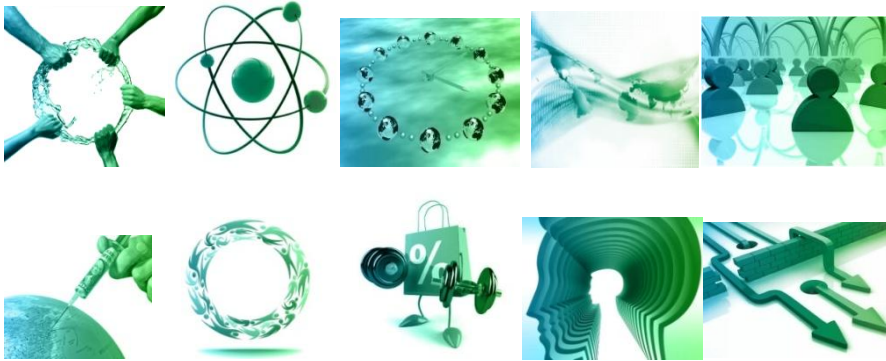


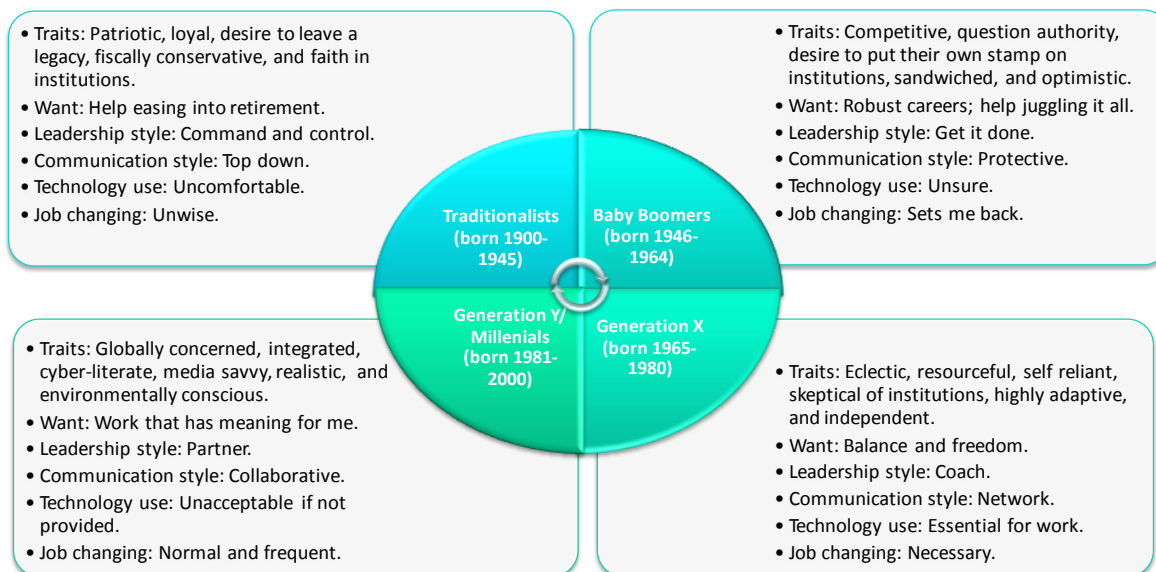
The Ne(x)t Generation at Work



May 2011: For the first time four distinct generations are present in the workforce – the resulting differences in generational ambitions, attitudes, technology skills and ethics are impacting management styles, how work is done and the ability to attract talent. In the U.S. about 50% of Generation Y (born between 1981 and 2000, and otherwise known as Millennials, digital natives or the Net generation) is already a part of the workforce. Some 1.7 billion strong globally, this generation is rapidly coming of age and making its mark. Their digital attitudes and behaviors are permeating every facet of life and work, embracing the virtual, living in real time. They are coexisting with, if not thriving on, social networking, the cloud, and cyberspace demands that are often seen as overwhelming and beyond the "normal" human capacities of many in older generations. This is the first of the new generations of digital "cognoscenti" that will guide the global workforce through the chaos, complexity and intellectual overburden of early 21st century cyber-socialization. And don't forget in ten years everyone at work today is going to seem antiquated as today's teens (often called Generation Z) usher in whole new ways of digitally-based thinking, working, playing and building relationships. In this briefing we will take a look at how the Ne(x)t Generation at Work could impact your organization in terms of technology use, communications and flexibility, while in June we will look at the Ne(x)t Generation at Play.

A Quick Overview: The Generational Gap

Both Generation X and Generation Y outpace baby boomers and mature workers in almost everything technology-related. When it comes to technology many of these young people don't think the older generation of workers can keep up. On the other hand many older workers think their younger co-workers lack the experience, respect and work ethic they themselves have. It's a potent mix for misunderstandings and conflict – but also a huge opportunity for learning between generations, if (that's a big if) you can build the right environment to encourage these behaviours. Evidence so far suggests it is tough to bridge the generational gaps, with the potential for traits and values to be more similar within generations across borders (i.e. globalizing traits and values), than between generations within a country or region. But let us know your experiences!



Source: Adapted from: BridgeWorks, Lynne Lancaster and David Stillman. Website: www.generations.com; authors of *When Generations Collide*, HarperCollins, 2003

The Technological Workplace

The ne(x)t generation are applying digital technologies in the workplace in ways never seen before, transforming how we live, educate, search for information, get a job and get the job done. It is a curious generation of mass collaborators and active participants in online content contribution, who simply **expect** not only that everything in the work sphere is online, but also that online information is valid and reliable. They use technology to be seen and to promote themselves through the vast number of platforms and websites that have popped up in recent years to help us in every aspect of our lives – and they are equally happy to be seen in their work. For example, the Swedish telecoms operator 3 has taken e-commerce to a new level, introducing their [3LiveShop](#) which offers the same personalized service as in a normal store. Live salespeople, no doubt from the ne(x)t generation, demonstrate products online giving the Swedish customers a physical store experience in cyberspace (source: [Springwise](#)). And again it's technology that is helping them find these jobs. It used to be the traditional paper media that ran "the get a job" show but no more. For years online job portal have been making inroads into that business. Take US-based [JobGizmo](#): It's no ordinary place to seek and apply for jobs, but a platform to help you keep track of, organize, add notes, and record developments in the application process, supporting multiple applications from different sites simultaneously.

In Action!

The Technology Generation Gap: As technology becomes ubiquitous in most workplaces so the technological gap between generations grows – along with potential tensions as a result of knowledge and confidence differences in dealing with technology. With multiple generations working under the same roof, it is important to consider the implications of new technologies for working practices on both a generational and inter-generational basis given that younger generations are more tech savvy than older ones: A Baby Boomer, for example, is approximately only half as likely as a Generation Y or X to own a smartphone. When it comes to using it for work 10% of Generation Y (age 18 - 30) and 12% of Generation X (age 31 - 44) send or receive work e-mail from a mobile device while 8% of Younger Boomers (age 45 - 54) and only 6% of Older Boomers (age 55 – 65) do the same. ([CIOinsight](#))

Adoption of Web 2.0: For the past four years [McKinsey Quarterly](#) has tracked businesses adaption and use of new Web 2.0 technologies, showing that the adoption of Web 2.0 technologies and tools for a range of purposes has increased greatly. Internal use has gone up from 50% in 2007 to 65% in 2010, customer use from 45% to 63% and partner use from 38% to 42%. The top 3 Most Used Web 2.0 technologies in 2010

were social networking (40%), blogs (38%), and video sharing (33%) – with social media clearly finding its way into the corporate environment. This is a dramatic change from 2007 when peer to peer (28%) came in first, then social networking (19%), with podcasts (17%) in third.

Compulsive Multi-Tasking: In this hyperconnected age many of us are already compulsive multi-taskers, working in more than one medium at a time and rapidly switching between tasks, even as we passively tap into networks from music servers to news channels. According to the [Cisco](#) Visual Networking Index (VNI) Forecast, 2009-2014, global business IP Traffic will reach 7.7 exabytes per month in 2014, more than tripling from 2009-2014 while business video conferencing is projected grow ten-fold over the forecast period, almost three times as fast as the overall business IP traffic, at a 57% per annum from 2009-2014. The implications of this vast increase in data: More multi-tasking and an ever increasing need to develop tools to manage the data deluge.

Look Out For...

The virtual workplace/virtual teams: As they strive to improve their bottom lines post-financial crisis, many businesses are looking for the best employees across geographic boundaries, leading to an increasing number of virtual teams. The technology to communicate virtually is already here but it demands a completely new set of management skills to lead this new type of team. Reflecting this need for new management competences [INSEAD](#) has recently launched a new program for executives called “Managing Global Virtual Teams” to teach managers how to manage distributed, global and virtual teams. IBM, for example, saves about US\$100 million a year by letting 140,000 employees work from home, on the road, or at client locations. On any given day, over 50% of Sun's workforce is remote working and communicating through a virtual 3D environment ([Oracle](#)).

New learning platforms: As the nature of business continues to globalize and change rapidly, international demand for higher levels of mobile and flexible learning is accelerating. Globally, the market for self-paced eLearning reached US\$27.1 billion in 2009, with demand projected to grow at a five-year compound annual growth rate (CAGR) of 12.8% to estimated revenues of US\$49.6 billion by 2014. The US market for mobile learning products and services reached US\$632.2 million in 2009, with demand growing at a CAGR of 18.3% to some US\$1.4 billion by 2014 ([Ambient Insight](#)). Many innovations are being launched in response, moving well beyond one-way learning via computer programs and tapping into the collaborative nature of the ne(x)t generation. For example, [Assima](#) has developed a cloning technology where the typical training environment is replaced with a cloned interactive environment giving a true simulation learning experience.

Information sources: Welcome to the Internet! Welcome to a world of almost limitless information – but one that ranges substantially in terms of accuracy, reliability, quality and value. Here, unlike most traditional information sources and channels (scientific research, books and magazines), no one has approved the content before it is made public and it is found in every shade from very good to very bad. Today Wikipedia rivals the well-respected Encyclopaedia Britannica, with ongoing debates as to whether or not it can be used on equal terms when it come to research and education – numerous studies suggesting that Wikipedia is certainly a good place to start for many subjects. Our standards for where and how to get reliable information are continuously changing as the ne(x)t generation explores and populates the digital world, with real-time information, for example via Twitter, becoming increasingly important.

Generation Z: ...Are even more tech-savvy than Generation Y. Generation Z (born from 1995 to the end of 2000) is growing up in a ‘playlist world’ where they can customize their life and take only the elements that matter to them. Their expectations will be no different when they begin their career. They won't expect to be given the entire ‘album’ of work instructions. Instead they'll expect to be able to find and digest only the information that matters to their daily tasks. They have different goals, different ideas and require a different managerial strategy in order to manage and retain them. These employees have grown up with technology as a part of their everyday lives. For this crowd multi-tasking is like breathing, and Generation Z will make very productive workers if you can keep them stimulated. Long projects focused

on single tasks are foreign to this generation and boredom in the workplace may cost you employees looking for a challenge. ([Kelly Services](#))

The Communicative and Social Workplace

Effective communication is a prerequisite for implementing organizational strategies as well as for managing the daily activities of an increasingly mobile workforce. New communication and social platform technologies are breaking down boundaries and bringing the outside in, a trend accelerated by the ne(x)t generations who are used to communicating via networks and multiple channels 24/7 both at work and at home. Companies are no longer a closed society of owners and employees but (often, though not always) willing participants in co-creating ideas, products, services and solutions with their suppliers, customers and other organizations in fluid networks. Look no further than [IdeaVolcano](#), a website where ideas and entrepreneurs meet, or [IdeaConnection](#) which is all about collaborative problem solving, creativity and idea exchange. While communication and social technologies have created an era of openness and sharing, the use of social networking has its dark side. Companies' key concerns about social networking in the office often center on loss of employee productivity. However, according to [Trend Micro](#) they should be more concerned with putting in place the right security solutions and social networking guidelines given that many of these sites are built on interactive technologies which give cybercriminals endless opportunities to exploit end users, steal identities or business data, and corrupt corporate networks with malware.

In Action!

The demands of instant/constant communication: Despite all the benefits of information technology and the communications revolution, many people are increasingly suffering from information overload – the war for our attention (see our [recent blog on digital dilemmas](#) for more). A variety of recent research has begun suggesting that always-on and multitasking work environments are so distracting that they are sapping productivity, reducing creativity and the ability to make good decisions. Some argue that since executives' behaviors are reflected in the organization, they should be the ones to set a better example, not expecting their employees or themselves to be reachable 24/7. Information overload is affecting many businesses productivity today but addressing this issue is not something that can be done by a single person or group in isolation – it is a shared organizational problem. ([McKinsey](#))

Social networks: A U.S. survey from [Deloitte](#) shows that 40% of executives say their company does not allow access to online social network sites from the workplace while 32% of employees do not use social networks due to the fear that it will negatively affect their careers. Yet social networking is a tremendously important tool for both personal and professional relationship building: [Trend Micro's](#) 2010 corporate end user survey, conducted in the U.S., U.K., Germany and Japan, found that globally, social networking at the workplace steadily rose from 19% of respondents in 2008 to 24% in 2010. The greatest increase in social networking via corporate networks during the last two years was found among end-users within the U.K., who tallied a 6% increase, and Germany, with a more than 10% leap.

Managing knowledge workers – when structure is needed in technology: Living in a world where knowledge-based work is more and more common, [McKinsey](#) suggests it is now time for companies to develop a strategy for knowledge work to improve productivity – one that not only provides a clearer view of the types of information that workers need to do their jobs but also recognizes that the application of technology must vary considerably, according to the tasks knowledge workers perform. The most common approach is giving knowledge workers free access to a wide variety of tools and information resources, presuming that these employees will determine their own work processes and needs. However, different types of knowledge worker require different kinds of support technologies – some may require much more structured provision of information and knowledge to achieve maximum productivity, with information delivered within a well-defined context of tasks and deliverables.

Face to face communication-not anymore!?: New communications technologies mean new ways of communication. In most companies communication is carried out by telephone, teleconferencing, videoconferencing, e-mail, and on rare occasions, snail mail. Does it mean that face-to-face

communication is no longer necessary? It is a popular way of thinking today but is it really how businesses are driven and will be driven by our ne(x)t generation of workers? Not according to Kathleen Begley, Ed.D., author of *Face-to-Face Communication, Making Human Connections in a Technology-Driven World*. She says, “*Face-to-face communication remains the most powerful human interaction and as wonderful as electronic devices are, they can never fully replace the intimacy and immediacy of people conversing in the same room and it has worked for millions of years.*” Having said that, the ne(x)t generation of workers will be far more skilled than older generations at building and maintaining relationships virtually as well as in person – just watch how your teenage children are interacting with their friends!

Look Out For...

A world without (much) email: An IBM employee had a dream that many employees with overloaded mailboxes would like to share – a world without e-mail. And in less than three years, he’s been able to reduce 90% of his incoming e-mail by communicating through social software. Working full-time for IBM while living in the Canary Islands with the official title of Knowledge Manager, Community Builder & Social Computing Evangelist, in the IBM Software Group division, he promotes and helps companies use social software for business communication. Ten years ago, e-mail was absolutely necessary for business interactions but now social software can replace e-mail as the go-to communication method, although he admits that e-mail is still probably the best tool for anything sensitive or confidential. Using social software isn’t about adding more work and stress, but looking for smarter ways to get the job done ([Mashable](#)).

Instant recognition and feedback: A recent Corporate Leadership Council performance management study found that frequent, fair and accurate informal feedback could positively impact individual performance by 39% and it is best when provided as close to the moment of performance as possible. For the ne(x)t generation such feedback is a critical input to their preferred partnering leadership style and their collaborative approach to communication. Instead of using Twitter or Facebook or other forms of microblogging for micro-feedback, [Rypple](#) has developed a social software application that is specifically made to help teams work together better. It has four main focus areas Recognition, Feedback, Coaching and Setting goals and all feedback happens in real-time with an element of “fun”. According to Co-CEO of Rypple, Daniel Debow, these activities help workers to stay motivated, focused and on track. The strength: Micro-feedback on an ongoing basis to help you improve your performance in the team ([Gigaom](#)).

The sharing net: If you’re dreaming about creating your own newspaper from Facebook streams [Paper.li](#) organizes links shared on Twitter and Facebook into an easy to read newspaper-style format. Or join [The Conversation](#), an independent source of information, analysis and commentary from the university and research sector. [Alltop](#) is another easy to find out exactly what’s going on in various different topics. All topics are updated every hour, using the latest stories collected from all over the Internet. It is like a library full of useful information catalogued and easily searchable. For more business focused systems Spaces by Moxie is a knowledge-sharing system that allow employees to crowdsource the creation of knowledge articles so that they can easily be published to a knowledge base and shared much faster with customers through a self-service portal, increasing innovation and facilitating knowledge capture and sharing ([Moxie](#)). As generation ne(x)t starts to influence the workplace more, expect these innovative ways of customizing, sharing and capturing knowledge to become more widespread.

The Flexible Workplace

For the ne(x)t generation immediacy is king and instant gratification is possible in a world of ever-expanding choice and constant innovation – not only in their personal life, but in their work life. Flexible and mobile ways of working are becoming more common, as younger generations challenge conventional and stationary working patterns. Already with Generation X, who want balance and freedom, the demand for flexible working arrangements has significantly increased over the past years. Thanks to constantly developing technology and an even more mobile outlook, Generation Y employees have the opportunity to become more and more mobile in the way they work. For businesses it is crucial to understand how this new generation of workers is motivated and what they appreciate in their working environment. Mobile communications have minimized the need for

employees to be as physically present in a traditional office setting, shifting the nature of actual workplace and work time from physical locations towards online environments. In parallel, approaches to work time (and time more generally) are emerging: Many companies are moving away from the traditional nine-to-five day, particularly for knowledge workers who have much more flexibility in when, where and how work is done. For the digital generations, it is completely normal to work in cyberspace, aided by the plethora of new smart devices such as iPads, smartphones and notebooks which are now popping up in the workplace, as well as cloud-based services including Box.net, Huddle and Dropbox which make it even easier to work away from the four walls of the office. Even as technology allows for increasing integration of work and personal life, the ability to remain engaged with work from remote locations around the clock, has had a cost. Many employees acknowledge that they are now working longer hours but the vast majority welcomes the new way of working and believes it is a positive development. ([Kelly Services](#) and Oxygenz Report 2010)

What if this digital generation actually fully or almost fully applied the available flexible working technologies in practice? [Telework Research Network](#) has played with this scenario to understand the implications for the U.S. economy. If everyone who could worked from home and about 40% of the work force did so half the time, American companies could gain US\$200 billion in productivity and US\$190 billion savings from reduced real estate expenses, electricity bills, absenteeism, and employee turnover. 100 hours per person would not be spent commuting; 50 million tons of greenhouse gas emissions would be cut; 276 million barrels of oil saved, or roughly 32% of oil imports from the Middle East; 1,500 lives would not be lost in car accidents. The total potential savings for American businesses are estimated at US\$700 billion – and that’s annually and only for the American economy. It is worth thinking about, isn’t it? ([INC.](#))

In Action!

The war for talent: As the economy recovers companies are returning to the challenge of winning over enough highly capable professionals to drive renewal and growth. Talent shortages continue across all levels of work and in all parts of the world, being especially visible in the areas of R&D, executive leadership and sales. Recruiting the right talent will not be helped by the fact, according to a survey from [Kelly Services](#), that the economic uncertainty of the last three years has fueled an increasing trend toward self-employment and entrepreneurialism: One-in-five respondents worldwide are now working outside the traditional employment relationship, with 50 % saying that they would like to do so. The economic downturn has resulted in new ways of thinking about careers and job security. Many people who have watched their jobs disappear now want more control of their future. And the ne(x)t generation is embracing this trend – 30% of Generation Y says they would like to start their own business, compared with 22% of Generation X and 14% of baby boomers.

Retaining employees: A recent study from the [Center for Work-Life Policy](#) suggested that 64% of employees surveyed were considering leaving their current job, with 24% actively seeking employment elsewhere. Even though businesses are recovering after layoffs, consolidations and decreased earnings, 73% of employees surveyed still felt discouraged, while 64% lacked motivation in their current jobs. So what does it take to retain employees? To write the book *Love ‘em or Lose ‘em* more than 17,000 employees with various organizations were surveyed, highlighting the top 10 reasons why employees stay with an organization as: 1. Exciting work and challenge; 2. Career growth, learning and development; 3. Working with great people; 4. Fair pay; 5. Supportive management/good boss; 6. Being recognized, valued and respected; 7. Benefits; 8. Meaningful work and making a difference; 9. Pride in the organization, its mission and its products; 10. Great work environment and culture ([Workplace Insight](#)). Take a quick look back at the graphic on Page 2 of this briefing: Which of these reasons is most important for the ne(x)t generations?

The poverty of time: Time poverty is a relatively recent concept, but one that is receiving increased attention and often related to work-life balance, which is where we start to see the symptoms. Work-life balance ranks as the second most important job attribute an employer can provide after compensation,

with over 60% of the employees polled in a 2009 Corporate Executive Board study identifying flexible schedules as the most important work-life practice their employer could provide – but it's a challenge to achieve this. In 2006, 53% of employees felt they had a good work-life balance; by the first quarter of 2009 this number had fallen to just 30%. Again, this is a major issue in managing the flexible-focused ne(x)t generations – and there is an upside for companies who master the balance: Employees who feel they have a better work-life balance tend to work 21% harder than those that don't ([Business Week](#)).

Look Out For...

More flex-work: Flexibility and mobility is going mainstream. [WorldatWork](#) reports that the total number of teleworkers in the U.S. – employees, contractors and business owners – rose 17% from 28.7 million in 2006 to 33.7 million in 2008. More and more people see work as an activity and not a place and employees expect greater mobility in and from their workplace. [Cisco's](#) World Telecommuting Survey reveals that 3 of every 5 employees believe they don't need to be in the office to be productive and 2 of every 3 employees would accept a lower-paying job with more work flexibility. The results of the [Oxygenz](#) 2010 annual report on Generation Y and the workplace emphasizes how important these new ways of working are for the ne(x)t generation: 56% prefer to work flexibly and choose when to work, while 79% prefer to be mobile rather than static workers. It also reveals that members of Generation Y in the UK and the US prefer to work far more flexibly, while those in China and India expect to work flexibly.

Hiring, net-style: In late 2010 over 1200 senior executives were asked about the effectiveness of social networking in their personal and professional life. LinkedIn was deemed to be the most interesting social networking site, with Facebook second and Twitter third. Asked about the future importance of social networking, 50% of executives thought they would grow in importance and someday be how everyone hires and finds work. 35% thought they were fine for more junior jobseekers and roles but not for executive recruitment while 15% thought they were the latest "flash in the pan." They may have some grounds for skepticism: Fewer than 5% of the respondents have actually tried to hire through social networks and even fewer have hired people recruited through social networks ([Executives Online](#)). But could the issue be that the executives surveyed were too senior? How would the results have differed if Generation Y was surveyed? According [Socialmediatoday](#) some recruitment agencies and private companies are making over 15% of their new hires through social networking, and it could be realistic to think that social networking recruitments will be responsible for 10% of the new hires in the future.

Beyond the money: Numerous studies have concluded that for people with satisfactory salaries, some nonfinancial motivators are more effective than extra cash in building long-term employee engagement in most sectors, job functions, and business contexts. Many financial rewards often generate short-term boosts of energy, which can have damaging unintended consequences ([McKinsey](#)). Now entering the workforce is a generation where recognition is more important than money and meaningful work is the critical reward they seek. For this generation work is a route towards personal fulfilment. Working with other bright and creative people motivates the ne(x)t generation, along with feedback whenever they want it, at a push of a button (Oxygenz Report 2010).

Living global: In 2010, more than 200 million people were living abroad, up from 177 million in 2005. Some of these people are professionals working on limited length assignments; others are in search of a better lifestyle, or students studying abroad; yet more are economic migrants, seeking to earn significantly more money and/or to improve their standard of living ([Just Landed](#)). So how far would people be prepared to move for the right job? Kelly Services asked 97,000 people from 30 countries through the [Kelly Global Workforce Index](#), and found that more than three in four participants (77%) would be willing to move for the right job, with more than one-third (34%) willing to move to another country or continent. Across all countries, Generation Y participants are most willing to move for the right job (85%), followed by Generation X (76%), and Baby Boomers (63%). While youth and the attendant lack of family/community responsibilities is likely a factor, again this suggests a far more mobile and global mindset amongst the ne(x)t generation –both an opportunity and a threat for potential employers.

In June: Look out for trends in action on The Ne(x)t Generation at Play.