

## » Winning over the millennials, the great challenge for companies in Chile

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While everyone is aware that the generational change posed by the millennials is possibly the most disruptive of the last two hundred years, few companies have started to modify their policies and even their values to adapt to the principles and priorities of the generation that will be heading up companies in the coming ten years. By 2025, 75% of all active professionals will be millennials.

In this report we review the innovations in talent management and communication policies and the changes that some companies in Chile have already started to implement, and which will surely establish the path that companies and corporations must follow if they want to not only lead their markets, but also survive this paradigm shift, which is much more than a generational change.

Paraphrasing J.F.Kennedy, "Ask not what you can do for the millennials to integrate into your company's philosophy, ask what you must do to adapt your company to the millennial philosophy".

### NEW VALUES, NEW PRINCIPLES AND NEW NEEDS

We cannot seek to classify or understand them merely as young people glued to their cell phones who live connected to the social networks. Instead we must assume that they are very well prepared professionals, highly committed, and with an enormous ability and appetite for teamwork (collaborative environments) and to develop their careers based on geographical mobility.

However, the main gap between the old and new professionals undoubtedly relates to what motivates them: Whereas in the past full dedication to the job and to a single company was encouraged and rewarded in exchange for an attractive salary and some degree of security, together with the possibility of promotion, the millennial generation puts other priorities ahead of these interests, such as flexible working hours, the option for home working, international careers, free time, work-life balance, a friendly and digitalized work environment, social commitment and environmental protection.

According to the Gallup study on the Employee Engagement Crisis<sup>1</sup> from January of this year, only 13% of employees worldwide are engaged with their company. It is no surprise that another study<sup>2</sup> predicts that 2 out of every 3 millennials will leave their current company over the coming 4 years.

Some have already realized the importance of building loyalty with this new "professional species" and, for example, this year Telefónica Chile has implemented the so-called Millennial Challenge, whereby the 20 highest-rated young professionals will take part in a specific local leadership program.

### Selecting and retaining talent

Internal development and promotion within the company itself is one of the main challenges when suitably managing talent. To achieve this, companies are starting to apply new forms of management, such as the Grünenthal Group which implements a talent management methodology each year in order to identify people within the company who have the ability in the medium-term to take on positions of greater responsibility, one or two levels higher. In this way not only do they always have their best people identified, but they also know the potential internal replacements when this becomes necessary, managing to reduce the costs involved in having to permanently turn to the market for complex positions that could be filled and developed from within.

Telefónica Chile also offers different development programs, among which we can highlight the so-called "Inverse Mentoring" where there is mutual and two-way coaching between young people and managers.

<sup>1</sup> <http://www.gallup.com/businessjournal/188033/worldwide-employee-engagement-crisis.aspx>

<sup>2</sup> <http://www2.deloitte.com/global/en/pages/about-deloitte/articles/millennialsurvey.html>



## Incentives beyond the salary

The working environment is essential, and this is also understood by the Grünenthal Group where one of the strategic HR pillars is called "Have Fun", which conveys the commitment that, in addition to offering a good workplace, the job is performed in a fun way.

For the law firm Carey, the working environment and treatment of its employees is its greatest pride, and this is based on policies on internal networking, outdoor activities, informal meetings between employees, activities for secretaries, monthly cheese & wine events, lunches between lawyers and partners, and family days in the offices.

**Internal mobility** is another of the aspects to improve and develop. At CGE for example, they encourage 20% of the executive level of the workforce to move each year. This is something that the employees are already becoming accustomed to and responding to very positively, adapting well to the regular structural changes.

Telefónica Chile is also establishing programs for international rotation, agreements and scholarships in other countries and the Young Leader Program whereby its employees can spend a year developing professionally at its corporate university in Barcelona.

**Continuous training and regular feedback** are increasingly demanded and necessary for both new professionals and old ones. Helping them to develop the sensitivity necessary to motivate their teams, teaching leaders to manage people and providing them with tools to seek and offer permanent feedback are becoming increasingly common practices at large companies in Chile. At CGE for example, more than 500 leaders have already undertaken their training program.

“Continuous training and regular feedback are increasingly demanded and necessary”

Telefónica Chile has chosen to apply on a corporate basis a skills analysis of its entire workforce (so this year 50% of its leaders have already been through the process) which analyzes and assesses variables such as their digital experience, leadership profile, transformational skills and learning potential.

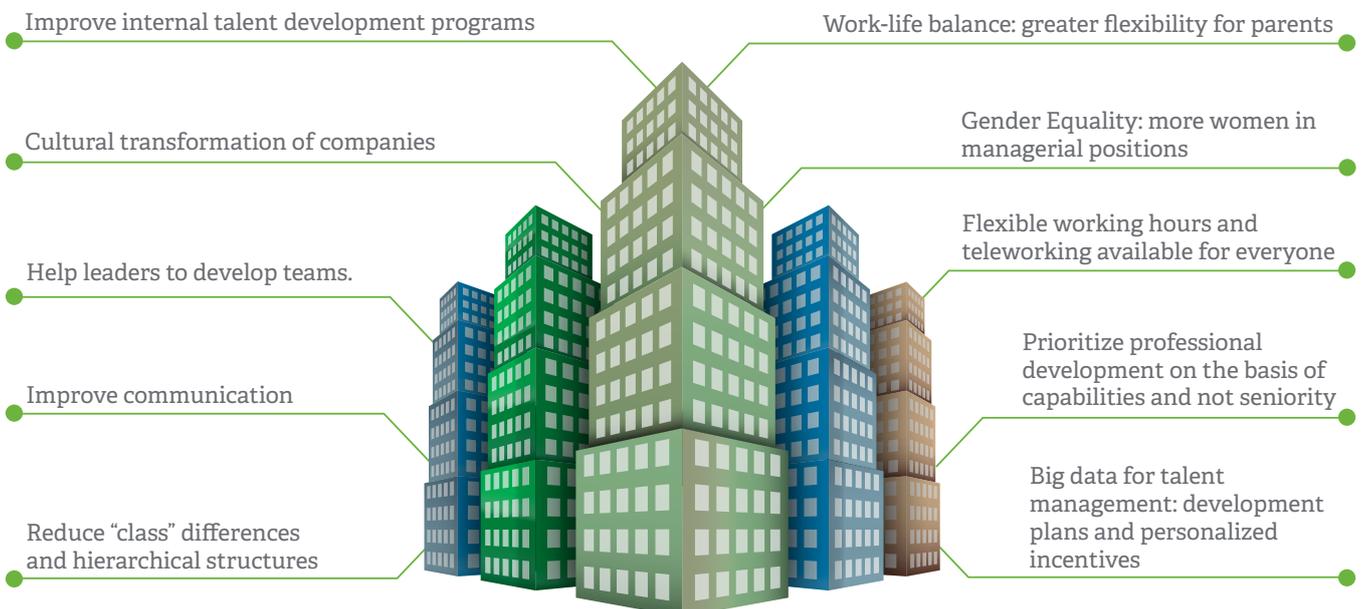
Performance management analyses have already shifted towards the need to adapt to new assessment methods, as we can see from the report by Accenture, *Is performance management performing?*<sup>3</sup>, in which many of the values demanded by the millennials are discussed:

- Developing the employees through frequent constructive conversations and guidance sessions. (**Constant feedback**)
- Creating a culture of **transparency**. 79% of leaders and 69% of employees believe this is necessary in an era of extensive information.
- **Personalize** performance management depending on the needs of each employee or segment of the workforce.
- Clearly define high performance in order to take into account **teamwork**, effort and the ability to acquire knowledge.

**Benefits in the form of time.** There are multiple benefits that Carey offers its employees: hair and nail salon in the office itself, gym agreements, complementary health and life insurance, four weeks of vacation for the partners, etc. Telefónica Chile also applies, for example, "Programa Uno" (Program One), in which the list of benefits offered by the company is flexible and customizable depending on the different interests and needs of each employee.

<sup>3</sup> [https://www.accenture.com/t20160414T031930\\_\\_w\\_/us-en/\\_acnmedia/PDF-13/Accenture-Strategy-Is-Performance-Management-Performing.pdf](https://www.accenture.com/t20160414T031930__w_/us-en/_acnmedia/PDF-13/Accenture-Strategy-Is-Performance-Management-Performing.pdf)

Figure 1. The future which the HR and Talent Departments of companies in Chile are already preparing



## UNFINISHED BUSINESS

Despite the evident need for change there are still certain hindrances and obstacles leveraged in the comfort zone of the old school leadership which must be overcome and which feed into the daily struggle of those responsible for talent in Chilean companies.

### Digital Transformation

It is not a matter of investing in the latest technology, of providing employees with access to the best digital tools, or even of optimizing the various assets and corporate channels present on different social platforms, because there is a more urgent change that must firstly be addressed for this transformation: people. Developing the digital talent of all members of the company is not something that we can leave to happen naturally over time or through generational change, because at that stage it will already be too late.

Whilst some companies still insist on preventing their employees from accessing social networks from the company's computers, -without understanding that productivity does not improve if you treat your employees like children<sup>4</sup>, as is graphically explained by Enrique Dans from the IE Business School in Madrid -, others have fortunately already understood that much of their reputation, the most important asset for companies, lies mainly in the digital identity of their employees and in their social interactions, a reason why they have started to introduce programs which convert their employees into the most reliable ambassadors for their brand.

### Communication

This is another big area of outstanding business that needs a complete review. It is necessary to evolve from the obsolete concept of "internal communication" to that of employee engagement, and to accept that the employees are the main and most reliable spokespeople for companies.

One of the first steps that companies must take is transforming the concept of information through **content**. People want to hear stories and this also applies to the employees. We would all like to have in our professional environment the same kind of stories in the same formats as we have in our free time (and this implies the use of a

journalistic style, searching for the interest and narrative challenge or audiovisual formats). For this, it is necessary to address the content strategy so that it is:

- **Useful:** it must have content that is useful to the employees if there is to be a rational reason leading to its use
- **Entertaining:** for the employees to want to continue consuming our content it must be entertaining.
- **Visibility:** the employees want to be empowered, so the content must give them prominence and place them in the heart of the strategy.

Another great lever for engagement are **experiences**: the employees must participate in actions which allow them to come into contact with each other and the company itself, engaging in participatory experiences and offering connection frameworks.

### Metrics.

In a digital world, metrics are essential if we are to accurately understand the trends, commitment, perceptions and motivations of our employees, (in other words, the level of engagement) and further still, to measure the impact of a company's reputation as a workplace, or in other words, measuring the management of the company as an employer brand.

In this regard, it is necessary to understand the perception that both society in general and its employees (former, current and future) have of its integrity, contribution, transparency, image and credibility.

**To convert employees into "fans"** of their own company, corporate transparency, responsibility and commitment policies (supported by specific facts and actions) are necessary in addition to everything we have already discussed.

<sup>4</sup> <https://www.enriquedans.com/2014/03/si-tratas-a-tus-trabajadores-como-ninos-se-portaran-como-ninos.html>

Figure 2. Millennial profile





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