or more people if they've had a bad

experience. And it is 6–7 times more expensive for companies to attract new customers than to keep existing ones⁵⁰. So just one disengaged employee acting on behalf of your brand has a hugely detrimental impact.

Look at it from a different, more optimistic angle, however, and there is a huge opportunity to build brand ambassadors from within your own organisation. Your employees are directly accessible, all day every day. Surely it is far easier to influence your employees than it is any potential customer – so why wouldn't you? If you can make your people fall in love with your brand, they will become raving fans. And rave they shall.

THESE BRAND AMBASSADORS WILL DO SOME VERY IMPORTANT THINGS FOR YOUR ORGANISATION:

- Deliver a fantastic, on-brand customer experience, the impact of which extends dramatically, with 72% of customers sharing a positive experience with six or more people⁵¹
- Create and fuel an engaging and connected environment for the rest of the employees, leading them to deliver a fantastic customer experience
- Actively promote the brand and how wonderful it is to work for it. Think about your own jobs. We speak about our jobs with our friends in the pub, our families over dinner, even small talk with strangers on a bus

Imagine an organisation of 20,000 employees who are rationally and emotionally connected to the company brand. Given the stats above, that's a serious amount of good press! And let's not forget about the millennials' best friend when it comes to sending things viral – social media. If they want to, they can literally tell the world how wonderful your brand is. On the flip side, they can burn a brand reputation to the ground overnight, and aren't scared of doing so.

⁴⁹ Louis Efron, Six Reasons Your Best Employees Quit You, Forbes Leadership, June 24, 2013.

⁵⁰ Vala Afshar, 50 Important Customer Experience Stats for Business Leaders, HuffPost Tech, October 15, 2015.

⁵¹ Vala Afshar, 50 Important Customer Experience Stats for Business Leaders, HuffPost Tech, October 15, 2015.

Case study **DHL** **EXPRESS**

One company that has an army of raving fans as employees is DHL Express. And this army is 315,000 strong across 220 countries. Voted Top Global Employer 2015, these employees are clearly spreading the word about the DHL Express vision, and the company's complete commitment to its employees is being very well received and reciprocated.

'The Certified International Specialist Program has been a key factor in engaging DHL employees across all levels and functions – helping each understand how critical they are to the overall business success. The program goes beyond providing the fundamentals in cross-border international shipping. It's a cultural change program that delivers tangible benefits for DHL customers – driving service quality and empowering employees to develop to their fullest and find greatness within themselves.'⁵²

This change programme has been rolled out to every single DHL Express employee on the globe – a large commitment and a large investment. However, as a crucial tool in transforming DHL Express from a billion-dollar loss-making company to a billion-dollar profit-making one, it has been a very worthwhile investment.

⁵² Reuters. (2015). DHL Express Certified as a Top Employer 2015 in the Americas and Recognised as Top Employer Global 2015 (Press Release). Retrieved from <http://www.reuters.com/article/fl-dhl-express-us-idUSnBw095250a+100+BSW20150309>.

Interview with Meredith Taghi

VP Head of CIS Europe and Sub-Saharan Africa at DHL Express



Q. For well over a decade employee engagement has been at the top of most leaders' agenda, with billions spent on it each year. Yet only 13% of the global workforce is 'highly engaged' and 26% of employees 'actively disengaged' (Huffington Post). Why do you think this is?

A. Because companies find it very difficult to be consistent in their messaging and commitment to employees – either they say it's important but their behaviour says something different, or they say it's important but there are more important things like firefighting and cost containment. It's the broken promises and incongruent messages that disengage employees.

Q. What top three tips would you give to global leaders to truly engage their organisation and teams?

A. Ask yourself how you would feel if you were in the position of the employee; don't ignore the impact of the covert messaging certain policies and decisions have; and always stick to your promises. If you say you are an inclusive employer or a fair employer or a dynamic employer or a progressive employer, then you must be that – nothing disengages employees more than finding the company they thought they were coming to work for is only that on paper and posters!

Q. By 2025, millennials will make up a staggering 75% of the workforce (PwC); how will these millennials change/shape the landscape of the workplace?

A. Faster, more demanding in regard to their own interests, they will be more savvy in their selection of employers, technically capable and comfortable with the virtual world. Bureaucracy and slow decision making will disengage them. At the same time they will need a stable and reliable bench strength of effective coaches and mentors to ensure they are able to focus and grow their talents within the organisation they work for.

Q. What are you doing in your organisation to prepare for this change?

A. More Certified International Specialists.

As a leader nearing the end of your career, why should you catch this millennial wave?

You might be thinking 'By the time this millennial wave has arrived, I'll be retired'. This may be so, but hopefully you'll be retiring with a nice chunk of shares in the company that you spent your career bleeding for in order to see it prosper. Don't let your hard work, along with your comfy retirement plans, slip away by leaving the workplace the same as when you joined it. If you don't lead the crafting of an environment that is going to help these millennials perform, the likelihood is that the organisation is not going to perform, and neither will your investments.

There will be a lot more change to come in the future. These millennials are the ones who are used to change, happy with change, and even seek change. They're the ones who are going to be able to lead your organisation in this future state of volatility. So set the scene for them to succeed before you wave goodbye, and let them reward you for it in your post-working life.

The final drop

Change has been a rather recurring word throughout this paper, and for good reason. Google founder Larry Page is spot on when it comes to change. Changing by 10% is tweaking and only sets you up to not fail miserably. If you want to succeed wildly, you need to change things by 10 times.

Change requires change

And with inevitable, accelerated future change we must gear up for it. We must set up a workplace that is dynamic and fluid enough to react to change until it eventually becomes the weapon that is creating it.

**TIME FOR A METAPHOR?
IT WOULDN'T BE A WHITE PAPER WITHOUT ONE.**

If your ship is showing cracks, don't just plug the holes in survival mode. Take the time to build a new boat. The millennial wave is well underway and once at its biggest will either sink you completely, or carry you forward effortlessly.

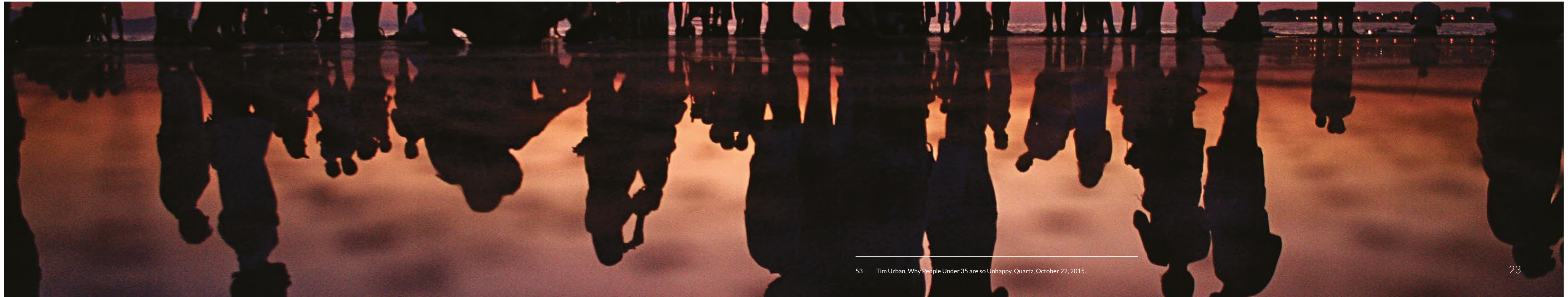
In his (awesome) 'Why People Under 35 are so Unhappy'⁵³, Tim Urban takes a lighthearted and direct approach to explaining the millennial 'yuppy'. He explains how millennials truly believe they are unicorns, capable of pretty much anything. They've been brought up surrounded by real-life zero-to-hero stories: people who had nothing and worked day and night to grasp everything. Under the

illusion that they can achieve absolutely anything, these millennials have literally set out to change the world. It may seem crazy, but why not embrace this energy and create a workplace that will give them the best chance of achieving these ridiculous goals? Maybe then they will not be so ridiculous.

We have a really great opportunity to start watching and listening to our employees. Trialling new practices within the workplace so that when this wave hits, our organisations are ready for it.

As a leader who has seen success in previously stable environments, or as someone who is making their professional mark amongst the change at present – be excited by this change. It's going to go places you probably won't have imagined, and if embraced, you may be leading the world's whacky way of work... whatever that might look like?

Don't ignore this wave. Don't be the black cab in an Uber's world. Don't get washed up!



53 Tim Urban, Why People Under 35 are so Unhappy, Quartz, October 22, 2015.



If you're creating

an amazing workplace

for your people or would like
to talk more about how to,
we'd love to hear from you



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