

Passing the Torch

Preparing Your Business for the Next Generation

by:

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Jim Rohn, the famous American entrepreneur, once said, “All good men and women must take responsibility to create legacies that will take the next generation to a level we could only imagine.”

Perhaps more than at any other time in recent history, this quote sets the stage for a topic that is exceptionally important to the survival of our industry. Who is going to take the reins and usher our companies into the future?

It is clear that the fastener industry has been portrayed alongside other manufacturing industries as unglamorous, dirty and not a career of choice for any of our children. In fact, a recent poll of teenagers found that almost 75% were either ambivalent or expressed little or no interest in manufacturing careers. And this is in a time when it is believed that almost 600,000 manufacturing jobs remain open. Today, our competition for workers is more with the local **Best Buy** than with our competitor down the block.

At the same time that we are struggling to attract new workers, we have a large percentage of our workforce that will be eligible for retirement in the next five to ten years. It is truly a “perfect storm” in the making. Like any tempest that is about to beset us, we must make preparations. For our industry, these preparations include retooling and modernizing our capital base, developing in-house training programs that really work and develop from within and figuring out how to be inviting to recruit and, more importantly, to retain them—the next generation of leaders and workers.

This article will tackle that last point and introduce some practical suggestions on how your organization might start to approach recruiting and retaining members of the “Y” or “Millennial” Generation.

First and perhaps foremost, is gaining a grasp of an age-old tenet expressed in the quote given above. It is our duty to realize that at some point we must be prepared to pass the torch and then step aside and let the next generation take over. This is often very hard to do, but the very success and continued survival of our individual businesses and industry depend on us doing this well. It reminds me of a lesson I learned as a young manager. My boss explained to me that one of the things that set truly good managers apart from average ones was an ability to replace personal needs with a passion to empower and build up your team. He explained that to him success was measured by how successful he could help his team to be, rather than the personal accolades or size of paycheck that he might receive. This has always stuck with me, and I think applies to

this universal idea that as our organizations and individual leaders age, one of our top priorities must be to develop a succession plan that allows the next generation to flourish and succeed.

So why is there so much attention specifically on the Millennials? Besides the fact that this is the generation currently entering the work force and thus the next one in line to replace today’s Baby Boomer and X Generation leaders, this generation also views the workplace much differently from the previous generations currently in the workforce. As such, to be able to attract and more importantly to retain the best individuals, your organization is likely going to have to adapt. It is no longer “business as usual”.

Before we look into some of the practical ideas and suggestions for consideration, let’s first take a step back and take a quick look at the generations that comprise the current bulk of our workforce. Although there are certainly members of The Greatest Generation (those currently 69 years old and older) still in the workforce, the bulk of today’s workforce are Baby Boomers and Generation X. Increasingly however, more Millennials are coming of age and entering the workforce every year.

“Baby Boomers”

Baby Boomers are the generation born between 1946 and 1964. They are currently the industry leaders and make up about 40% of today’s workforce. In general, they are a dedicated and driven generation that values working hard and receiving the rewards of that effort. This generation has been known for its “workaholic” and finding much of its identity in its work. Its core values include qualities like persistence, tenacity, commitment and dependability. Close to one in four Americans is a Baby Boomer, so this generation will be influential in the workplace for many years to come. However, the first Baby Boomers hit the standard retirement age several years ago, so that much of this generation will be eligible for retirement in the next 15 years and the percentage remaining in the workforce will drop to half of what it is today by 2020.

“X Generation”

The X Generation are those individuals born between 1965 and 1980. As Baby Boomers leave the workforce, the X Generation is starting to fill in the leadership roles. There are many interesting observations to be made of this generation, one of them being that as employees, it is probably the most discontent of all the generations. This may be partially because, in general this generation tends to be the most pessimistic of the generations. However, it may be more attributable to the fact that the Baby Boomers have done a poor job passing knowledge along to the X Gens, and that they have a real or perceived belief that the Millennials are already passing them by. Their core

values include independence, individualism, tolerance and freedom. Remarkably, this is perhaps the most loyal of all the generations.

“Millennials”

The Millennials were born between 1981 and 1997. By the time they come of age, they will number almost 85 million and by 2020, account for about 50% of the USA workforce. The members of this generation have been raised in this information age and therefore thrive on the ratification of immediate information and connection available through social networking and the internet. They have high expectations regarding personalization, are not as anxious about change as other generations, consider the work/life balance to be extremely important and are much more environmentally conscious than any of the other generations. Their core values include community, originality, creativity, openness and adventurousness.

Some of these values lead Millennials to look very differently at the work setting. Their adventurousness and lack of anxiety over change results in a much greater proclivity and desire to move from one role or company to another. Where Baby Boomers and X Gens would see such a move as an act of disloyalty, the Millennials do not perceive it this way. In fact, many Millennials do not consider that they are “burning bridges” in moving on to a new opportunity as their X Generation and Baby Boomer managers do.

Another significant workplace difference is that Millennials place a high priority on work/life balance. In fact, in some ways the workplace is an extension of their social life. To some degree, this is true of X Gens, but very different than the Baby Boomers who place significant distinctions between the workplace and home.

Recognizing these and other fundamental differences, and that the Millennials represent the future of the industry, the savvy Baby Boomer and X Gen leaders will begin to review their workplace cultures and evolve them to be more attractive to the Millennials. At a minimum, this is at least a two-front battle. First, a company must become sufficiently inviting to attract the best millennial talent available. Secondly however, and probably more importantly, they must develop and foster a culture that retains this talent. This will be a challenge, although not insurmountable, simply because Millennials are “wired” to accept and even seek out change.

The following are a couple of practical tips worth considering for both recruiting and retaining the Millennial generation.

Recruiting Millennials:

- Recruiting needs to begin early. Remember that these young people have been fed a steady diet of why manufacturing is not a career option for them. Therefore, early and positive interaction to correct some of the misconceptions they may have is critical. For example, a company can offer internships and mentor-

ing arrangements, not only to college underclassmen but to high school students as well. Going further upstream and engaging in career days or extracurricular activities in the middle or elementary schools can also pay significant dividends. The idea here is primarily to promote a positive and inviting impression of your company to individual students, the schools and the community.

- College students today often find career fairs and formal interviews to be outdated. They are seen as highly competitive, full of unfamiliar companies and highlight a candidate’s ability to dress in the correct apparel rather than on what really matters.
- The internet is the first tool they turn to for recruiting, however, not necessarily job websites. These they often consider to be full of advertising, lacking information and generally not user friendly. What they prefer is a career section on a company’s own website. It must be easy to find, use and navigate. Additionally, it must not be vague, but specifically tell them about company culture, future career opportunities, people they might be working with and actual examples of projects or work subject matter. To target this generation specifically, it might include information about how the company supports new employees and young professionals, about the social atmosphere and opportunities, about flexible schedule opportunities and corporate citizenship.
- Provide internships, co-op positions and scholarships.

Retaining Millennials:

- Create job roles that offer variety, change and a chance of promotion. This generation has been weaned on rapid change and innovation, and thus, considers change to be a normal part of life. Unlike previous generations that understood that one must wait and “earn their stripes”, this generation often doesn’t have the patience for that. Companies, therefore, that find ways to provide variety and change in the workplace and individual’s careers are much more likely to retain members of this generation.
- Involve them on teams. This generation has been raised in educational environments that value group activities and performance. Management styles that are consensus based, participative and flexible will appeal more to this generation than those that are autocratic and inflexible.
- Find ways to be flexible with respect to telecommuting and geographical mobility. Naturally this may be more difficult with certain job roles than others, but using some creativity to provide flexible work arrangements and hours throughout the organization will be attractive to members of this generation.
- This generation has a high sense of the work-personal life balance. They will work hard, but often desire

work that contributes to their personal growth. They do not separate work and their personal lives as definitively as Baby Boomers. Work is often seen as an extension of their social space and a place of belonging. They will view co-workers as friends. Make opportunities to leverage this tendency by providing a good understanding of how their work contributes to the big picture and set up activities that promote social interaction. As silly as it might sound, resurrect the company softball or volleyball team or the golf or bowling league.

- One of the best ways of retaining this generation is through continuing education, as they wish to remain relevant in changing times. It also signals to them that you value them enough to invest in expanding their knowledge or skill base. Often “soft skill” areas are preferred. This can take the form of in-house training, outsourced training or supporting the pursuit of an advanced degree.

In Closing

Although generational changes have been part of business for as long as there have been businesses, because the generational ratio will change so dramatically by 2020, this is simply not a topic that can be left to chance. This is a strategic issue that will challenge all businesses in the fastener industry. A company's success, however,

may very much depend on how well it does this and how much attention it gives to it. This will certainly be one of the defining moments for today's leadership, and as this article began, the challenge will be to build a legacy that truly empowers the Millennial generation to heights we can only now imagine. www.NNITraining.com

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Company Profile:

***NNI Training and Consulting Inc.**, headquartered in Green Oaks, IL, USA, is a dynamic, entrepreneurial 'knowledge provider' that provides training and consulting services to small and medium-sized companies. NNI's specific expertise is in cold heading, fasteners, fastener and application engineering, and automotive, industrial and aerospace parts supply. NNI provides training that is based on a strong foundation of theoretical knowledge, combined with practical understanding and applied skills. NNI provides its customers with consulting services on fasteners, fastener engineering and fastener quality; quality management systems and certifications; and business and sales development and strategy. Offering customers an unbiased perspective, technical expertise, solid business acumen, new ways of doing things and keen insight are the specialties of NNI Training and Consulting Inc. www.NNITraining.com*