

# ATTRACTING THE NEXT GENERATION OF WORKERS



by Laurence Claus, NNi Training and Consulting, Inc.

One day when he went to the mall, Nick Swinmurn, the founder of Zappos.com, couldn't find a pair of shoes. He turned this inconvenience into an opportunity, founding Zappos.com in 1999. If you are unaware of Zappos, it is an online seller of shoes and clothing. By 2008 it had surpassed one billion dollars in sales and was acquired the following year by Amazon for \$1.2 billion. Today it produces revenues in excess of \$2 billion.

At this point, you might be asking yourself: That sounds like an interesting success story, but what relevance does that have to the fastener industry? Perhaps very little, but Zappos.com provides thought-provoking insight into a company selling a relatively mundane and "underappreciated" product, much like our own, but with tremendous success amongst Millennials both as customers and employees. They credit this success not to the nature of their product, but rather to the 11 points of their company culture. Briefly described, they are:

## 1 COACHING

Happy employees are more productive. A full-time life coach is made available to anyone in the company that desires one.

## 2 COLLISIONS

They encourage remote working in such places as coffee shops to increase "people collisions."

## 3 COMMUNITY

They stress making a positive impact in their community as a priority.

## 4 AUTONOMY

They consider themselves "Entrepreneur Disneyland" where employees are empowered to do whatever they want to WOW the customer.

## 5 DEVELOPMENT

They offer free books in their lobby and stress that employees can earn extra pay for presenting what they have learned. They are dedicated to training and increasing pay with each new skill obtained.

## 6 FUN

One of the core values is to "create fun and a little weirdness."

## 7 THE RIGHT TEAM

They believe that creating the right culture starts with hiring process. Everyone is offered \$2,000 to quit during the first four weeks of training.

## 8 CLEAR MISSION

Their goal is to have employees think of their work not as a job or career but a "calling."

## 9 WORK/LIFE INTEGRATION

They encourage employees to consider peers as friends.

## 10 FLAT ORGANIZATION

They manage the business without much hierarchy.

## 11 TRANSPARENCY

They encourage exposing the company DNA to the world.

We will return to the Zappos example shortly, but first, let's explore the state of our industry. The fastener industry, like so many other manufacturing-related ones, is facing, if not already in, a looming crisis for human talent. We have all heard some of

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the alarming statistics associated with this topic. For example, since the beginning of 2011, more than 10,000 Baby Boomers will become eligible for retirement, and this will last until 2030. Or consider, perhaps, the fact that our median working age in the United States is 36.7 years, while it is only about 26 years in emerging markets.

When it comes to recruiting new employees, the fastener industry is facing, perhaps, the perfect storm. Just as the statistic about Baby Boomers coming of retirement age predicts, fastener companies are increasingly witnessing their workforce get older and move into retirement. As they go, however, they leave a noticeable knowledge void. Companies have historically not done enough to deepen their bench and develop their teams. Additionally, fastener companies, which rely heavily in on-the-job training, have done a very poor job developing such in-house programs, and most that can boast such a program cannot do the same regarding their true effectiveness.

These problems might not be so overwhelming if there were a large pool of eager recruits to fill the gaps. Unfortunately, the message delivered by our parents and culture the last 30 or 40 years is that manufacturing in the U.S. is “dead,” “dirty,” and “undesirable,” so that modern-day recruits are few and far between. Instead of competing with the fastener guy down the street for the best talent, now the competition is with the likes of Amazon or Best Buy. To make matters worse, what talent is interested and available generally lacks any experience or knowledge. So what is the fastener industry to do?

In 2015, the Millennial Generation overtook the Baby Boomers as the largest generational cohort in the United States workforce. By 2020, the Millennials will represent a full one-half of the world's employees. Millennials and the generations following them, however, bring very different notions to the workplace than their predecessors in the Traditionalists, Baby Boomers, and the X Generation. Smart companies will quickly realize this and begin to adapt the way they do business, like Zappos did, to be more attractive to incoming employees and customers from later generational cohorts purchasing their products and services.

Most importantly, companies must recognize that this is a strategic issue. If they simply ignore this and hope to leave solu-

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tions to industry advocates or to “ride on the coattails” of larger and more sophisticated organizations, it will likely be too late. Company leaders should consider the strategic question about what the end game needs to look like and begin developing and implementing activities that will help them reach these goals. Good strategic planning is not easy and often causes us to wrestle with hard truths and having to say “no” to distractions. In fact, Michael Porter, a renowned Harvard professor specializing in competitive strategy, points out that strategy is often more about knowing what to say “no” to rather than what to do.

As part of the strategic plan, companies should work very hard at developing a succession plan. We naturally think in this context with regard to high-profile positions such as integrating the next generation into a family-owned business or developing a plan for the next CEO. Companies should be devoting similar planning, however, to all really important roles within the company. They should also be asking questions such as: how will engineering be developed, who will lead the manufacturing team, who will replace the salesman that accounts for 30 or 40 percent of the business's turnover, and many other such equally important questions. French Scientist Louis Pasteur once said: “Chance favors the prepared mind.” Companies that have a plan for all critical roles in their organization will be way ahead of the pack.

A plan is no good if it is collecting dust on a shelf. It will need to be implemented. Although every company will have its own needs and thus, its own custom plan, it is probably safe to say that there will be some features universal to all plans. These will require understanding of what is important to the next generations. For this, current leaders need to educate themselves on the things that are important to these next gen-

erations. Taking the Zappos “11 Points” as an example, they likely resonate so well with Millennials because a number of the points perfectly intersect with ideas and concepts held in very high regard by this generation.

### LOOKING AT THREE OF THESE SPECIFICALLY:

- Points 2 (Collisions), 6 (Fun), and 9 (Work/Life Integration) all generally reflect integrating a work/life and social aspect into work. For Millennials, the workplace is no longer a place to be separated from the rest of life's activities. Rather, it introduces the opportunity to integrate one's social and work activities and identity into one balanced entity.
- Point 3 (Community) emphasizes being a solid citizen and caters to this generation's strong interest in issues of social justice and philanthropic causes.
- Point 5 (Development) provides insight into this generation's desire for self-improvement and to gain knowledge.

The bottom line is that companies must drop the notion that it is a “privilege” for new employees to be granted a job and that they, therefore, must accept the status quo and replace it instead with a flexibility and openness to adapt their businesses and practices to the issues important to the new generations entering the workforce. In other words, they must become attractive to incoming generations. For well-established companies, this will likely be very hard to do but will be extremely important to future success. Companies that are working on adapting now will be miles ahead of companies that don't and very well may tip the balance in their favor when competing for the same limited talent pool. ■