Indian Millennial workforce: Finding the workplace sweet-spot

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Every Generation brings with it its own challenges and its own opportunities. They in turn are shaped and/ or shape the future of their country- its economy and culture. Therefore, prudence prerequisites that not just countries but organizations, particularly business organizations proactively work towards harvesting the "Demographic dividends" of new generations. The word "Demographic dividend" as defined by the United Nations Population Fund means, "the economic growth potential that can result from shifts in a population's age structure, mainly when the share of the working-age population (15-64) is larger than the non-working-age share of the population (14 and younger, and 65 and older) "   India has 18 per cent of the world's population with 520 million workforces and the Indian economy today is poised at an envious position with 15 million young people who will enter the workforce annually for the next five years.As per UNDP estimates, in year 2040, India will have the maximum share of working-age population and in 2050 it will have the maximum number of working-age people. This significant growth in the work-age population further underscores the need for organizations to understand the requirements of the new generation of workforce. This holds true for the current millennial generation as well.

Every new generation goes through the phase of being 'under observation', 'being analyzed', 'deciphered', 'labeled' and then 'bracketed under certain generational characteristics'.

At the same time, organizations go through the state of confusion/ disorientation as the world around them is changing. In-fact, the workplace today is seeing the convergence at same time, of three of the most studied generations: Generation X, born before the 1980s but after the Baby Boomers; Generation Y, or Millennials, typically thought of as those born between 1984 and 1996; and Generation Z, those born after 1997, who are next to enter the workforce. As such, role of HR is also increasing becoming complex. From being inward-out focused, the HR today has to gear up to be more outward-in focused. Taking the help of analytics tools, the HR needs to work to understand the key drivers of the new generation of workforce, analyzing and looking at overall

organizational readiness and preparing workplace environment- physical as well as socio-cultural that has win-win for both the organizations as well as the employees.

So the challenge here is to find a sweet spot between the demand of workforce from the organization as well the Demand of the millennial workforce.
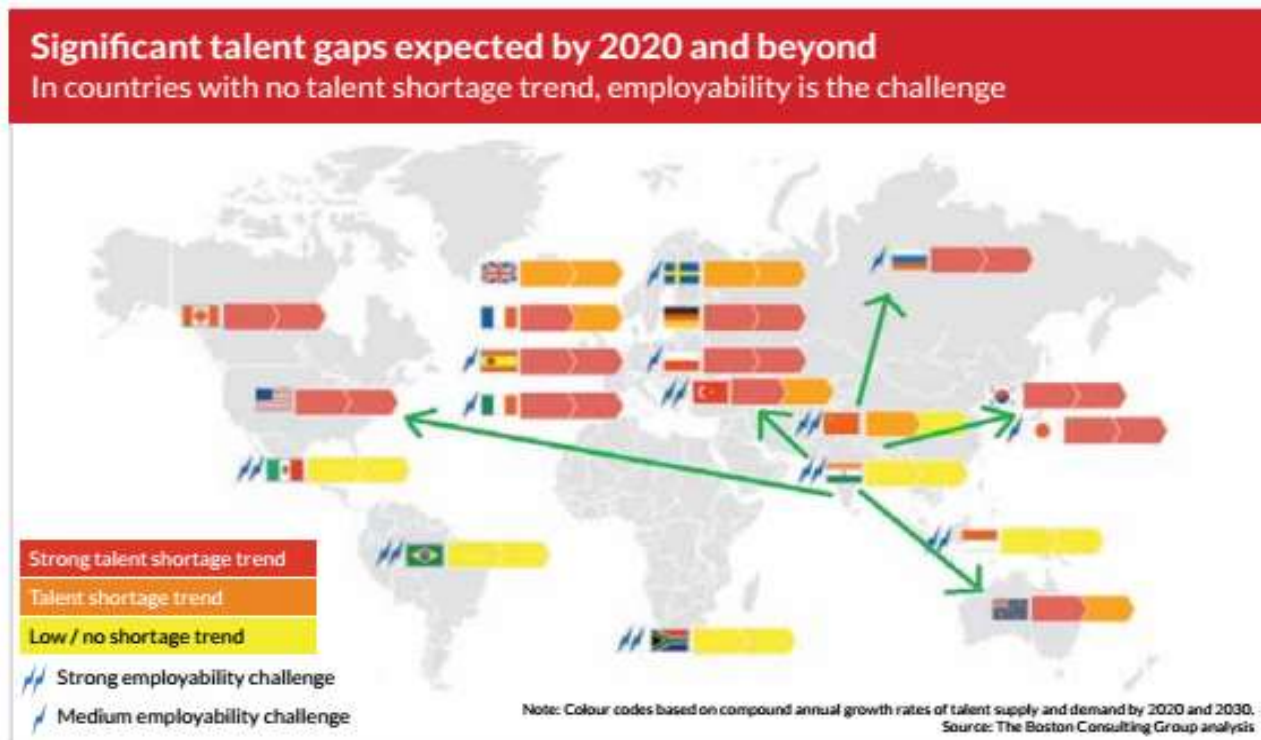
From the Demand- organizational perspective, finding that sweet spot, that will help in engaging with the millennial workforce-in terms of hiring and retaining the right talent - is something with which particularly the manufacturing and infrastructure industries like Steel, Mining and others have been struggling. The challenge is all the more pronounced, specifically with the options available in other sectors like IT, ITES and new age business models of virtual to augmented realities.

With the varying challenges and in the Indian context, to find the workplace sweet-spot for millennials and organizations would require an uncluttered approach.   With the given fact of growing economy and increasing new generation of workforce strength the Uncluttering would require two things

A.   Identify a base – The Threshold Factors, for understanding the needs of the millennials and the Organizations.

B.   Chart a structure coming out of the base for creating a sweet-spot for the employers and the employees of the millennial

A. Identifying the Threshold factors for scalability

Historically it is said that Demographic dividend has contributed up to 15 per cent of the overall growth in advanced economies and in that light, India seems to be conveniently placed when it comes to supply side of workforce. However, how far this workforce population is job-ready for the organizations in the specific context of India,is a big question mark. As various reports suggest, over 75 per cent of them will not be job ready.This is also evident from the depiction below in the BCG analysis in the Global talent risk report 2011 of World Economic Forum (WEF).

Significant talent gaps expected by 2020 and beyond
In countries with no talent shortage trend, employability is the challenge

Strong talent shortage trend
Talent shortage trend
Low / no shortage trend
Strong employability challenge
Medium employability challenge

Note: Colour codes based on compound annual growth rates of talent supply and demand by 2020 and 2030.
Source: The Boston Consulting Group analysis

To quote from the WEF report, "Southern hemisphere countries, except for Australia, report no shortage trends in numbers of people, given their expected economic growth combined with higher birth rates and population sizes. However, talent gaps are still anticipated in these countries due to lower skills levels. For example in the managerial cluster ~70% of individuals in developed countries currently meet our definition of "talent," compared to ~30% in developing countries. Furthermore, due to a lack of standardized vocational training and university degrees, only ~70% of technicians (such as an associate engineer) qualify as talent in BRIC countries, compared to ~90% in developed countries. BRIC countries will also be impacted by slower workforce increases, but may be able to compensate with high productivity growth."

Like-wise, various other studies also suggest that there are factors that are putting the millennial workforce on the back-foot and are also throwing workforce employment and engagement challenges to the organizations, particularly the manufacturing industry.

The various studies and articles have varying understanding of what then could constitute the threshold factors for both the new generation of workforce and organizations to deal with the challenges. This article sees **three threshold factors that are gradually defining the terms of individual and organizational growth today, which are-**

- **The advent of digital technologies – Industry 4.0**, particularly in the manufacturing industry. This is leading to loss of competitive advantage that came from low cost labour and therefore seeing a gradual shift in the employment trends in organizations.

The growing trend of moving towards "Servitization" - the OLA and Uber models of service consumption and trade that are solution focused. This Model largely has   digital platform – digital services enabled by digital analytics and beyond.

- Employability and the challenge of **Learning and Skill ecosystem**. Skill challenge of the workforce related to Industry 4.0 requirement has seen the gap between what is required by the business and available as skills with the workforce. and,

- The growing tribe of Job Creators rather than Job seekers. The **Entrepreneurship** of the new generation is pushing them towards being their masters. These job creators are largely micro-entrepreneurs who are either self-contracted, free lancing workers, or who employ and work with a very small number of employees.

Threshold Factors (TF) for Scalability
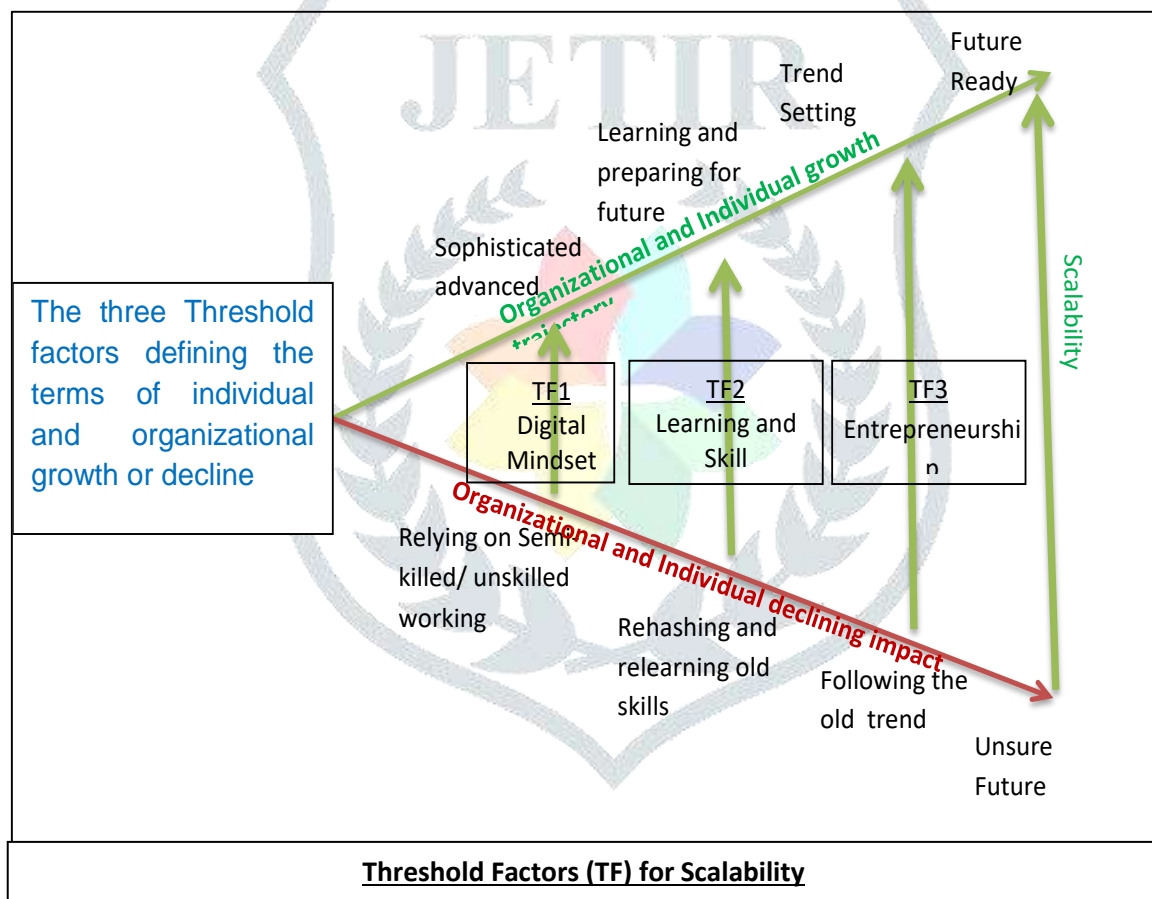
The 'Threshold Factors for Scalability' diagram shows that the scalability of growth will depend on the ability to embrace and continuously partnering and evolving with 'Digital technology and platforms', Creating and upgrading 'knowledge and skill base' and 'assessment and regular evaluation of business model' for scaling new opportunities. However, if you miss out any of the three then the growth trajectory will have a lower and a bumpier slope.

The Millennial paradigm shift

With time, definitions of SIX things have seen a *generational paradigm shift* in the context of Millennial generation that organizations need to be aware of. These are –**office space, Time, Value add, Mindset, Team and Entrepreneurship,**
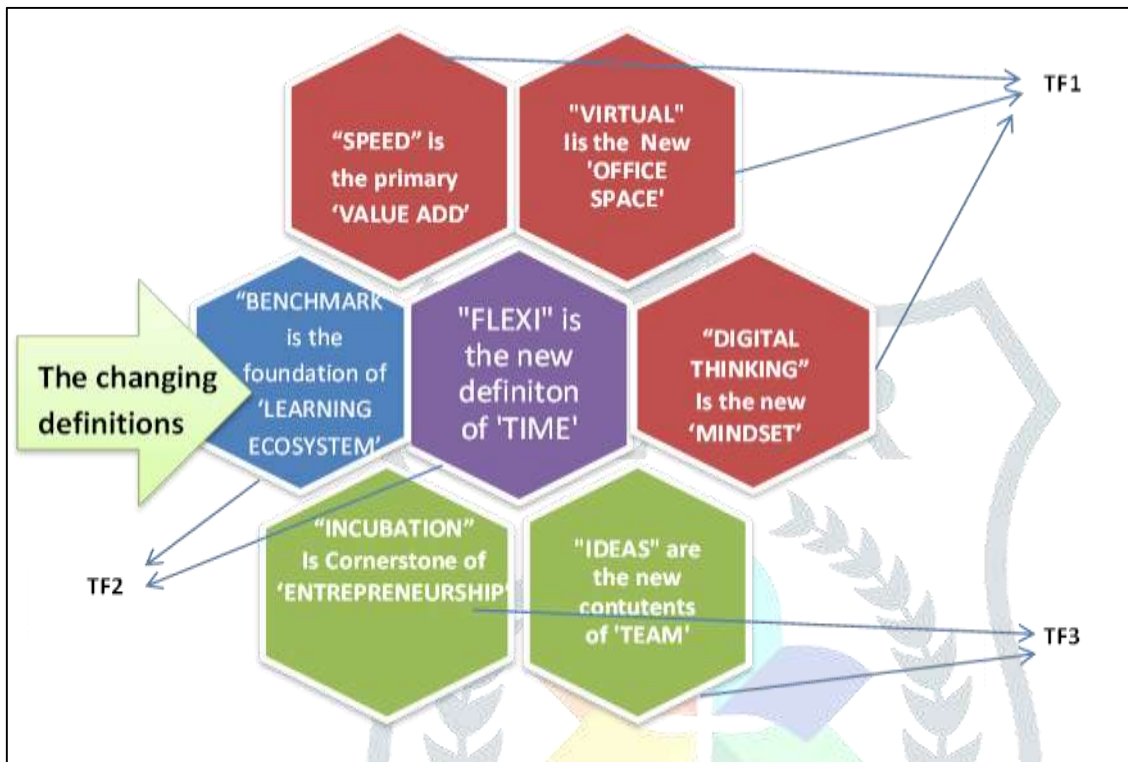
The Generational Paradigm Shift

When we look within the ambit of the three 'Threshold Factors of Scalability', the Millennial definitions can be clubbed as **under-**

TF1 -Digital Mindset –Digital Thinking, Virtual living, Speed
TF2-Learning and Skill Ecosystem – Flexible, Benchmark
TF3-Entrepreneurship - Ideas and Incubation

"TIME" – "FLEXI", however, is at the core of all the aspects with "Agility"being a prime need of the Millennials. *Here Learning and Skilling along with Time- Flexibility is the essence of growth for the Millennials.*

A good example of the Millennial workforce and organization is InVision. InVision is a new age software startup that has 700 employees, but no office space. Founded in 2011, its CEO and founder, Clark Valbergknew that he'd have to get creative to maintain a competitive edge. The company was founded on remote work. Seven years and 700 employees later, the company has

yet to open an official headquarters. InVision's employees work from all corners of the world. Despite the difference in time zones, the company still maintains official office hours between 10 AM and 6 PM EST. But even with official hours, Frein says that InVision provides for plenty of autonomy, and that it's more about proving yourself through the quality of your work than showing up at a certain time everyday. Well times are changing.

The realities of the Indian Millennials

In the context of The Millennials in India, collectively, factors that appear to have affected most forcefully are –
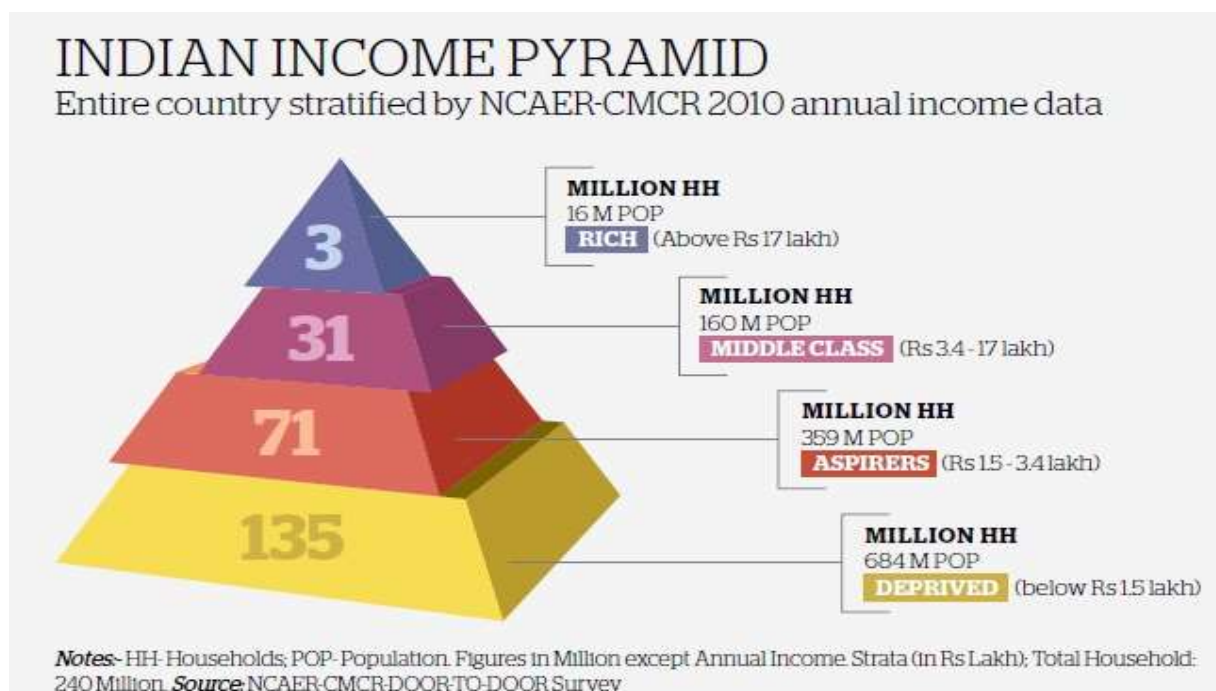
- liberalization in the 1990s leading to opening up of markets
- Entry of MNCs and BPOs
- IT boom that saw a more aggressive financial growth
- Consequentially, more jobs and more economic independence
- Increasing number of female workforce, their increasing bigger role as leaders and entrepreneurs and
- Overall, Faster exposure to global culture and the increasing westernization of lifestyles and values

However, only a small percentage of the population enjoyed this positive impact of the new economy and the related consequential challenges in understanding the Indian Millennial are as under:

1. **Specifically in the Indian Social context,** the millennials have been raised by parents who are extremely involved – Donning the Coach's mantle and often also mediating on their children's behalf, and thus producing a generation that is high on self-efficacy and is remarkably self-assured.

2. The challenge for the corporates is whether they understand the Millennials' and their expectations and whether they are ready to redefine the workplace context.

3. Whether the corporates are redefining input-output relation and adding the ingredients of Work-Life Balance.

4. Finally the challenge of engaging and retaining, specifically, the floating and ever exploring Modern knowledge worker and technical worker.

Although the benefits of post-liberalization India, including establishment of MNCs and BPOs impacted India immensely, but only a small percentage of the population enjoyed the perks. Article 'What's different about the Indian millennial?' in People Matters throws light on –"a large

population living in villages and Tier II and Tier III cities where a large segment belonged to the lower income group and was not able to afford a good education" which is also depicted in the chart below-

INDIAN INCOME PYRAMID
Entire country stratified by NCAER-CMCR 2010 annual income data

3 MILLION HH
16 M POP
RICH (Above Rs 17 lakh)

31 MILLION HH
160 M POP
MIDDLE CLASS (Rs 3.4 - 17 lakh)

71 MILLION HH
359 M POP
ASPIRERS (Rs 1.5 - 3.4 lakh)

135 MILLION HH
684 M POP
DEPRIVED (below Rs 1.5 lakh)

Notes:- HH- Households; POP- Population. Figures in Million except Annual Income Strata (in Rs Lakh); Total Household- 240 Million. *Source:* NCAER-CMCR-DOOR-TO-DOOR Survey

The business organizations, therefore, cannot ignore this other – larger half of the millennial that is coming from the 2nd/ 3rd tier cities/ towns and rural India. This population is aspiring to be and live the life of the other millennial that has exposure to the best and the latest in the world of learning and professionally growing. The strengths of this half of the millennial are-

- Courage to Explore
- Ready to Experiment
- Desire to Learn new skills
- Although not exposed to sophisticated technology, they are more tuned in to the technological changes and are ready to embrace it.
- Commitment for a longer durationand
- Open to Change

Though the rural and tier two millennial starts with a disadvantage but the organizations and HR can tap into their untapped potential, skill them to the organizational requirements and harness their aspirations to organizational long term requirements.

B. Finding the Millennial Sweet-Spot

So the organizations today have their job cut out- that is, to not just understand the millennial generation but also to understand, that the organizations may age in terms of years, but they need

to constantly evolve. So, this reference point brings to the conclusion, that, in identifying the Millennial engagement factors - its more than "Dealing" with the Millennial workforce, its more about "Evolving" along with them. Organizations need to "Ready" themselves for the millennials by redefining five very important paradigms that form the **"Millennial Sweet Spot"-**
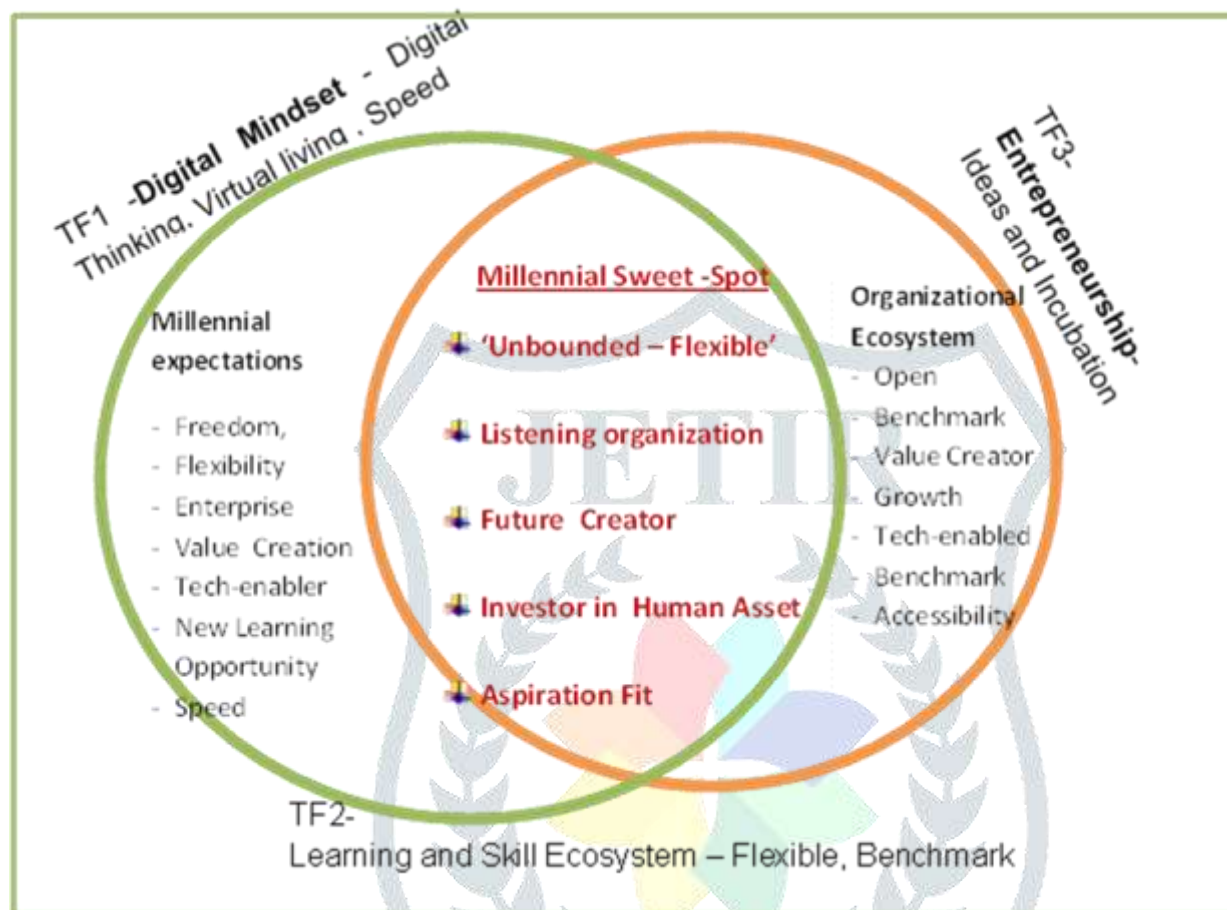
While organizations and individuals look for the sweet-spot, they both take cognizance of working within the ambit of the Three 'Threshold Factors' and they mutually create the **"Millennial sweet-spot"** with five aspects that is given in the diagram and has been detailed below-

- **From 'job-fit' employee – to - 'aspiration-fit' organization (Becoming an empathetic organization)**

  The organizations not only need to look for talents that will "fulfill organizational job" requirement, but they also need to look at what "aspirations do this new workforce" have and create opportunities for them. It's a win-win, as their self-efficacy helps them achieve their goals and also helps drive up the organizational self-efficacy.

- **From 'hiring resources' –to- ' investing in asset'**

  The shift would require that organizations need to look beyond hiring and then molding employees in their culture – to- the employees need for individuality and freedom to contribute through their own unique mould.

  The organizations will need to be more fearless and be ready to invest in people who don't just follow the norms of organizational growth but can also find inorganic growth opportunities for the organization.

- **From being 'Future ready' – to- 'Future creator' organization**

  The empirical studies show that millennial generation is more inclined towards entrepreneurial opportunities that help them create benchmarks and future landmarks rather than merely preparing to be ready for the future created and envisaged by others.

- **From being 'dictating' – to- 'Listening' organization**

  The generation that lives and breathes wifi and internet, Increased organizational openness will help provide additional and important opportunities for frank communication and problem solving between Millennial workers and their leaders. Enhanced interaction may lead to closer supervisor-subordinate working relationships, which also may be important for Millennials' long-term relationship with the organization.

  This also means, that leaders have to walk away from the "Pedestal Leadership position" and look at "shared leadership" which would mean more autonomy and empowerment. More Trust and Belief in their self-efficacy and self-assured being.

  And finally:

- **From being 'bounded – to- 'unbounded - flexible' organization**

  This generation is not of settlers but of explorers, so understand that they will come and go. It may not always be a Lifetime organizational tie-up that they are looking for. So give them the experience to become your brand ambassadors even when they decide to leave you to explore someplace new!

To sum up, Organizations believe they choose people to work for them but the fact remains that people choose the organization to work with. That generation that is leading organizations today

and hiring for tomorrow will be replaced in the coming times with this generation that is ready to get hired.

The mantra is to understand this generation's uniqueness and then within the context of your organization focus on what is Aspirational for them / what helps them become part of being Future Creators/ and What Appreciation they look for. It's not about how long they stay with you, it's about what do they bring to the organization and what good part of them do the organizations help them leave behind as legacy.

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