



TIPS FOR RETAINING YOUNG TALENT IN CHINA

*As Gen Y moves into a crucial role as the demographic backbone of Chinese society, taking on positions of responsibility and representing an important consumer group, companies must adapt to its demands. This article from Criticaleye Thought Leader, **Professor Nandani Lynton**, aims to help companies prepare to manage successfully the rise of Gen Y.*

*This is an adapted excerpt from *Ain't Misbehaving: Labours and Loves of China's Gen Y*, CLSA University Blue Books - Experts' Views for Expert Investors, Beijing.*

In China, corporations of all types are battling for Gen Y's brains and hearts and, whilst many are successful in attracting this talent, many more are frustrated by their subsequent retention levels. Yet, many of Gen Y's desires can be turned into strong motivators at work if the organisational culture recognises them as important.

Here are some of the key values Gen Y displays, along with tips for addressing these and experiences from companies that have been successful in keeping their good staff.

GEN Y VALUE: FAMILY IS IMPORTANT

Tips for addressing this in organisations

Family remains extremely important for Gen Y and provides guidance for retention. First, does the company cultivate a corporate culture that makes Gen Y feel good working there because it is good for the family? Providing family-friendly benefits, from flexible time or providing advice on and time off for caring for elderly parents can help retain Gen Y.

Second, Gen Y fears a lack of warmth and recognition. This means supportive coaching and recognition are important management tools with Gen Y – and these must often be taught to the Gen X supervising them.

Executives and Gen Y on successful organisational practices

Chinese universities had to adapt when both parents turned up to enrol Gen Y freshmen, and complained about the dorms and cafeteria quality. Parents of Gen Y are often involved in career decisions. Some companies market to parents, ensuring that brochures speak to the older generation's wish for security, emphasising their care of employees and having open-door days for family.

Once in their careers, Gen Y want flexible benefits to help them fill their caretaker role. Within the work environment, support family-like structures such as having a big table in the pantry so work groups bond over breaks or lunch.

GEN Y VALUE: HIGH EXPECTATIONS, HIGH COMMITMENT

Tips for addressing this in organisations

Gen Y tends to focus on short-term goals, a pragmatic habit given the environment of constant change. Gen Y wants performance feedback immediately after completing a

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project or task and they want it face-to-face. Managers should focus career development conversations with Gen Y on the short-term, looking at the next 1-2 years.

Make Gen Y responsible for projects, also internal projects, whenever possible. They will like the freedom and learn from the difficulties that managing is not so easy. They will pull in their peers when they need help, and especially on anything technology-driven; they will bring in new ideas.

Looking at staff turnover rates in China, a 51job.com survey found that Gen Y leave jobs because they lack career development opportunities or disagree with senior management's skill or strategy. Virtually no one gave excessive overtime as a reason for leaving.

Executives and Gen Y on successful organisational practices

"Every year a different senior leader, middle manager and service staff is assigned to arrange the next company outing. I only have old-fashioned ideas so I asked the younger ones to think of ideas. The secretary who is 26 said we should do a scavenger hunt – but her idea was to do this using GPS devices and very interactively – needing to ask locals many questions about the city history in order to understand the clues. I had never even heard of this but she says it is how she discovers any new city – it is like a real-life video game."
– Senior Partner, Professional Services Firm.

"Chinese Gen Y always compare with their peers, who has a new promotion, who is earning more... To satisfy their need for quick career development, we built a system for lateral moves between departments or divisions; this will also give your staff a broad view of the business."
– Di Qiao, HR Director of EMC China

GEN Y VALUE: TRUST IS HORIZONTAL

Tips for addressing this in organisations

Gen Y relies on their peers as confidants, coaches, and support. So, how do older managers become part of Gen Y's internal workplace network? How do they gain the trust to be told when a problem arises? Gen Y seeks friends who are nice, smart, easy-going, reliable, and have integrity.

This indicates they will be open to superiors who are casual and consistent, and demonstrate expertise in their areas without being highly directive.

Executives and Gen Y on successful organisational practices

“The culture of our company is to let everyone be themselves.”

– Li Xiang, born in 1981, CEO of Pcpop.com. Company profit increased at an average of more than 200% annually for the past 6 years and market value has reached 0.2 billion RMB.

“This morning I was chatting with a young member of staff who graduated from Peking University. I asked him why he chose Tencent ahead of so many famous companies and multinationals. He just said, “I want to work in happiness.”

– Ms. Liu Chang, PR Director of Tencent. Tencent was awarded Best Employer of University Graduates 2009 and is one of the companies most admired by Gen Y.

GEN Y VALUE: CHANGE IS GOOD

Tips for addressing this in organisations

Organisations can build on Gen Y's positive view of change together with their reluctance to accept authority and increasing willingness to ask questions in order to encourage more innovative thinking.

Companies, including Dupont China, have good experience in adapting training and job profiles to Gen Y's learning style based on assessments of their preferred side of the brain (left/right). This speaks to Gen Y's appreciation of change and new developments.

Given Gen Y's appreciation of platforms for free expression and their high tech use, organisations should look at not only tolerating social networking (Msn, Twitter, etc) but also using it internally (internal BBS in addition to the company newsletter as a possibility). Gen Y responds to a technologically sophisticated but otherwise relaxed workplace.

Executives and Gen Y on successful organisational practices

“We have to learn to work well with Gen Y; they are the best educated generation in China to date, self confident and with an aptitude for independent thinking. The generations to follow will only take this one step further, and therefore those companies that take the lead will generate a competitive advantage over their rivals that could be sustained well into the future. That is why we spend so much management time on coaching one-to-one and we train our management in coaching. They learn to set clear standards and give swift feedback, to give temporary new responsibilities and measure that against performance standards. That is when Gen Y listens.”

– James Sinclair, InterChina Consulting

GEN Y VALUE: HIERARCHY IS IN QUESTION

Tips for addressing this in organisations

This is the hardest challenge for organisations, as Gen Y's superiors expect to be respected and followed or they feel slighted. But now they must demonstrate why they have earned the position of authority. Gen Y also wants to know why they are doing something – explain the structure and purpose of the job, and how they are contributing to a larger goal.

Use the right words. Don't talk about cutting cost, talk about rising response time, making the best use of technology, and so on.

Gen Y energy can be harnessed by giving them creative challenges within clear structures. For example, a young team of engineers could be separated out as a special projects team and given a clear goal outcome, but with the knowledge that, after a set time, they will return to the larger group (R&D).

Executives and Gen Y on successful organisational practices

“A free and relaxing environment needs to be implemented from the senior level to the junior level. For example, our manager will

The saying “people join companies and leave managers” could have been coined for Gen Y



invite new staff for lunch when time allows, or play Ping Pong with them. If young staff are given more time with seniors, their new ideas can be implemented more smoothly, thus they gain more sense of achievement.”

– Di Qiao, HR Director of EMC China.

EMC was awarded Best Employer of University Graduates 2009.

GEN Y VALUE:

BALANCE IS A GUIDING PRINCIPLE

Tips for addressing this in organisations

Gen Y's reasons for avoiding multinational employers are high pressure, too much overtime, and the glass ceiling for Chinese nationals. After being pressured into high academic performance for years, many Gen Y do not make it through the personality testing when they apply to top international companies. Gen Y has seen that single focus is not the answer to happiness.

Build in flexi-time; assign projects according to outcomes and milestones rather than micro-managed timelines

Executives and Gen Y on successful organisational practices

“Gen Y values work-life balance. The message that we deliver to the Gen Y staff is that, at different stages of your life, we will provide you with different solutions to achieve work-life balance. For example, flexible working hours, or organising internal clubs so Gen Y staffs can easily make friends through these activities. The best effect usually comes when life and work are put together.”

– Yu Miao, HR Director of Dow (China). Dow has received several ‘Best Employer of the Year’ awards.

GEN Y VALUE:

PURPOSE IS NEEDED

Tips for addressing this in organisations

Gen Y emphasises social responsibility, highly rating support for scientific and educational work and a focus on local development. Best results come from co-developing projects that actually involve Gen Y and not just their donations. Recognise staff for contributions to Corporate Social Responsibility.

Some companies, such as PWC, increase retention of Gen Y by encouraging social engagement, for instance allowing sabbaticals or a certain number of work hours to be spent in socially responsible activities. This can be combined with Gen Ys entrepreneurial bent. Consider ways for Gen Y actually to build and or lead social entrepreneurship projects

that, in turn, feed back into the business. Examples would be the development of bottom of the pyramid products, developing distribution networks into remote areas, or educating and mentoring potential future employees from underprivileged backgrounds and geographies.

Gen Y watches their superiors carefully for signs of integrity or lack thereof. Consistency is important: do what you say, act according to the mission statement. If Gen Y sees inconsistency, trust and respect disappear.

Executives and Gen Y on successful organisational practices

“Engaging our people in our numerous meaningful community outreach activities has been a critical and effective platform to inspire passion and motivate loyalty amongst our people to build TNT into the company in China to work for.”

– Iman Stratenus, Managing Director, TNT China International Express. TNT was awarded Best Employer of the Year 2009. TNT's HR programs emphasise: Cash, Creativity and Community in engaging Gen Y.

Act according to the mission statement. If Gen Y sees inconsistency, trust and respect disappear

SUCCESSFULLY MANAGING GEN Y

The saying “people join companies and leave managers” could have been coined for Gen Y. They want to hear that the company is well known, successful, innovative, and pays attention to social responsibility, but they will leave a boss who doesn't adapt his/her management style.

Gen Y tells us that their perfect boss is a true expert and always available in a pinch but does not have a big ego. He/she is balanced and non-emotional, and has spotless personal behaviour, including outside the workplace. The perfect boss trusts them, and knows how to share his skills without a lot of talking, without showing off, but rather through giving the right dose at the right time. The boss knows it is not about telling them what to do but waiting for the right time to



Above all, what works with Gen Y is leading by example, including the family, constant stimulation and development

THE NETWORK
OF LEADERS

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drop by their desk and ask “how is it going? Have you asked yourself if there is a different approach? Perhaps you might have tried ...?”

Gen Y seeks a manager who coaches them, who gives them room for their creativity and freedom to make some decisions but has the expertise when needed.

HELP THE MANAGERS OF GEN Y

A number of organisations are realising they must address the Gen Y issue through changing their older managers. Because their main product is their people, professional service firms globally are HR pioneers and, in China, it is companies like InterChina Consulting and Deloitte that emphasise training of Gen X and older managers who supervise Gen Y.

Above all, what works with Gen Y is leading by example, including the family, constant stimulation and development. Leading by example is all about the supervisors being role models and coaches who will respond to Gen Y's expectation of constant feedback. Including the family literally means marketing the company to parents as well as prospective or current employees, giving them information and making them supporters of the employer. Development in the form of training is a must.

TRAINING / DEVELOPING / MOTIVATING

Training and development have been high on the list of how to retain and motivate Chinese employees since Gen Y were still in school. However, while this generation still wants training, in order to capture their attention, the offering must be different from that of previous years. So too with internal marketing.

These checklists can help you consider your offerings to employees:

On-boarding and Training of Gen Y:

- How do you integrate new graduate hires into the company? Do your induction programs make them more effective quickly? (Listen for programs to use Gen

Y's skills while showing them to apply these in the workplace. For service firms, compare to the Indian BPO system of 3 month practical training for graduates.)

- What kind of training courses do you offer young employees? (Listen for logical thinking skills, interpersonal skills, performance skills, communication skills, teamwork.)
- Do you offer mentoring or coaching programs? Listen for group coaching sessions, mentors across functional or unit areas.
- What kinds of training methods are you using for this? (Listen for high stimulation and inspiration, wide variety, technology based solutions, on-line interactive courses, games-based and story-based approaches, interactive, brain mapping for learning styles.)
- What kind of training do you provide managers? (Look for soft skills training/ mentoring and coaching programs.)
- Do you use action-learning programs that have young people try to solve real business challenges?
- Do you create small businesses within your company so younger managers can use their entrepreneurial enthusiasm and even compete with each other to be the best as they gain leadership skills?
- Do you encourage employees to recruit their friends?

Marketing internally to Gen Y:

- How do you market the company internally? (Listen for sexy packaging, for use of technology such as blogs, social networking sites and twitter instead of the old email newsletter. Listen for content for the parents and families as well as for peers.)
- Do company leaders use these new technology channels to communicate with employees?

- How do you market internal training programs? (Listen for stories that create pull, posters, invitations to adventure games.)
- Do you have company guidelines for what employees may write on their personal blogs? Disclaimers? Confidentiality rules?
- Has Gen Y influenced company processes? How? (Listen for tech-based systems, for flexi-time. Some Gen Y focused companies have redesigned staff management systems to look and feel like an on-line game.)

OUTLOOK

Gen Y in China shares traits with its peers globally but, given its small size and importance to economic growth, its impact on Chinese society will be greater. More connected, more ambitious, and – in their socio-cultural context - more questioning of authority than Gen Y in other countries, this generation is forcing Chinese organisations to change or their growth will be severely slowed.

Overall, one must take into account the likelihood that Gen Y in China will increasingly demand empowerment, more transparency and thus more meritocracy. Whether this will continue as they move into leadership positions remains to be seen but it will be true for a decade at least.

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Nandani focuses on how best to develop effective leadership in global business and governmental organisations. She leads seminars and consults on the implications of globalisation around the world. She developed her views on global leadership through working in India, Germany, China, the US, South Africa and 39 other countries.

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