



ISM Forward Scan

Insights for Today's Supply Leaders

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Effective Talent Strategy Embraces Generations

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Talent strategy continues to be a critical factor in supply management because of supply chain management's central role in a company's ability to be strategically proactive. A business must be able to attract and retain motivated, productive employees to meet its current needs and position itself to rise to tomorrow's new challenges. One key talent strategy is to include and embrace today's cross-generational workforce, which includes baby boomers, Gen X and Millennials. While the generations have much in common, each has particular preferences and needs. Being aware of these can be the key to creating an effective talent strategy that results in a productive and harmonious workforce.

In order to engage and retain the best talent of each generation, supply management organizations and their companies first need to design a talent strategy that meets the needs of each. Following is an overview of the three generations:

- Baby boomers are between 51 and 68 years old, in the later stage of their careers and thinking about retirement. They are concerned about work/life balance and want flexibility. They also are concerned about compensation, advancement and retirement.
- Gen Xers are 34 to 50 years of age and are generally considered to be midcareer. Many are married with children, concerned about work/life balance and want flexible work schedules. Like baby boomers, they are also concerned about compensation and advancement, and the effects such issues have on retirement.

- Millennials are the youngest generation in the workplace — those 33 years and younger. They are in the early stages of their careers, single or married, and if they have children, the children are likely to be young. While they have been characterized as “entitled lay-abouts,” the reality is that Millennials on average are hard-working, concerned about work/life balance and value workplace flexibility.

People are working longer for several reasons, including such positive ones as improvements in health outcomes over the past decades, less positive ones such as inadequate retirement savings or unexpected expenses, as well as attachment to careers and the desire to stay active in their work community. The longer work span has both positive and negative implications for organizations — and for Gen X and Millennials.

When an employee stays longer at a company, so does his or her knowledge. With fewer baby boomers retiring early, organizations and other generations in the workplace benefit because that knowledge and experience is not lost. At the same time, delayed retirement is a factor for

flexibility or may find that part-time work is a better choice for their families.

How can an organization meet the baby boomers' need for continuing work, while also meeting the needs of all employees for compensation, development, advancement and flexibility?

Creative Job Design

As a result of a number of factors, including increasing penetration of technology, longer working lives and organizational restructuring, there have been a number of shifts in how work is performed. Employees no longer start with an organization and expect to work there for the rest of their work lives. Retirement has become more of a transition than a singular event. Workers have non-linear careers, moving in and out of organizations, and wanting different challenges and different levels of flexibility at different points in their careers. This gives the organization the opportunity to design jobs that simultaneously meet the shifting needs of the organization and each generation.

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organizations and for younger employees. When employees don't retire, younger people don't have jobs to move into. This may prevent Gen Xers and Millennials from having opportunities they need, which could slow their growth and professional development. This is an issue both individually and organizationally.

Younger generations may become disgruntled, disengaged and/or become retention risks if they don't believe they'll have the opportunity to develop their careers. Organizations may experience issues with disengagement and retention of the younger employees they have identified as the next generation of leaders.

Another issue supply chain leaders face is creating mutually beneficial job flexibility. Although their reasons may be different, many employees in all three generations prefer flexible work schedules, including part-time work. Those approaching retirement often want to continue working, just not full-time. Employees taking care of elderly relatives or young children may need more

One way organizations can do this is through creating bridge jobs. One type of bridge job is a position that is designed to be part-time or flexible. This type of position would be of interest to anyone who needs flexibility, for example parents, those taking care of elderly relatives, entrepreneurs, as well as older workers who want to continue to work, but not in full-time positions. Designing positions to be part-time or flexible appeals to all generations in the workforce, and can improve both retention and engagement.

Bridge jobs help those who want flexibility or part-time work, but don't address the issue of employees who are retention risks due to lack of advancement opportunities. One option is for organizations to create peer leader positions. When the organization is unable to promote a high-value employee, it can create a peer leader position to offer additional responsibility and job duties, including some managerial tasks. For example, a peer leader can help managers with training new employees, coaching peers, sitting on cross-functional committees and taking on specific strategic initiatives within the group.

Another option for organizations facing a clogged advancement pipeline is job rotation and cross-functional opportunities. Moving employees into different positions or functional groups, or providing short-term overseas assignments, can be a way to provide substantial and meaningful developmental opportunities without advancement within the organization. Such job rotations can help employees clearly see their value and can improve engagement and retention.

If employees can't be promoted within the managerial structure, other options are to create a technical or competency-based skill ladder and engage in succession planning efforts on the technical and professional side. In some cases, organizations can attach pay to skills employees need to contribute to organizational performance rather than to job titles. This recognizes the contributions of those who are not able to move up within the organization because of incumbency issues.

While leadership and managerial skills are especially critical to supply chain management, in many cases, there are not many higher-level positions available. This slows the infusion of staff members ready to learn the leadership skills needed for the organization to flourish. At the same time, more experienced workers have knowledge and expertise that can be leveraged to benefit the organization. Often the most effective staff development happens on

the job, which is one reason organizations should consider coaching or mentoring programs. Having a coach or mentor with experience provides development for younger staff members and is a tremendous asset to both the individual and the organization. Coaching or mentoring allows the experienced worker to make a valuable and substantial contribution to the organization while providing emerging employees with the development that is both needed and desired.

Manage Generational Issues

The generational issues with talent management in supply chain management are real but manageable. Organizations benefit when their talent strategy focuses on how to maximize the skills of all staff members. Creative job design can be used to meet organizational objectives while simultaneously meeting the needs of each generation currently in the workforce, creating an environment that is conducive to productivity and job satisfaction for all generations.

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Editorial Insights

Today's companies face a unique, yet challenging scenario where three generations comprise the workplace. However, where there are challenges, there's also opportunity. Leveraging the skills and knowledge of baby boomers, Gen Xers and Millennials is imperative to executing strategy, creating effective collaboration and building a cohesive structure within a firm.

As Deal, Trovas and Levenson explained in their article, "Workers have nonlinear careers, moving in and out of organizations and wanting different challenges and different levels of flexibility at different points in their careers. This gives the organization the opportunity to design jobs that simultaneously meet the shifting needs of the organization and each generation."

What the authors propose are strategies for creative job design. The strategies that Deal, Trovas and Levenson examine are ideal for procurement and supply chain management practitioners because of the exposure to new skill sets and various business units. Consider the following in your organization.

Peer leader positions. Depending on the size of the company and its procurement organization, there may be limited opportunity for career advancement. However, that doesn't mean high-performing employees cannot have leadership

roles. A peer leader position can be exactly what a high performer needs to be retained until a coveted promotion arises.

Job rotation and cross-functional positions. While not uncommon in companies, rotating job responsibilities and providing cross-functional opportunities are imperative for strategic execution. Employees gain a holistic view of the organization and bring those insights back to procurement to better serve the company.

Competency-based skill ladder. With increased volatility in the marketplace, a profession that's rapidly evolving and new technologies being integrated into companies, it's critical to ensure employees have the skills to respond appropriately. Developing a competency-based skill ladder provides motivation to high-potential employees who are eyeing advancement and provides companies with a pool of viable candidates with succession-planning efforts.

As companies operate with leaner staffs, recognizing what drives employees from different generations is important to not only retaining them but also leveraging their strengths.

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