INTRODUCTION

Attracting and engaging talent is an ongoing challenge for HR executives. Generational differences are presenting workforce challenges that organizations must learn to manage. The challenges in this multi-generational dynamic are retaining and engaging younger staff, while imploring older staff to commit to transferring their knowledge. All of these talent concerns aren't just a focus of HR leaders, but are also the number-one global concern for CEOs according to a recent Harvard Business Review[1] essay.

Strategically and operationally, HR organizations play a critical role in managing these current talent struggles for the business. Previously in the series, ScottMadden explained the importance of "Workforce Planning" and "How to Attract the Right Talent." In the final article of the "Talent Struggles" three-part series, ScottMadden will discuss generational differences and ways to manage these gaps with effective succession planning and proper knowledge transfer.

Preparing to Pass the Torch

Succession planning is designed so that potential successors for critical positions are identified and groomed to ensure continuity for key positions. Though succession planning is highly recommended for all companies, ScottMadden recommends a heightened focus because of shifting organizational demographics. Within the next two to five years, Baby Boomers will increasingly retire. Because of the generational gap, passing the torch may be more difficult without revamped procedures in place. With that said, companies preparing for retirements need to focus on two areas: transferring knowledge and maintaining proper retention practices.

Facilitating the proper transfer of knowledge is difficult without defined programs and procedures to obtain and document the content. Many companies have documented how employees apply new knowledge to their daily work tasks; however, the information gathered is often for future use. Companies that properly document knowledge transfer data, but do not leverage it until it is required, may find themselves scrambling for more updated information. Therefore, it is critical to alter the knowledge transfer process to a more action-oriented one. For example, leveraging programs, such as those listed below, will guarantee that tacit knowledge is shared at the proper time.

- Mentorships
- Craft-based apprenticeships
- Critical skill development opportunities
- Cross-training

Enabling certain programs like the ones above will also ensure that younger, less-experienced employees will be better prepared to assume roles vacated by retiring employees.

[1] (Boris Groysberg, The 3 Things CEOs Worry About the Most, 2015)

Retention is Key

Retention should be a focus area for managing the generational gap and ensuring the transition of Baby Boomer staff. It is ideal to employ policies that potentially keep retirees on staff longer. Such policies include, but are not limited to, flexible work hours, compressed work schedules, or phased retirement practices. Assuming a company's policies adhere to the IRS guidelines, these practices allow work to be done after planned retirements or by part-time workers.

Retention drivers for Millennials should not be forgotten. In fact, since Millennials are more inclined to switch jobs, retention practices should be stressed. However, when Baby Boomer retirements coincide with Millennials switching companies, knowledge and productivity losses, increased recruitment and training costs, and potential leadership gaps are to be expected. It is critical for companies to analyze and understand the retention drivers for their organization, along with generational differences.

Bridging the Gap

Managing generational gaps requires understanding and alleviating generational differences, as well as implementing strategies to bridge the gaps. Complaints older generations have about Millennials involve the younger generation's high expectations for rapid advancement and their desire for a positive work-life balance. On the other hand, this generation possesses key attributes that ScottMadden believes will enliven and create opportunity in the workplace, driving the transformation of work performance. This is especially true in a technology-enabled environment.

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The Millennial generation is the most educated generation in history. They have a strong desire for consistent development opportunities and feedback, as well as an urge for continual learning. Fulfilling their needs for continuous education and feedback will help improve future knowledge transfer struggles and succession planning activities. Although it may seem that the Millennial workforce is forcing change, alignment can be found with the older and younger generations. According to research conducted in 2011 by Ben Rosen, Ph.D., Professor of Organizational Behavior for the University of North Carolina Kenan-Flagler Business School, all generations expect:

- Challenging work projects
- Competitive compensation
- Opportunities for advancement and to grow in their roles
- Fair treatment
- Work-life balance

Even though each generation is shaped by their unique experiences, the older and younger generations can still find common ground. ScottMadden suggests implementing internal programs that both generations value, targeting messaging to different age groups.

The work environment is clearly changing. Implementing purposeful strategies that bridge generational gaps will allow companies to maximize their productivity and engagement of their staff.

NEXT STEPS

What you should focus on first depends on where your company stands with annual strategic planning. Do you have a workforce plan in place? If so, is it currently being implemented? Does your plan take talent acquisition into account? These are questions we recommend asking. Determining retention drivers in your workforce and establishing countermeasures will ensure that future development activity and associated costs will not go to waste. Be sure to include innovative workforce programs in your annual strategic plans to increase retention, smooth workforce transitions, and improve engagement across generations.

Since many companies are facing extraordinary talent challenges, refraining from focusing on talent is discouraged. Multiple industries are fighting for the same talent because of the large generational transition in the workforce. The companies that approach talent strategically and tactically while implementing a thorough action plan will have better chances for increased progress and success.

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Since 1983, we have been energy consultants. We have served more than 400 clients, including 20 of the top 20 energy utilities. We have performed more than 3,000 projects across every energy utility business unit and every function. We have helped our clients develop strategies, improve operations, reorganize companies, and implement initiatives. Our broad and deep energy utility expertise is not theoretical—it is experience based.

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