

To Engage Gen Y Workers, Adopt New Approaches

Retention and accelerating performance improvements come from creating a culture of recognition and connections.

BY LYNN SCHLEETER AND LOUISE ANDERSON

Director of sales recruiting Mark Liston at Florida-based Valpak launched an on-boarding pilot program in 2008 to standardize efforts at making reps more productive in their first year. Similarly, vice president of sales John Hastings at Minneapolis-based Loffler, Inc. last year deployed two new sales activity and forecasting programs to help young sales reps understand their daily responsibilities and prioritize prospects by using metrics and feedback to establish performance-based behaviors.

Both examples demonstrate new models to engage today's Gen Y workers, welcome them into company culture, and motivate productive behaviors. Although employers are not hiring a high percentage of this new generation, many complain that when they do, the new employees leave. The issue of retention is best addressed by understanding how this generation sees work and success and then developing effective on-boarding models and creating cultures of recognition and connection.

On-boarding is the process or system that organizations use to introduce, train, integrate, and/or coach new hires to the culture and methods of the company during their first year. A culture of recognition exists in organizations that catch people doing the right things right.

According to a survey of WorldatWork members, 56 percent of organizations fail to consider generational differences when designing total rewards programs. Reported in September of last year, the findings indicated that only one percent of organizations surveyed have a formal strategy to address employee needs by generation or career/lifecycle.

A DEMANDING GENERATION

Well known as a demanding generation of workers, Gen Y began arriving on corporate doorsteps in early 2000, with high expectations on one hand and high potential for productivity on the other. Companies grappled with how to train, manage, and motivate those who grew up receiving prizes and trophies for just showing up at a soccer game or band concert. The irony is that baby boomers—many of whom raised this “Tro-



phy Generation”—and some Gen Xers are now managing these young, achievement-oriented employees who want to go above and beyond showing up.

The key to driving ROI is understanding and leveraging Gen Y behaviors focused on business goals and measured by metrics. That's why employee engagement is the name of the game. A 2007 global workforce study conducted by Towers Perrin found that firms with the highest percentage of engaged employees collectively increased operating income 19 percent and earnings per share 28 percent year-to-year (compared with the lowest percentage of engagement at 33 percent and 11 percent, respectively).

If HR and others want to tap into the creativity, innovation, and technological savvy of this generation to grow the bottom line, it is imperative to consider new models for on-boarding—including attracting, engaging, and retaining—Gen Y employees, especially those facing a shrinking labor force due to retiring workers.

An on-boarding model, combined with a culture of recognition and connection, provides new insights on how to translate Gen Y behaviors

learned in childhood and fostered in college into productive behaviors.

High expectations among Gen Y started in childhood with constant commentary from parents about how to do everything better. This daily personal interaction during drive time to

Another goal-oriented approach that many colleges use is based on team competition.

Many managers lack understanding of how to harness and energize their Gen Y workers. And Baby Boomer and Gen X managers are frustrated by these workers' demands; the need for constant

There are frequent touch points, starting before the employee's first day, and condensed timelines for career path discussion and progression. The research establishes the foundation for developing a proactive approach that goes beyond yesterday's company orientations.

Based on the example described earlier, once Valpak's Liston grasped the effective on-boarding process, he was able to share this with his HR department. This led to a pilot program to help Valpak's franchisees around the country embrace the concept. Valpak's training and development department launched the program with a one-and-half-day training for selected managers, which included role playing and a handbook.

Meanwhile, Valpak's recruiting department developed an intranet-based dashboard for new sales reps that included a welcome video from Valpak's president; a dashboard showing sales reps what they would learn the first year; and a knowledge network that combines LinkedIn and Facebook sites.

Valpak's on-boarding program has the essential ingredients for reaching out to today's generation with a proactive, conscious process geared to new talent retention. What's more, sales managers and reps who participated in the pilot program held separate monthly phone calls with sales trainers. The process proved

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games, concerts, and other activities established the need for feedback and clear direction. Additionally, they were instructed in sports and personally guided to play any position with ongoing instruction and recognition from coaches.

Between parents and coaches, this generation heard the phrase "good job" on a regular basis, which provided ongoing recognition. All of this encouragement has led to the ongoing need to ask for help.

In school, Gen Y augmented their on-the-field team play with team projects. They performed well in groups because they valued and leveraged different perspectives and learned how to solve problems and be creative collectively. This fed into the need for "connectiveness" and a sense of community that includes "in the moment" experiences, virtual networks of friends, and other social activities such as community service.

This generation grew up on computers, cell phones, and social networks. This has set the stage for gaining faster information and fueling the fire of completing everything faster and better to achieve the goal and be rewarded. Thus, project time frames are condensed.

Post-secondary institutions were the first to grapple with the implications of this "most-coached" generation. Many educators stopped assigning prescriptive projects. Rather, they discovered the need to modify their approach to accommodate how Gen Yers like to learn. They offered frameworks and goals, rather than telling students how to complete projects. Then they waited for students to ask questions until clarification was achieved, and all knew they were going in the right direction. The result is more motivation and creativity as students apply their own way of learning via technology and social connections.

guidance and support; an unwillingness to be told how to do the job; and an overwhelming sense of urgency to succeed quickly.

NEW PRACTICES

Research by the Center for Sales Innovation at St. Catherine University in Minnesota indicates a strong, positive correlation between the on-boarding experience and job satisfaction (see Figure 1).

Based on this research, an on-boarding model was developed specifically for engaging new sales reps, but the practices are applicable for new employees of all job functions and ages.

Figure 1: Expectations among Gen Y workers in the 2006 web-based survey of 219 high-performing sales representatives.
(Source: St. Catherine University)

Support from my manager	88%
Product training	84%
Introductions to my team and support staff	76%
Readiness: phone, e-mail account, business cards, etc.	76%
Regular feedback	75%
Well-defined schedule of training	67%
Creation of development plan with manager	65%
Company culture training	64%
Introduction to other areas of the company	57%
Company-appointed mentor	42%

Practical approaches for keeping staffers engaged and motivated at two sales organizations.

With the rate of turnover in sales representatives at Valpak's 175 franchise offices, the Florida-based company's goal was to hire more recent college graduates and change the culture. On-boarding challenges faced by Mark Liston, director of recruiting and new franchise development, included:

- Convincing management that on-boarding is a team sport. This resulted in designing and executing a simultaneous, one-year program for sales reps and sales leaders;
- Helping leadership to embrace the technology aspects of the program—and intranet-based dashboard—for themselves and the new hires; and
- Simplifying the program so that it would become a way of life—not a long, involved process.

Similarly, Minneapolis-based Loffler, Inc. deployed two new sales activity and forecasting programs in 2008 to help young sales reps understand their daily responsibilities and prioritize prospects by using metrics and feedback to establish performance-based behaviors. These efforts included:

- The Activity Standards Program, a point system based on a typical sales cycle that shows the level of activity needed on a daily and weekly basis to encourage long-term success; and
- The sales pipeline "Funnel" program for sales forecasting, which is a collaborative approach that helps Gen Y sales reps to clearly see if they are performing at the right level.

Both programs have been well received by Gen Yers and provide ongoing feedback against goals that keep them engaged and motivated to perform.

At both companies, HR executives working with lines of business leaders collaborated on developing effective ways to keep Gen Y workers motivated and productive.

very valuable as managers received feedback from new hires.

CULTURE OF RECOGNITION

The first essential element of on-boarding is feedback with recognition—the most powerful way to help the "good job" generation to know they are doing well. Yet just any recognition won't do when it comes to Gen Yers. It must reward the right behaviors in a timely fashion and be publicized before their peers. From their team coaching days, these employees want to know how they are doing and how to be more successful faster.

The payoff is continuous performance improvement. In addition to driving business results, recognition and incentives change employee culture, encouraging loyalty, engagement, and enthusiasm for the job.

As stated earlier, a culture of recognition exists in organizations that catch people doing the right things right. In these organizations:

- Recognition is a corporate value operating at every level.
- Recognition is a form of feedback valued

by Gen Y employees.

- Recognition happens informally and formally.
- Improvement is rewarded.
- Reward programs are customized. Employees choose rewards meaningful to them.
- Best-practice behaviors and activities that get results are identified, cloned, and rewarded.

Companies need systematic recognition tools to support their culture. Leaders look to recognize their team across the world with similarly valued recognition yet enable individuals to choose their own awards. State-of-the-art global recognition systems save the value (points) and combine it with other recognition for a range of rewards, from an extra day of vacation to flat-screen TVs.

On-the-spot coaching is highly regarded by Gen Yers due to their need for immediate feedback. This recognition is leading to greater adoption of high performers' skills and activities yielding greater financial impact.

Consider the example of how the two Loffler sales programs tie feedback, recognition, and financial success together. The Activity Standards program is a point system based on

a typical sales cycle, with lower points given for cold calling and prospecting, and higher points given for face-to-face meetings with potential customers. For new and struggling sales reps, the program shows the level of activity needed on a daily and weekly basis to encourage long-term success.

Yet Loffler's Hastings believes that the program is the "stick" and a second program for managing sales pipeline to stay on forecast is the "carrot." Three pipeline stages were identified with timelines: suspects, prospects, and close-ables—and managers were involved in building relationships and classification. For every "A" prospect, there is a strategy session between the manager, sales rep, and product specialist. This team approach and ability to apply potential dollar figures to each stage helps Gen Y sales reps to clearly see if they are performing at the right level.

CULTURE OF CONNECTIONS

The second essential element of on-boarding is establishing a culture of connections that builds a sense of community, which young workers thrive on through their social networks and team orientation.

The desire to participate in community service, especially relating to "green" projects, is strong. Companies can capitalize on this by creating opportunities inside the company to help them connect with people in their own and across departments.

Many Gen Yers connect with others in new hire groupings or training classes. This is a good time to introduce them to the company's partnerships with nonprofit or community groups. For regional hiring, connect new employees via virtual networks to receive the same training and to encourage involvement in a cause that has meaning and value. Greater connections bring a heightened level of social energy to organizations and a more enjoyable working environment. **HRO**

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