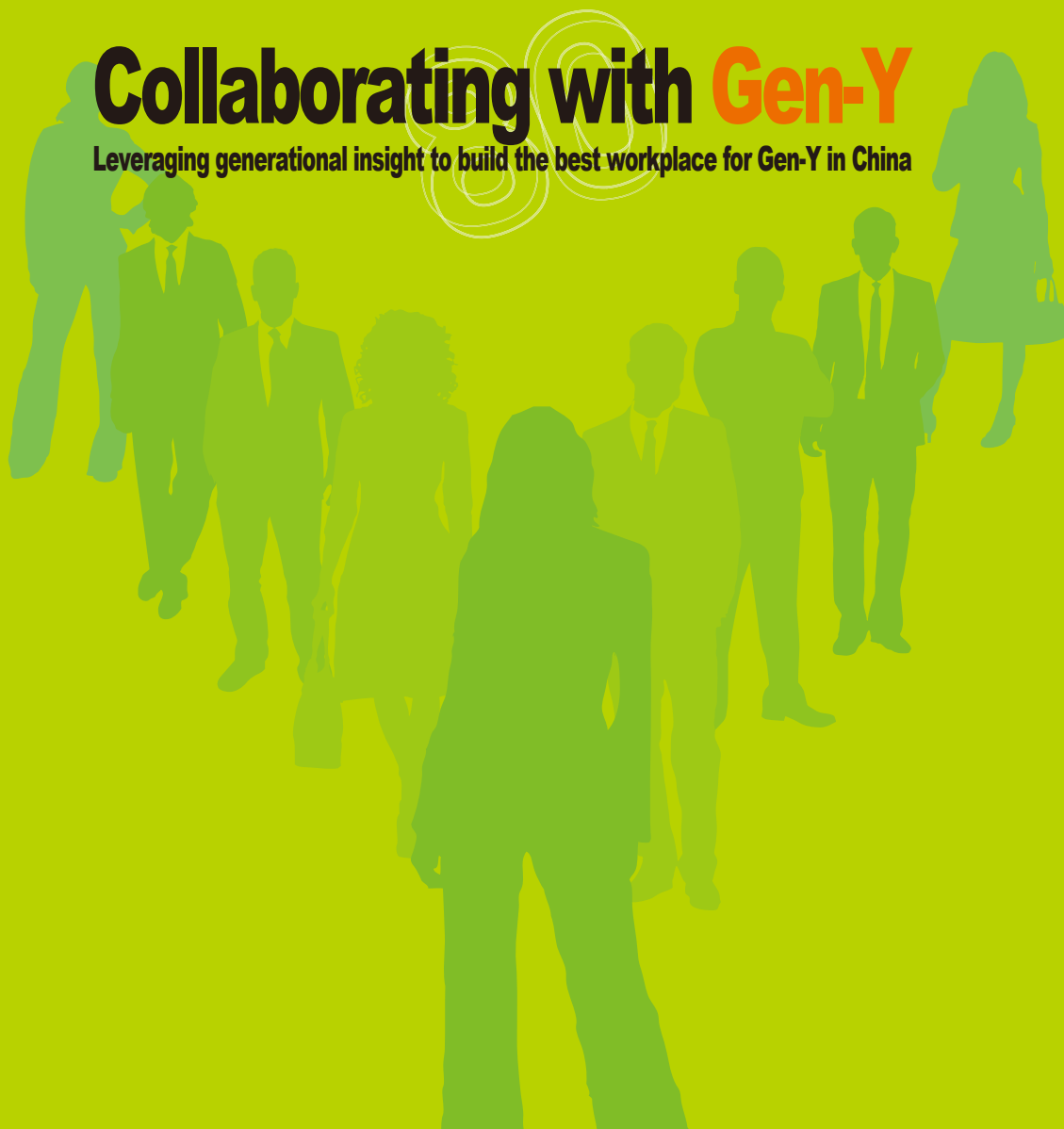


# Collaborating with Gen-Y

Leveraging generational insight to build the best workplace for Gen-Y in China



Sponsor





# Embracing post-80s

Gill Zhou

Vice President, Brand, Communications and Citizenship  
IBM Greater China Group

This is the second time for IBM to conduct a research report on the career life of post-80s in China, which is one of the most dynamic markets in the world.

The post-80s terminology did not exist some 20 years ago. Sociologists had given a nickname - "little emperors" to this generation who are the only child in their families whom were commonly stereotyped as being pampered and spoiled. 10 years later, the "little emperors" grow up and then come the notion of post-80s. It is fair to say this generation was nicknamed from the very beginning; a fashionable way to say this now is that they are being post-80ed. Before they reach adulthood, the general perception on them is not positive and their parents are concerned with their future. As the post-80s enter the workforce and become a main force in every stratum of the society, these concern and worries turn into real conflict because they are so different from the post-70s, post-60s and post-50s. These divergences pose great challenge for management in the workplace, which is also the main reason behind this research report. There is an abundance of data, interview and case study in this report which I hope will enlighten the corporate managers in China.

I want to elaborate this further.

This year marks the centennial anniversary for IBM which is the company I work for. I would like to take this opportunity to trace its history. IBM is a U.S. company and in the past 100 years, the economic, political and cultural happenings - the Great Depression, the 2nd World War, the Vietnam

War and the Cold War in the 20th century had hugely impacted on the U.S. society. Those events have resulted in momentous influence on the youth growing up in that era, which has caused obvious differences,

as compared with their parents, on their values system and their outlook in life, the world, career and even on love. I bet when the Americans talk about the "Beat Generation" and the "Lost Generation", the sentiment is identical to the Chinese mention of the post-80s. As we reflect on this, these so-called "xx generation" was critically acclaimed or condemned otherwise, yet the world moves on with them as a major force. For IBM, what is interesting is that the company has undergone two transformations, led by Watson Sr. and Watson Jr., during the "Lost Generation (1920s-1930s)" and the "Beat Generation (1950s-1960s)", which has laid a solid foundation for IBM's a century-old business.

I do not know how IBM has handled employees' values conflict that arise from generation vicissitudes, neither could I confirm that the milestones IBM has made to reinvent the modern corporation (such as elevating salesman's position, same pay for the same position regardless of gender, recruitment of colored people) are intended for coping with the situation. But one thing for sure and I can strongly feel is the

confidence and courage of embracing change. Whatever change it is, we do not fear nor resist, but confront and take pro-active actions. I think this is one of the reasons IBM continues to stand tall a century after its founding.

As the saying goes, it's easier said than done. Embrace must be rooted and motivated by genuine respect and equality, otherwise it's just a handshake or patting on the back. Though with good intentions, but the receivers will feel the difference and the result will surely be noticeable.

Lastly, for corporate managers who have a hard time dealing with post-80s, I believe there is no need for headache. This generation is not the problematic crowd who needs to be "managed" or requires special attention. The so-called "flaw" or "shortcomings" are merely their characteristics, and to disapprove them because of their difference in thoughts, actions and values from the older generation is unnecessary and inappropriate. Like it or not, the future belongs to the post-80s, then post-90s and post-2000s. They will have the world in their own way. While the admonishment from older generation is valuable experience, novel ideas from young generation is originality and innovation. As we impart our experience to them, we should learn from them with respect and equality. In this way, we can embrace the new era with them together and not be singled out as "old antiques".

A handwritten signature in black ink, consisting of stylized, flowing cursive letters that appear to read 'Zhang' followed by a surname.

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# Gen Y

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**An Imperative Phenomenon**





## China's Gen Y is a Large and Unique Population

Generation Y, who for the purposes of this study are defined as people born from 1980 to 1989, is one of the most unique generations in human history. Born into a technology boom, Gen Y's are the first to grow up with computers, the Internet, and information at their fingertips. They are extremely comfortable using technology for social networking, global connections, and entertainment. They are also accustomed

to the immediate gratification the world of technology has afforded them.

The affects of this incredible time in history on them are tangible in their attitudes in the workplace. Gen Y's are generally resourceful, creative, flexible, quick, efficient, technologically savvy, and more problem solving and communication oriented



than generations before. However, they are also generally more demanding, less respectful of hierarchical structures (in which they can't immediately access people and information), impatient, more life-style oriented (at times, at the expense to their focus on work), and more concerned with their own achievements and advancement than that of a team.

In China, these attributes are even more pronounced. Not only did the Gen Y's in China grow up in the information age, but in the age of China's globalization, its rapid opening up. They are one of China's most resource-rich generations; many of their families have significantly economically improved their lifestyles over a short amount of time. Born into the one-child policy era, these family's resources (coupled with high expectations) have been lavished on them. Now, they are currently China's young workers, early enough in their career to drive their work expectations from internal goals, rather than the outside pressures of family. They, like their global peers, are delaying marriage, children and home ownership longer. But these choices are very new to them and China, so making them places greater pressure on them to make the most out of their first working decade.

The result is a 230 million strong Gen Y workforce in China that is meaningfully different than its global peers. Because the pace of change in China's Gen Y's lifespan has been so rapid, they tend to be even more impatient and eager for resources and advancement than their global peers. They can also afford to be; the demand for qualified Gen Y's in China currently outstrips supply unlike in other parts of the world. However, due to the same rapidity, Gen Y in China has grown

up in a more traditional education system and culture not yet adapted to the new pace of capitalism. Economic and parental pressure for success has risen with the explosion of new opportunities, but Gen Y's are still learning how to harness the new entrepreneurial and technological energy in China to their advantage. As they are finding their way, their parents are aging and looking to them for caretaking. With few real mentors ahead of them (unlike developed countries where industries have matured in slower steps), they enter the workforce with gaps between their skills and job responsibilities, between their expectations for success and their abilities to reach it, and between their performance and company standards. The potential for failure feels high for many of them, and the diligence to meet and work through failure is very low.

In this world of extremes, companies operating in China, and specifically their managers, have to take stronger actions to address the needs of its Gen Y's workplace than in other countries. They must reconcile Gen Y's desire to regularly access knowledge, training, development opportunities, feedback, and rapid advancement with older generations' attitudes that emphasize collective good, patience, loyalty, hard work and a respect for structure. Managers must strike a balance between incentivizing without overindulging. Managers must help "raise" Gen Y employees through the ranks without breeding resentment from older generations who did not necessarily receive so many opportunities. Managers must inspire individual loyalty and hard work without sacrificing the overarching needs of the company and attention to their own responsibilities.

## Businesses can no longer afford to wait to address Gen Y's needs

The cost of not addressing these issues now will be even higher in the next generations. Gen Y is not an anomaly. It is an indication of the future. If Gen Y's are entrepreneurial and demanding, their younger peers are even more so. If Gen Y's expectations for success are high, the next generation's will be even higher. Systems put into place now to address Gen Y employees will serve as strong platforms for employees to come.

Gen Y is also the future generation of managers, visionaries, and leaders. Their strengths – if used correctly – will propel China's companies into decades of success. They will build companies that speak to themselves and consumers to come. They will harness technology, facilitate greater globalization, create new industries, and improve efficiency.

Their weaknesses – if not addressed – will prevent companies from realizing these benefits, and will hinder and cost them in turnover and poor productivity.

The key is facilitating communication and understanding. For companies that build bridges between Gen Y and current managers, between Gen Y and future employees, and between Gen Y and each other will succeed. The companies that don't will find the differences between their employees widen with each successive generation.

As a result, this report aims to be an efficient tool for managers facing these challenges by clearly addressing the key issues and providing solutions. It will first examine, in more depth, China's Gen Y's attitudes and motivations. Then it will compare them to older generations' own experiences and expectations. Thirdly, it will break down the gaps and assess them one by one by category. Finally, it will provide case studies so companies and managers can learn from one another.

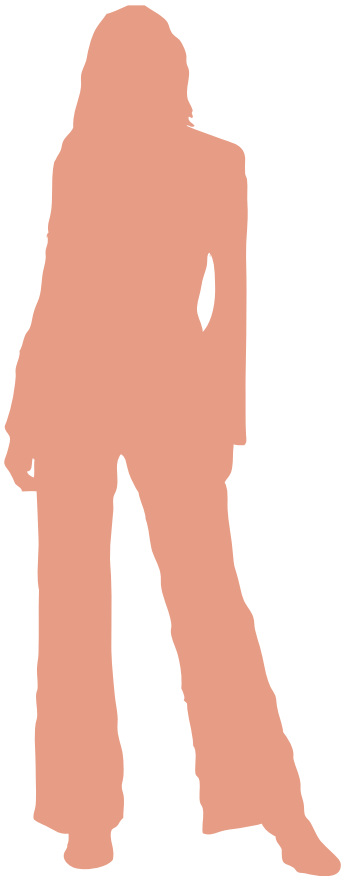




**A Unique Research Perspective**



# A Unique Research perspective



Much has been written about Gen Y since they joined the workforce, and specifically on ways to manage them. Case studies have illuminated managerial tactics that work, and programs that haven't. HR resource reports have examined Gen Y's unique staffing costs. Recruiters have recommended ways to identify the best and most likely to succeed Gen Y candidates.

However, all of these reports have been written with a global perspective, lumping all Gen Y's into one category, and neglecting the unique regional differences embedded in each country's own population.

The regional differences for China's Gen Y are significant. Most notably, China's Gen Y is large, currently in very great demand, and part of one of the world's fastest growing, largest, most powerful and most rapidly changing economy.

As a result, this study breaks China's Gen Y population apart from the rest and holds them as a unique group of employees. It examines China's Gen Y from the perspective of China's manager and employees. It studies international and local companies alike, across various regions in the country. It casts a wide net across the Internet, and probes deeper with in-depth interviews. It uses case studies by China-based companies for likeminded China-based companies to create concrete pathways to change and improvement. While global lessons can be garnered from its pages, its perspective remains respectfully focused inward on China and what its companies need to succeed in the next generations.

## Research Methodology

In 2008, three companies, IBM, Egon Zehnder and Universum jointly together to begin research on understanding the challenges of attracting, retaining, motivation and managing the rising Generation Y in China. The results of that study were released as a Whitepaper, “Generation Y: Challenges and Strategies for HR Management” which helped companies’ management understand Gen Y’s expectation, and helped business prepare to face Gen Y challenges.

In 2011, IBM carries out this study again, and worked with n-Dynamic Market Research & Consultancy Limited (N-Dynamic) to design, implement and report this study. Compared with the 2008 survey, which focused more on Gen-Y’s expectations, this new study focused more on understanding Gen Y’s experience in the work place. It also gauged their motivations, attitude and commitment. A gap analysis between Gen Y and other generations was conducted along with in-depth interviews with companies having best practices in managing Gen Y.

This study was conducted from October 2010 to April 2011. It was comprised of three phases. The first phase was an online survey aiming at understanding the differences between Gen Y and other generations in terms of motivation, attitude, behavior and commitment. In order to obtain a representative sample, quotas were designed on age, gender and city of residence. 2,480 valid questionnaires were collected as a result with respondents’ demographics details as below:

Result With Respondents’ Demographics Details

Age	<div><div>• 1970-1980</div><div>• 1980-1971</div><div>• 1990-1981</div></div>	<div>12.0%</div> <div>17.0%</div> <div>71.0%</div>
Profession	<div><div>• Management</div><div>• Blue-collar worker/Technical personnel</div><div>• White-collar worker and others</div></div>	<div>33.0%</div> <div>11.8%</div> <div>55.2%</div>
City of Residence	<div><div>• Beijing, Shanghai, Guangzhou</div><div>• Other cities</div></div>	<div>65.2%</div> <div>34.8%</div>
Gender	<div><div>• Male</div><div>• Female</div></div>	<div>51.8%</div> <div>48.2%</div>
Education Background	<div><div>• College</div><div>• University</div><div>• Master or above</div><div>• Others</div></div>	<div>21.0%</div> <div>65.6%</div> <div>9.4%</div> <div>4.0%</div>

The second phase was a qualitative study aiming at understanding managers’ perception of Gen Y and the challenges in managing them. Two online focus groups were run, each with 20 managers from Shanghai and Beijing who participated in a 7-day online discussion. There were also two traditional face-to-face focus groups, one in Beijing and one in Shanghai with managers of Gen Y.

During the third phase of the project, in-depth interviews were conducted with eight organizations that have large workforce in 80’s and have best practices in recruiting, managing, motivating and retaining Gen Y. These case studies form an essential part of this white paper.





# A New Type of Workforce



# Defining Generation Y Globally

While many Generation Y's, with their focus on individuality, would argue that there is very little uniformity about them, their generation as a whole contains remarkably unifying attributes. Born into the technology and information age, and largely raised in two-income households at a time when parenting philosophies shifted towards fostering children's intrinsic self-esteem rather than achievement, Gen Y's have been born into a time of information, resource, praise and indulgence.

This has given birth to a series of defining characteristics. On the positive side, Gen Y's access to computers, the internet, information, independence and encouragement has led them to be:

- Technology-savvy
- Accustomed to independent thinking and decision making
- Pragmatic
- Entrepreneurial
- Creative problem-solvers
- Adapt at leveraging technological resources to create and mobilize communities towards central purposes
- Collaboration driven
- Confident
- Able to define themselves by who they are rather than just by their jobs

However, on the negative-side, Gen Y's upbringing in information and choice-rich environments, has led them to be:

- Quick to change tastes, to the point of fickleness
- Expectant of choices and exploratory knowledge, often at the expense of making their own contributions
- Overly demanding of positive feedback and collaboration
- Markedly disrespectful of hierarchical structures
- Less accustomed to single-mindedness, persistence and loyal diligence
- Defensive against criticism
- Strongly focused on maximizing their own benefits and monetary earnings

These characteristics have made this new generation of employees uniquely difficult to manage. The rapid evolution of technology has significantly widened the gap between older employees and new employees. The corresponding change in work attitudes and behavior has happened so quickly that many managers and companies are still trying to find the right balance between speaking directly to Gen Y's expectations, and the needs of their companies for organizational structure, hierarchy, and the highest levels of productivity and efficiency.

Nowhere is this truer than in China.



# Defining Generation Y in China

## Generation Y's Social and Cultural Upbringing

Generation Y in China is unique because of its upbringing in an unparalleled period of progress, industrialization, economic and cultural openness, and global awareness in China's history. Rarely has so much change occurred in just one generation:

- In 1977, China resumed its college entrance examination system after the end of the Cultural Revolution
- In 1978, China opened its door back up to the international community
- In 1979, China implemented the one-child policy
- In 1993, job allocation after graduation from university ceased to be guaranteed to young people
- In 1998, widespread state-owned enterprise reform released a number of state workers into the private job marketplace
- In 1999, Chinese universities began to expand dramatically
- In 2004, property prices began taking off, setting the economic bar higher and higher each year for financial security and the possibility of marriage and a family

Any one of these changes alone is capable of causing a widespread shift in a generation's mentality. However, taken together with an extremely fast rise in China's economic prosperity and the use of technology and the internet, they have given birth to a generation whose:

- Exposure to the world compared to generations before is unprecedented

- Access to economic and education resources compared to previous generations is unprecedented
- Indulgence by family, due to the one child policy and shifts in social attitudes on child-raising, is unprecedented
- Experience and awareness of entrepreneurship and economic opportunities is unprecedented

These aspects of China's Gen Y's upbringing have led to an even deeper sense of restlessness, entitlement, individuality, and high expectations in the workforce.

Unlike in other countries where the supply of jobs for Gen Y's either meets or is slightly below demand, it is the opposite in China. Demand for Gen Y's is plentiful, and currently the generation is young, largely without family, property and immediate responsibility. Gen Y's can afford to be choosy, even fickle, disloyal and exploratory. As a result, Gen Y's more openly express their discontent with jobs, frequently change positions, seek higher pay and make demands on employers.

This has largely created a negative perception of Gen Y's workers in the workplace. During the focus groups and interviews conducted during this study, managers repeatedly described Gen Y's as demanding, short-term in perspective, seeking



to gain more than they give in their jobs, and possessing of overly high expectations for promotion and salary from their companies.

However, there is also another side to China's Gen Y story. Gen Y is currently straddling old and new social norms. They are caught between the older generation's mentality of taking care of parents and buying a house and getting married and the reality of China's rising standard of living and price inflation. The economic pressure to succeed for themselves and their families rests on only child shoulders rather than spread out across siblings. They are as afraid of failure as they are of settling, and their age adds a simple level of immaturity that must be acknowledged.

Also, the rapid pace of change in China has left Generation Y without older mentors to look upon. Unlike in industrialized countries, in which the path to industrialization is well worn, China's Gen Y's are doing many things for the first time. They are opening up new technology businesses. They are finding ways to leverage the Internet. They are delaying marriage and children in exchange for investing in themselves and their careers, and along the way, they are suffering the uncomfortable judgment of family members before them who themselves do not quite know how to navigate the new world in which their children are operating.

The sense of bewilderment, uncertainty and economic need is immense. The visions of hope, prosperity, and realization of one's individual talents are large. However, regardless of their strengths and weaknesses, this generation is here to stay and is advancing. The successful companies in China are learning how to address its needs directly.

## Chinese Generation Y in the Workplace

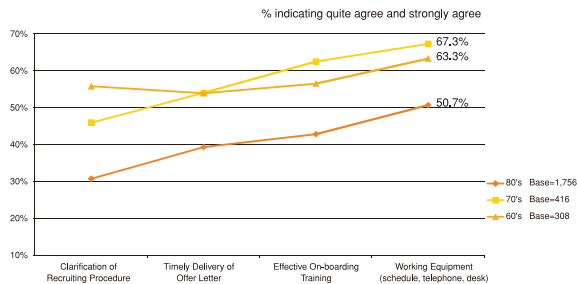
Understanding China's Gen Y's in the context of its peers, and its unique upbringing and internal motivations is the starting point for China's Managers to develop and implement workplace best practices. The next, more tangible step is to understand concretely how Gen Y thinks and operates in the actual workplace.

The data collected from 2,480 respondents in the first phase and 4 focus groups in the second phase provides a clear and concise snapshot of Gen Y's workplace motivations, thinking and priorities. It provides a foundation upon which companies can prioritize their initiatives for change, and implement new programs.

## Recruiting

According to the study, companies need to start reorienting themselves towards Gen Y's right at the very start of the working relationship – at recruiting. According to those surveyed, Gen Y's (who are accustomed to and feel most comfortable in environments of clarity and information) feel that right upfront, company procedures are not clear enough; this is very telling of future expectations at work. In fact, only 30% agreed or strongly agreed that their own recruiting procedure was very clear. This was in stark contrast to the Post 60's & 70's workers, who were largely satisfied with the clarity of their process.

## Recruiting Procedures Breakdown by Age



In other areas of the recruitment procedure, Gen Y's were marginally more satisfied. In this way, they did not largely differ from older employees, but the gap between their responses and others is still noteworthy. This is because their lower positive response rate overall speaks to a trend found in all areas of working life examined in the study.

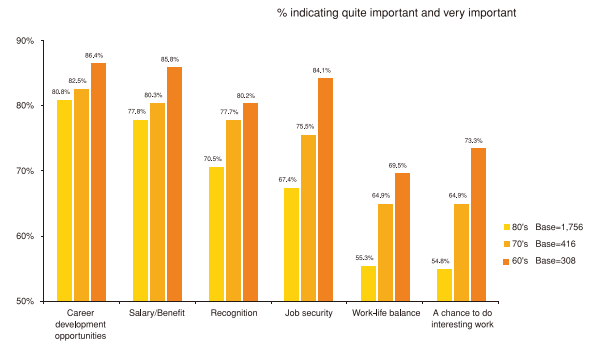
In other words, from the very start, Gen Y's are less satisfied in general, and to a significant extent as compared to their older working peers.

## Motivation at work

Gen Y's motivations in choosing a job and working hard in it are ranked in the table below:

The most important motivation is career development, followed quickly by salary and benefits, and then recognition. It is worth noting that Gen Y's put much less importance on a chance to do interesting work, than career development

## Motivation at Work Breakdown by Age



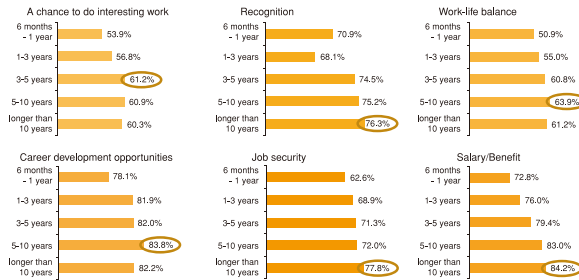
opportunities. This table speaks to Gen Y's strong desire for quick advancement and significant financial rewards.

The data also provides companies wanting to retain and motivate Gen Y's employees with an important priority list. If one wants to inspire Gen Y recruits and their efforts, show them clearly what they'll get for their effort and pay them for it.

This remains true throughout Gen Y's time in a company. Of those who stay in a company for 1-5 years, over 81.8% cited career development as quite important. This was followed again by salary and benefit, and then recognition.

Other generation's priorities follow a similar trend as Gen Y, but with notable exceptions: Post 60's place more emphasis on job security, and Post 60's and 70's place greater emphasis on work-life balance and opportunities for creative work relative to Gen Y employees. This indicates a maturity in attitudes in older workers, and also indicates that companies looking to meet their employees' motivations at work can somewhat tier their efforts.

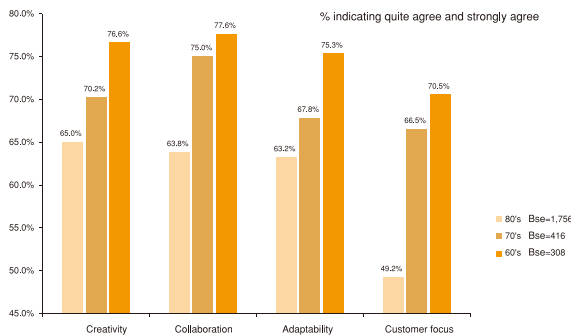
### Motivation at Work Breakdown by Years of Stay with the Company Employed



## Corporate culture

Within the corporation itself, Gen Y's look for distinctive characteristics in the culture.

### Attitude towards Corporate Culture Breakdown by Age



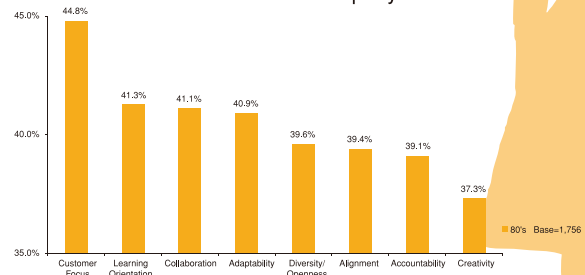
It is here that Gen Y's desire for creativity becomes apparent.

According to the study, Gen Y's believe that creativity is the most important aspect of corporate culture, followed by collaboration and adaptability. Post 60's and 70's aspire more to a corporate culture of collaboration and adaptability.

This difference in attitudes is a notable gap between the older and new generations. A creative culture focuses on individual achievements and talents; a collaborative culture focuses more on a team. The fact that one generation aspires to individuality and the other to collaboration is a source of tension and creates unique challenges to management in China. Examples of how to bridge this will be discussed in greater detail in the case studies.

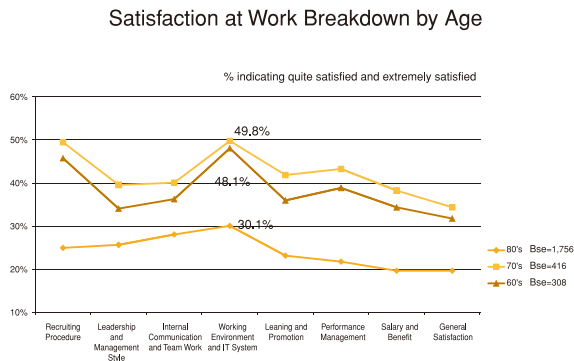
Gen Y's opinions of its current employers are also very critical. Only 37.3% of survey respondents indicated that their corporate culture is indeed creative enough, and of the area they generally aspire least to – customer focus – Gen Y ranked their company's highest. The direct inversion of the relationship between this data suggests that Gen Y's are most critical of what they want the most, least critical of what they care about the least; this is another aspect of their general personality. It also suggests that opportunities to create creativity are necessary in any workplace employing Gen Y's.

### Attitude towards Corporate Culture of Current Company



## Satisfaction at work

Gen Y's are largely dissatisfied with their work, significantly more than their peers as demonstrated below. Compared to other generations, they are very dissatisfied with salary and benefits, performance management, and learning and promotion. They are relatively less dissatisfied with leadership and management style than the generations above them. This continues to speak to their individualistic bent – they are least satisfied with the areas of work that directly benefit them, while the older generations look more to the collective functioning of a group and its leadership and management as a source of satisfaction beyond their own performance.

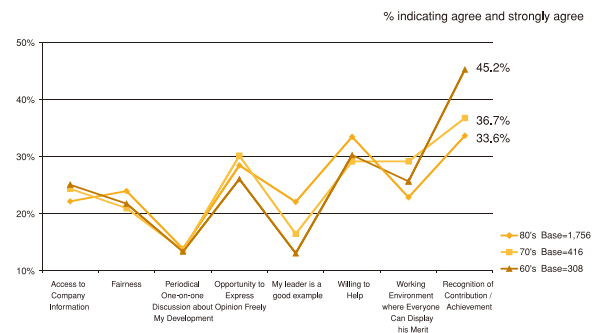


## Leadership and Management Style

According to the study, more than 60% of Gen Y's did not

agree with the positive attributes asked about their managers. Of those who did, Gen Y respondents generally feel that their managers are willing to help, are good examples, and are fair. But they also feel that managers need to provide more access to company information, recognition of individual achievement and periodical one-on-one discussion. For older generation managers, this is not as much the case.

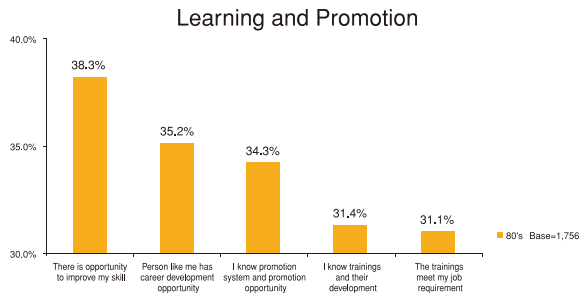
### Leadership and Management Style Breakdown by Age



This gap creates a risk that older generational managers may not recognize, respect and address the needs of the younger generation for a more hands-on management style.

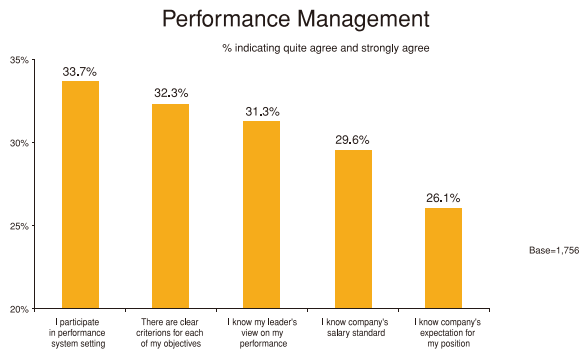
## Learning and promotion

Gen Y's generally seek more opportunities for learning and promotion than currently provided. They specifically seek training that helps them meet their job requirements. More than 61% of Gen Y's surveyed were dissatisfied overall with the training opportunities currently being provided to them.



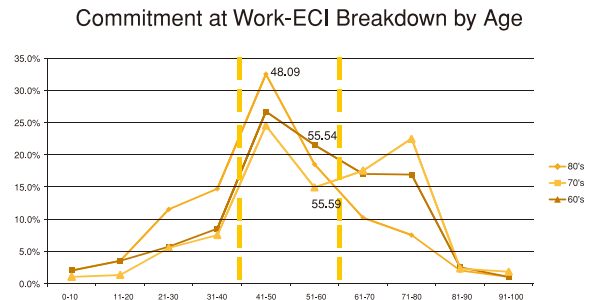
## Performance Management

In the area of performance management, Gen Y's again seek clarity and information first and foremost, and feel a significant lack in their participation in the process.



## Commitment at work

As Gen Y's are largely dissatisfied with their employment, their loyalty to their jobs and turnover is also greater than older generations.



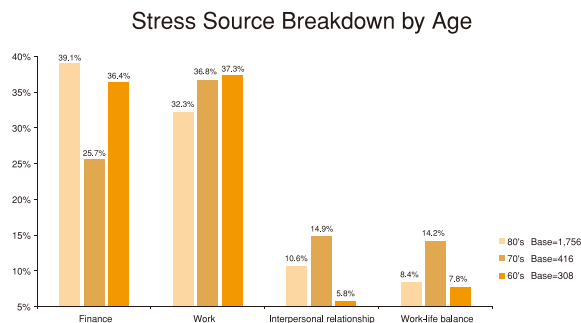
The Employment Commitment Index (ECI) is a proprietary tool owned by Vocatus AG, the German representative of the IRIS network. It is a two-dimensional construct comprising of employees' satisfaction with the company and employees' engagement for the company. The first dimension is an emotional state whilst the second is rather a motivational state including commitment to the company.

Questions 40 - 42 cover the first dimension and comprise overall satisfaction, reapplication and recommendation. Questions 43 - 46 cover the second dimension and comprise identification, motivation of colleagues, actual competitiveness and confidence in future competitiveness.

Assuming that employee satisfaction is a necessary condition for employee engagement, more weight was put on the first dimension when computing the ECI. The ECI itself is a weighted additive index comprising the seven questions.

## Personal Stress and Concerns

Gen Y's feel a significantly greater amount of financial stress than Post 60's and Post 70's employees. Inversely, they feel less work stress than older generations. This speaks to the pressure Gen Y's feel to earn enough to purchase a house and be able to get married. It also speaks to their relatively lower levels of responsibility in the work place. Older employees in general, by nature of their experience, have higher roles in companies and more responsibility than Gen Y's. They therefore experience more work stress than younger employees.



## Summary

According to the study data, Gen Y's at work:

- Seek more clarity and information at the recruiting process.
- Are most motivated by job development opportunities, salary and benefits, and recognition
- Seek more creativity, collaboration and adaptability in their corporate culture
- Are generally more dissatisfied than their peers
- Seek more direct relationships with managers
- Seek clarity in salary, bonus, promotion and performance management processes
- Are less loyal to companies

The interviews with Gen Y managers shed more light on these attributes. According to the respondents, Gen Y's at work operate best in creative corporate cultures that reward innovation and entrepreneurship and invest in their employee's advancement. They particularly perform well in collaborative, learning oriented environments with accessibility to managers.

Gen Y's apply their energy and talents best to tangible project-based collaborative problems. They are more flexible thinkers and problem solving oriented than the generations before, and they are agile with technology and the efficiencies that it can bring. Putting their minds to concrete problems and solving them in a way that entrepreneurially and clearly serves both themselves and their business is where Gen Y's excel.

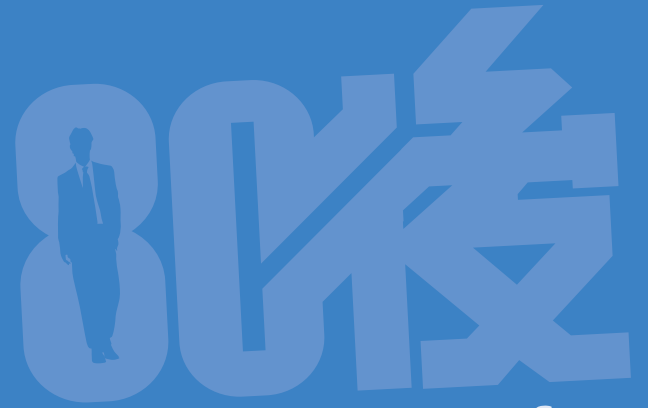


They have less respect for tradition hierarchical corporate cultures than previous generations, and are eager to have greater responsibility much faster than older employees. Unlike previous generations that understood that “paying dues” was part of any working environment, they respond very negatively to that attitude. Instead, they constantly seek a sense of collaboration and mentorship with older employees and their managers, and look for regular positive feedback to reaffirm their ideas of themselves in the workplace.

They are also not very customer focused, but instead, aspire to their own advancement and skill acquisition more. They are more interested in making a fast and positive impression on those that can promote them than they are on the customer (whether internal or external). While this makes them fast learners and eager on-the-job students, it takes energy away from their performance and service to customers.

The key to managing them well is to capture the creative energy by motivating them with clear processes for salary increases and advancement, all the while by helping them build internal relationships with senior employees so that they remain integrated and part of the organization.





# Building A Bridge for Communication



# Generation Y Managers: Post 60's and 70's Employees

Before moving to managing Generation Y best practices, it is worth taking a step back to explain their manager's background as well. This will allow the overall dynamic in a generationally diverse company can be understood.

## Social and Cultural Upbringing

Post 60's and 70's employees grew up in a very different environment from Generation Y's. Theirs was a generation that emphasized socialism, collectivism, and self-sacrifice. Workers born in those years grew up in a society that valued hard work, keeping a low profile, conformity, and loyalty. They were raised to shun capitalism and individualism, and were largely unexposed to outside ideas and worlds as China chose to close almost all international relationships during their two decades of upbringing.

The world changed swiftly in front of them in the 80's, and unlike the generation born into these changes, post 60's and 70's employees were the ones forced to adapt quickly. They had to, in a very short amount of time, change their mindset from workers largely trained to work in government-owned enterprises to workers trying to advance private enterprises and promote more capitalistic efforts. They also had to adapt

quickly to technological changes, social changes, and the bombardment of information from China's newly opened doors to the international community.

In short, they have had to bridge the new and old China, and have largely done so by applying old values to new situations. They have worked hard, remained loyal to companies that gave them opportunities, and have sacrificed their own self-interest for the greater economic good. These attitudes, coupled with China's explosion in economic opportunities, have powered the growth China has enjoyed over the past two decades.

However, these attitudes are slowly being replaced by new priorities on individualism and entrepreneurship within China's society. These new priorities are giving rise to a new kind of consumer, one that Gen Y's are more in touch with than previous generations. They are also creating a new kind of worker, one that Post 60's and 70's need to learn to more adeptly manage if they want to maximize the use of their talents.

Given that their background against Gen Y's background is almost a diametric opposite, it is understandable that this situation provides immense challenges, but by acknowledging it and understanding the differences, key steps in the right direction can be made.

## Post 60's and 70's Employees in the Workplace

Post 60's and 70's employees bring meaningfully different attitudes and expectations to the workplace as a result of their upbringing.

### Choosing a job

Post 60's and 70's employees grew up in a time in which good positions were less plentiful. Therefore, they tend to be more cautious in choosing a job than Gen Y's. They are also older and more mature members of the current workplace. As a result, they value salary and benefits alongside opportunities for growth and advancement. They tend to look for jobs at which they can stay and contribute, rather than jobs they can just quickly maximize their financials and learning potential and move on.

### Performing at a job

Post 60's and 70's tend to be more methodical, diligent at difficult tasks, and persistent. They are largely hard-workers and place aligning with company value and goals, and maximizing their productivity as admirable workplace aspirations.

On the negative side, they are relatively less familiar and adept at employing technology relative to younger employees, and they generally seek less collaboration and feedback than Gen Y's. Instead, they have a "keep their head down" mentality, which helps them complete tasks but does not necessarily help them create rich, community-oriented, creative and learning-intensive corporate cultures.

### Staying at a job

Post 60's and 70's value economic stability. Their turnover rate in the workplace is lower, and their commitment to their jobs is higher. They are also currently more mature workers, in positions of greater responsibility. At their levels, commensurate-to-better positions are more difficult to find and take longer to negotiate in general, thereby also naturally leading to lower turnover.

## Collaborating with Generation Y: Defining the Gap

The effects of these differences between Generation Y's behavior and expectations in the workplace and Post 60's and 70's employees behavior and expectations in the workplace becomes most apparent in the employee – manager relationship. Because of the gaps between their experiences and works aspirations, Gen Y employees have a difficult time respecting and meeting their managers' expectations. Likewise, post 60's and 70's managers have a difficult time respecting and meeting the needs of their younger employees.

This overall lack of respect and attention to the employee-manager relationship is costly in both inefficiencies, lost productivity, and turnover of younger employees. As a result, it is imperative to breakdown its manifestations into tangible categories and then "define the gaps" in which the generational differences need to be bridged. We start with a general discussion.

## Manager and Generation Y have different work priorities

Managers (for the purpose of this discussion largely defined as post 60's and post 70's workers, although it must be noted that some post 80's workers are already in managerial positions) view job stability and corporate alignment as very important, while Generation Y is more focused on promotion, job-training and salary growth. This creates a sense of give and take imbalance. Managers largely feel that they are being forced to give many work incentives to Gen Y, but Gen Y is not giving back in maximum productivity.

Managers, particularly of older generations – post 60's – also place less emphasis on creativity and more on doing in their own day-to-day responsibilities and the allocation of responsibilities to others. They generally do not see lack-of-creativity as a problem within their companies or roles. Generation Y, on the other hand, feels that their work is not creative enough. They widely feel their companies can create more creative opportunities than are currently at hand. This creates an imbalance between expectations in job descriptions, responsibilities, and job satisfaction.

Thirdly, Managers want their Gen Y's to focus on customer-service in particular; they rank it very important to their companies' work, whereas Gen-Y's rank this very low on their work priority-list. Gen Y's prefer work that they feel more tangibly improves them. This creates the feeling in managers that Gen Y's aren't willing to rise to the company needs and the core needs of the clients.

## Managers and Generation Y have different work personalities

In the workplace, Gen Y's are generally more aggressive – both positively and negatively – than the generation before. When properly incentivized, they more eagerly pursue opportunities for entrepreneurship, creativity, active problem solving, and advancement than previous generations. However, they are also more demanding and dissatisfied in general, and are more vocal about their dissatisfaction.

Managers of older generations are more accustomed to keeping their heads down and expecting their hard work to speak for itself. They are generally quieter and more diligent. However, they are also generally less creative and entrepreneurial in their attitudes. This creates a communication gap between them.

## Managers and Generation Y have different work talents

Generation Y is more flexible, creative, technologically savvy, and wanting of work that incorporates their spirit and not just meets physical needs of earning money. Gen Y is also more socially and community minded. These talents are good for company evolution and culture in China.

Post 60's and 70's are older, more experienced, more patient, diligent and more focused on collective goals than individual goals. This is good for companies in the long-term but sometimes misses opportunities for personal talents to really standout and shine.

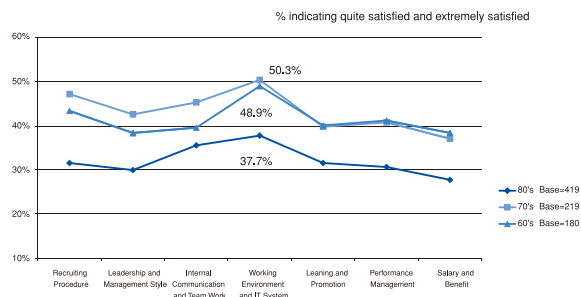
## Manager and Generation Y have different (largely negative) perceptions of each other

Gen Y generally thinks their managers pay them too little, are too opaque and formal, not frequent enough in their feedback and promote too slowly.

Post 60's & 70's generally think Gen Y's are too impatient, demanding and not willing to work hard and learn and earn their money. They see Gen Y focused on self rather than the satisfaction of managers or customers.

On the other hand, Gen Y managers of Gen Y employees recognize that their own generation is generally dissatisfied. Older generation managers do not have the same perception. This is a significant gap, and needs to be acknowledged for companies to change and management of Gen Y to be effective.

Gen-Y's Satisfaction at Work from Management's Perspective Breakdown by Age



## Collaborating with Generation Y: Challenges to Change

It is worth noting that bridging these gaps in work expectations, perceptions, and preferences is no easy task. It requires change at the top first – amongst managers – with requires managers to take the first leap to understanding and acknowledging the differences between them and their Gen Y employees. It also requires managers to be trained to understand why it is important that they make an effort to change their management programs and style, rather than expecting Generation Y to fit into their way of thinking. Thirdly, it requires companies to invest heavily in teaching managers how to meet Generation Y's needs, how to communicate better, how to prioritize managing and mentoring in their workplace, and how to respect programs designed to incentivize Generation Y to remain loyal to their workplace. However, these investments are worthwhile, not just in the costs they save, but the generational continuity within companies that is required for China's economy to continue growing at a rapid pace.







# Creating a Win-Win Strategy



# Successful Management Practices

The most successful programs aimed at managing, motivating and retaining Gen Y are those that bridge the differences identified above and speak to Gen Y directly. For example IBM Blue Pathway Internship and Recruitment Program speak to Gen Y through multimedia platforms and provides in depth interaction between incoming interns and managers. It also provides Managers an opportunity to evaluate Gen Y candidates' true work potential.

Cummins "Connect" Program focuses on bringing Gen Y, Managers and experts together on a regular basis to facilitate the exchange of ideas and best practices.

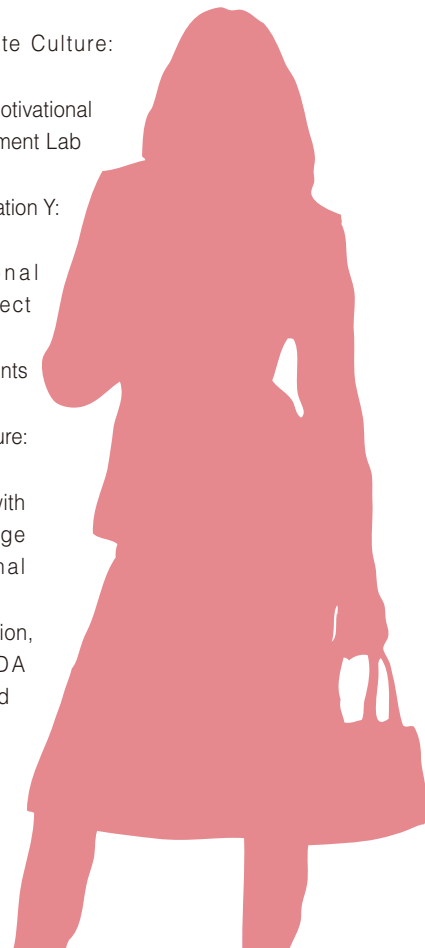
Alibaba "Sky Warriors" Program allows Managers to post client-problems to be solved (thereby maximizing customer service), while encouraging Gen Y creativity.

Each of the programs described below could be summarized in similar terms – they speak to both Gen Y and their company's need for top performing employees. Their attributes offer wisdom for all companies looking to change their own practices.

They are organized below as follows:

- Making Recruiting Fun: Hong Kong Disneyland Career Talk
- Maximizing Clarity in the Recruiting Process: IBM Blue Pathway Internship and Recruitment Program

- Training Generation Y: SNDA Nine-Month Training Rotational Program
- Leveraging Cutting Edge 3-D Technology in Training Gen Y: IBM 3D Virtual Learning Platform
- Connecting Gen Y to Corporate Culture: Goldman Sachs
- Providing Gen-Y Employees with Motivational Career Paths: IBM China Development Lab (CDL) Career Development Day
- Training Future Managers for Generation Y: J&J Management Growth Program
- Creating Cross-Generational Relationships: Cummins Connect Program
- Managing Performance: SNDA Points System
- Putting Creativity in Corporate Culture: Alibaba "Sky Warriors" Program
- Flattening the Corporate Culture with Technology: Tencent Knowledge Management and BBS Internal Communications System
- Providing Competitive Compensation, Benefits and Salaries: SNDA Employee Stock Ownership and Housing Benefit Plans





## Making Recruiting Fun

**Company:** Hong Kong Disneyland

**Best Practice:** Hong Kong Disneyland Career Talk

**Program objectives:**

- To set clear work and company culture expectations for new recruits
- To convey a fun and dynamic work environment to attract energetic Gen Y recruits

**Key successful elements:**

- Peer – to – peer introduction to the company
- Use of multimedia in presentation materials
- Focus on presenting a simple initial picture of the company that speaks to Gen Y's interest: a working environment of fun, like-minded colleagues with whom friendships can be formed and much can be learned
- Use of company website to provide the more corporate details of job responsibilities and descriptions

**Program results:**

- New candidates enter company well-informed about their career path and opportunities
- New hires enter with the feeling that they are in the company of fun and energetic peers
- Recruits are less likely to quickly leave

**Description:**

From its initial introduction to potential applicants, Hong Kong

Disneyland aims to portray its culture in a fun, positive and attractive light to attract likeminded candidates to work in its business of providing recreation to families and children.

It does this by leveraging technology through multimedia and interactive PowerPoint presentations, and a short video.

The video uses about 10 existing junior employees from different departments to tell their experiences in Disneyland to their potential peers. The choice of people close in potential recruits' age is deliberate – the company wants to connect similar age groups so that they can talk directly to each other, and so new recruits can immediately identify with their potential coworkers and even imagine themselves working with them. In addition, all presenting employees are very happy with their work, and have at least 2 – 5 years of experience at the company. This gives them both energy and credibility. They speak on topics key to new recruits: work-life balance, on the job training and career development.

After the video, recruiting uses PowerPoint's to give more detailed information. There are two groups of jobs in Disneyland: those on the Operations Team and those on the Professional Team. The Operations Team works for entertaining, retail, food, security and hotel service etc. The Professional Team works more as supportive staff like HR, finance, legal, development etc. Serious recruits are then referred to even more detail job information on the company's website.

The presentation melds both fun and the need for company's to convey important recruiting information to new candidates. Its energetic dynamic leaves candidates feeling both enthusiastic and informed at the same time.

## Maximizing Recruiting Process Clarity

**Company:** IBM

**Best Practice:** IBM Blue Pathway Internship and Recruitment Program

**Program objectives:**

- Provide maximum clarity in the recruiting and hiring process
- Build a high quality pipeline of viable candidates

**Key successful elements:**

- Employment of multimedia platforms online to provide potential student recruits with extensive access to, and information on company pre-, during, and post-recruiting process
- Thorough and involved internship process that both allows Gen Y to evaluate IBM and Managers to vet potential new employees before hiring
- Ample opportunities for interns, employees and managers to interact before offers of full-time employment

**Program results:**

- New employees have great comfort with and clarity about the company upon entering
- IBM is able to identify the most competitive candidates
- Cost per recruit is reduced
- Future employee turnover is reduced
- IBM's image amongst Gen Y's is enhanced

**Description**

Every year, IBM employs more than 600 students as interns through its annual Blue Pathway program. Its recruitment for this program is targeted at students. Interns get a two-month opportunity to learn about each department in the company, and interact extensively with managers and other employees to learn about work-life and responsibilities at IBM. During this time, interns are also assigned a one-on-one mentor through the Smarter Mentorship program, and are provided with a series of live and online training classes.

In addition, the program is complimented and supported by an extensive website on which IBM releases videos, short films, chat rooms and cross talks for visitors and interns to enjoy. Since starting in 2009, the company's Online Video Sharing has been viewed over 15,000 times. The online career center has been leveraged to connect skills with departments. BBS Promotion publishes essays by IBM employees on life at IBM to attract new recruits. The online newspaper draws recruits and new hires immediately into life at IBM. A newly designed cartoon flash adds fun to the platform, and a web-based chat room allows interns with informative interactions.

The results of the program are tangible: recruits come in informed, evaluated for the right fit, and already connected. Recruiting and turnover costs are reduced.

## Training Generation Y

**Company:** Shanda Networking Co., Ltd

**Best Practice:** New Employee Nine-Month Training Rotational Program

### Program objectives

- Provide new Gen Y employees with a comprehensive and well-rounded understanding of the company and core businesses

### Key successful elements

- New employees get three months in each core business department to learn the business and gain a comprehensive understanding of clients' needs and the company's services and products
- New employees get to select their desired division at the end of the program
- Departments get ample time to evaluate new employee skill sets

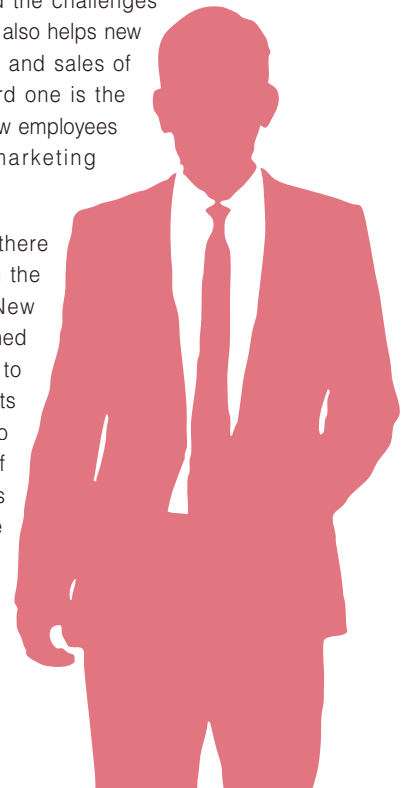
### Program results

- New employees have greater awareness of their role within the company
- New employees have greater clarity of their own potential opportunities and pathways for growth and promotion
- New employees have a larger network in which they can connect into the corporate culture more easily
- New employees understand the needs of other divisions
- Employees and departments are well-matched for skills and interest

### Description

All new staff at SNDA takes part in a nine-month rotation through three core departments at SNDA. The first is the Project Department where new staff can learn about the company operations and products. The second is the Client Service department. All the graduates, even Master's students, must serve in the department for three months. This is emphasized to ensure all new employees understand what SNDA's clients really need and the challenges faced in delivering to them. This also helps new employees target their services and sales of products accordingly. The third one is the Payment Department in which new employees learn about the sales and marketing processes.

After the nine-month rotation, there is a two-way selection between the employees and enterprise. New employees can now make informed choices as to where they want to begin their careers. Departments can make informed choices as to which candidates they like best. If an employee is not chosen by his favorite department, he can do the job rotation again to find a new opportunity.



## Leveraging Cutting Edge 3-D Technology in Training Gen Y

**Company:** IBM

**Best Practice:** IBM 3D virtual learning platform

**Program objectives:**

- Fulfill the new learning requests of Gen-Y
- Drive learning effectiveness
- Transform passive learning to active learning
- Provide a collaborative social learning environment

**Key successful elements:**

- Leverages both Gen-Y's tech-eagerness and their desire to make learning fun
- Cost effective
- Gives IBM a progressive and innovative image to employees and recruits

**Program results:**

- This 3D virtual training is highly recognized and favored by Gen-Y employees
- Learning effectiveness is successfully improved: The completion rate of a 3D learning course is, on average, 30% higher than that of traditional classroom training

**Description**

Gen Y's learning style is unique. They have a different

perspective on life from their older peers and, as a result, prefer learning with technology, interaction, real-life experience and an element of entertainment rather than in an information-laden classroom. As 40% of IBM's workforce is Gen-Y, IBM designed a training program to speak to these needs. Using the latest advancements in technology, IBM China kicked off a 3D virtual world learning environment in 2008. This new training platform was firstly applied in Blue Pathway Intern training, then to new employee orientation and now is widely used within IBM. In the 3D virtual world, every student can transform himself into a virtual avatar of their choosing. These avatars are free to move anywhere in the virtual world, talk to other avatars, and visit parks, restaurants and coffee shops where students can sit down and chat about their understanding, business, life, or any subject as in the real world. This platform helps employees from geographically diverse locations and backgrounds connect, form social networks and collaborate to solve business challenges. They can learn real-life working skills such as signing up for benefits, developing code as part of a global team, and ramping up sales skills before they meet with IBM clients. Embedded with best practice learning theory and pedagogy - including "Learning by Doing", "Social learning", "Community Learning", "Visualization Learning" - its innovation has since been honored in China. It has reduced training costs and increased effectiveness, and made learning active. It is also leading the use of 3-D realm technology in businesses, a platform which IBM CEO Sam Palmisano rightly calls "...the next phase of the Internet's evolution and may have the same level of impact as the first Web explosion."

## Connecting Gen Y to Corporate Culture

**Company:** Goldman Sachs

**Best Practice:** 4-Prong Integration Approach

### Program objectives

- Accelerate the integration of new hires and retain talent
- Strengthen new hires' performance and enhance commercial success
- Sustain corporate culture

### Key successful elements

- On the ground training
- Peer support
- Regional participation
- Networking opportunities

### Program results

- The program has expanded exponentially since starting and into other offices outside of China
- The program has already "graduated" 100 new hires with a greater sense of corporate culture and strong relationships
- The program has led to 30 integration events and growing

### Description

Goldman Sachs' 4-Prong Integration Approach program focuses on new hires in their first six months with the firm. It involves four key components, starting with on the ground training. Day One New Hire Orientation and China New Hire

Assembly sets the program's tone on the first day. It leverages senior visitors through a series called "In Conversation with..." which covers broad topics ranging from career development to business strategy updates. The common theme for all this training is Goldman Sachs culture.

The second component is peer support. This includes activities like the New Hire Club, which is a new hire self-managed consortium. Another initiative is to give new hires an apprentice relationship: each new joiner will get at least one mentor and buddy.

The third component is regional programs, which encourages new joiners to participate in both division-specific and firm-wide events. This can mean attending events in other locations, encouraging their people to build a much broader network across the region.

Networking is further promoted through affinity networks such as the China Women's Network, the China Working Parent Forum, and the LGBT network. By joining these networks, people build relationships with employees in different teams, as well as start to build their presence with the senior leaders at Goldman Sachs.

As a result of this program, new hires start working already aware of and on their way to integrating into the Goldman Sachs corporate culture. They enter the workplace with mentoring and buddy relationships in place to help guide and support them. They have a regional network contacts and knowledge upon which they can draw, and a comfort with networking in key groups and with senior leaders.

## Providing Gen-Y Employees with Motivational Career Paths

**Company:** IBM

**Best Practice:** IBM China Development Lab (CDL)  
Career Development Day

**Program objectives:**

- Increase the effectiveness of IBM's fast growing department, China Development Lab (CDL)
- Help the majority of CDL employees, who are relatively young and junior as leaders, better understand the career possibilities and set career goals
- Reduce employee attrition due vague career paths and understanding of CDL business direction

**Key successful elements:**

- Brings leaders and employees together for a full day focused on career development
- Gives young and junior employees a high-touch career development day
- Motivates employees by demonstrating IBM's commitment to investing in employee careers
- Clarifies the missions and goals of an important and fast growing department

**Program results:**

- 96% overall satisfaction rate
- Career roadmaps designed in Lab are clearly understood by the young talent and junior leaders
- The objectives, opportunities and ongoing projects in CDL are made more visible

**Description**

Founded in 1999, China Development Lab (CDL) today has over 2,300 developers located in Beijing, Shanghai and Taipei; it is currently recognized as the largest international development laboratory in China. Within IBM, CDL is ranked among the top five largest development labs. It is a fast growing department in transformation with an ever-increasing workforce.

CDL's growth puts great demands on experienced and senior business and technical leaders, but the majority of its employees are relatively young and in need of guidance. In recognition of the younger employees' need to better understand their business and technical career possibilities in Lab and set their career goals, IBM designed CDL Career Development Day in which senior leaders and junior staff can come together. The day is used to help employees clarify their growth path. It is also aimed to reduce the overall employee attrition rate due to unclear understandings of CDL's business direction and vision.

Senior business and technical guest speakers are invited to the Career Development Day Activity to sit together with young talent and junior leaders and share their personal career stories and their growth in CDL. Career development advice is also shared by senior leaders based on the employee survey collected in advance. Employees are then invited to develop their own career roadmaps based on what they learn.

96% participants in the previous Career Development Day felt this initiative was very effective, and cited the top three areas of gain as: career roadmap, work/life balance, education & training.

## Training Future Managers

**Company:** Johnson & Johnson Medical (China) Ltd.

**Best Practice:** J&J's Management Trainee Development Program

### Program objectives

- Effectively and efficiently develop middle-level management and leadership talent, strengthen the awareness of teamwork and leadership
- Create a universal corporate culture of leadership internally

### Key successful elements

- The leadership curriculum aims to meet manager talent at its current level by breaking development strategy into five distinct phases
- Brings current and future managers and leaders together for an extensive (2-3 day) and concentrated time frame in order to facilitate communication and share work and life experience
- Follows up with a comprehensive tracking system to ensure lessons are implemented and enforced

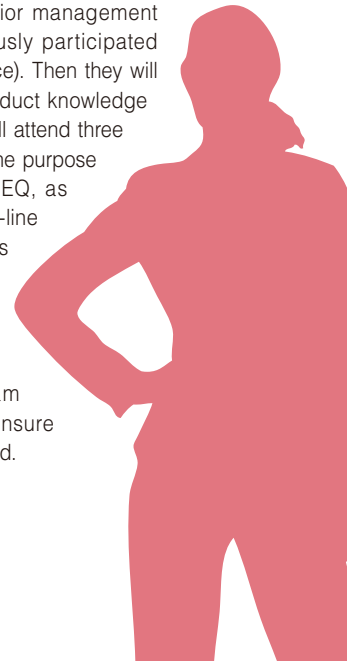
### Program results

- Helps to create a robust pipeline of talent for middle-level management
- Accelerates manager growth and integration
- Discover potential managers by training, development, motivation and retention program at early stage
- Enrich the strong talent pool for durable business growth in the future
- Improves employee's general management competency

### Description

J&J's Management Trainee Development Program (MTDP) is designed for new entrants with managerial potential and nurture their talent early on. This helps integrate these new hires in a short time, give them clear career goals and build up a strong group of future business leaders for company's growth.

This is an 18-month program with three phases. In Phase 1, participants are given a five-day new employee orientation program (included by how to become professional employee; having an overview of organization structure and its vision; understanding the business and operation model of different departments and franchises; conducting face to face communication on how to facilitate self-development and success in the company and sharing of best practices and experience with senior management and staff representatives who have previously participated into the same program with good performance). Then they will engage in 3-6 month training in terms of product knowledge and relative selling skills. In Phase 2, they will attend three days of intensive training and exposure with the purpose of improving self-management ability and EQ, as well as preparing of becoming potential first-line managers. Phase 3 involves another three days of improving leadership skills, this is aimed to help employees build up team-management awareness, and strengthen mental quality of being managers by enhancing their mindsets, thinking and understanding. The program is followed up with periodic checkups to ensure knowledge is being transferred and implemented.



## Creating Cross-Generational Relationships

**Company:** Cummins (China) Investment Co., Ltd.

**Best Practice:** Connect

### Program objectives

- Connect Gen Y's to Cummins internal corporate culture
- Allow for the sharing experience and knowledge of senior staffs and managers with Gen Y's
- Build relationships between senior and junior staff
- Increase Gen Y's overall satisfaction at the company

### Key successful elements

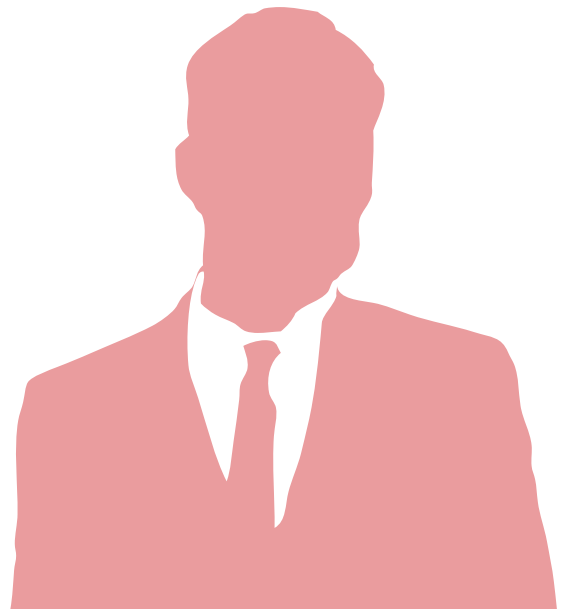
- Includes Fireside chats and Business Talk – information exchange forums that are informal in tone but have relevant content and allow for two-way dialogue
- Program encourages managers and employees to have regular and direct purposeful dialogue with no limits on business and work-life related topics

### Program results

- Gen Y's are able to engage in an active dialogue and learning which draws them into the corporation and its culture
- Gen Y's and Managers are able to learn from each other's perspectives
- Job satisfaction of employees below age 30 has significantly improved since Connect's implementation

### Description

Cummins' Connect Program is a comprehensive relationship-building program targeted towards Gen Y's. The Program includes social activities for Gen Y's and more formal meetings with Gen Y's and Managers, and Gen Y's and staff experts to facilitate dialogue, information exchange, learning and sharing of each other's perspectives. The dialogues have been very successful with Gen Y employees as they have been focused more on hearing their voice than speaking one-way to the generation. In this way, Gen Y's are encouraged to speak out, gain understanding, ask questions and feel their opinion and viewpoint is valued. The program has had lots of positive feedback, and Gen Y's job satisfaction, as a result, has significantly improved.





## Managing Performance

**Company:** Shanda Networking Co., Ltd

**Best Practice:** Game Formula Management System

**Program objectives:**

- To provide clear and achievable promotion tracks for all employees

**Key successful elements**

- Points-based promotion system; employees achieve points based on clear criteria and advance accordingly
- Allows employees to control their own rate of promotion
- Eliminates opaqueness in promotion and pay systems
- Constantly sets forth new challenges for employees

**Program Results**

- Employees are more satisfied with the link between their own efforts, pay and promotion
- Employees understand clearly what is expected of them, and what others had to achieve to get to their current positions
- Employees cannot grow complacent in their own positions

and remain successful at the company; their progress or lack of is very visible

### Description

Through SNDA's employee promotion system, employees can earn points towards promotion based on fixed criteria. As staff ascends in level, criteria and point requirements change in difficulty and amount. Once enough points are achieved towards a promotion, the promotion is guaranteed. The system aims for maximum clarity and individual employee achievement. Financial rewards are received throughout the year based on points achievement. The only year-end evaluation done is for overall departments, and this is to keep employees aware of the importance of both individual growth and teamwork.



## Putting Creativity in Corporate Culture

Company: Alibaba.com

Best Practice: Sky Warriors platform

### Program objectives

- Encourage innovation, creativity and problem solving
- Allow client problems to be uniquely addressed and customer service enhanced

### Key successful elements

- All employees are encouraged to submit a solution
- Technical problems from clients are put on the public platform
- Integral rewards are awarded for successful ideas, and for the proactive assumption of responsibility for implementation

### Program results

- Motivated employees can demonstrate their skill set outside of their daily job requirements
- Employees can be rewarded for their interests, creativity and innovation; leading to greater employee satisfaction

### Description

Alibaba periodically posts technical problems from its clients on the public platform. Interested employees can apply a solution to the problem and take responsibility for its implementation, provided the work on the problem does not interfere with other work responsibilities. Rewards and public recognition are given for successful solutions and the assumption of responsibility for them.

Besides enhancing Alibaba's corporate culture of innovation, creativity and entrepreneurship, the program has led to meaningful new technology solutions. For example, some website engineers suggested making a more friendly web interface instead of the present online database query system. The traditional DBA mode was overburdened and the development engineers thought DBA's response time was slow. They posed the problem to the Sky Warriors. A male employee from DBA Team Operation and Maintenance Department stepped up. He was very busy so he began developing kissdb after work and on the weekends. Kissdb was put into operation after two months, and now has almost 600 users. The interface is more efficient and queries are returned quickly. The system has become reliable for the engineers and has improved their working.

## Tightening Employee Idea and Knowledge Exchange with Technology

**Company:** Tencent

**Best Practice:** Knowledge Management Platform and BBS Internal Communication System

### Program objectives

- Allow all employees to easily and quickly communicate with one another
- Allow active sharing and learning within the organization
- Promote a flat corporate culture

### Key successful elements

- Self-operated platform with content contributed voluntarily by employees
- Employees have direct contact with one another through the technology platform; social networking site
- Offers a diversified format of articles, discussion, quizzes and activities
- All employees from different departments, regions and tenures are invited to share knowledge; encourages a flat corporate hierarchy
- Employees opinions, feedback and questions are answered in a timely manner encouraging a dynamic feel of ongoing dialogue between junior and senior employees

### Program results

- The platform has over 80,000 articles, 70% of which are original
- Self-initiated activities now amount to over 2,000
- Over 70,000 employees participate
- In Tencent's 2010 employee satisfaction survey 2010, over 71% agreed, and 24% generally agreed that "the communication between colleagues is open and honest"
- The hottest section in the internal BBS system is

"communication with GM office", the number of annual total post is 453, total click is 265,407 times and 1,905 replies.

### Description

Tencent's Knowledge Management Platform is a social networking site used by employees daily for learning, working and living. It is a self-operated platform with its content voluntarily provided by employees. The content format is diversified amongst articles, discussions, quizzes and activities. Employees from all different departments, regions and tenures are encouraged to contribute, share knowledge and interact amongst themselves.

The complimentary internal BBS system also allows all employees to ask questions to the leadership team by email and leaders will give direct feedback. Last year, 90 percents of questions were answered by leaders and the click ratio of BBS was more than 200,000. The BBS system lets employees directly submit their opinions about their managers to the HR Department or to the leadership team. There is a corresponding process to support the submissions. In addition, the internal communication platform supports a direct employee-to-employee communicator in which a staff can find all employees, managers, or even leaders and directly communicate with them.

These programs have been very successful in motivating Gen Y employees to be passionate, comfortable and even aggressive within the company. For example, one Gen Y employee recently had a lot of suggestions about company development. He used the internal technology platform to express his views and communicate directly with the GM office, and discuss his concerns – from the waiting time at the staff canteen to solving the unclear departmental responsibility caused by trans-department cooperation. All of his concerns have been addressed, and this has motivated him to be even more active in questioning and improving company practices.

## Providing Competitive Compensation, Benefits and Salary

Company: Shanda Networking Co., Ltd

### Best Practice: Employee Stock Ownership and Housing Benefit Plans

#### Program objectives

- Go beyond just compensating employees and give them a vested interest in the company
- Demonstrate specifically to Gen Y's that their needs are understood and that the company is willing to meet them

#### Key successful elements

- Long-term employee stock ownership; demonstrates SNDA's willingness to invest in its talent
- Housing benefit plan; meets the demands on Gen Y's to have a house in order to get married

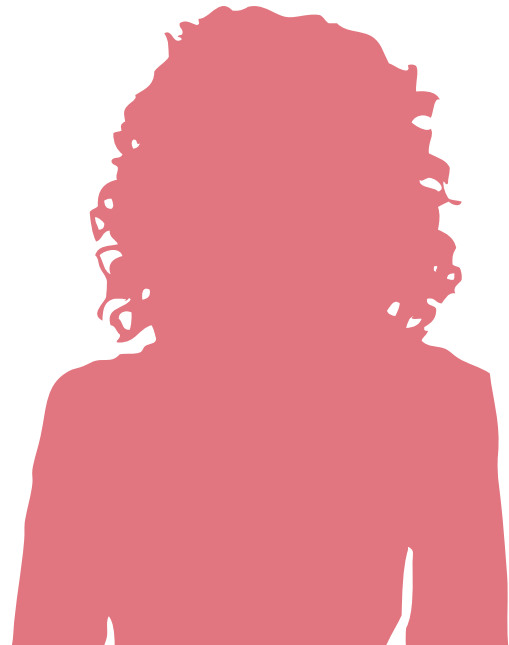
#### Program results

- Greater employee satisfaction and retention

#### Description

SNDA's long-term incentive plan, executed in the form of an employee stock ownership plan, demonstrates clearly the company's commitment to rewarding and retaining talent. By giving employees long-term shares in the company, the company is able to lengthen employees' employment perspective, increase their sense of belonging at the company and increase their working motivation.

The housing benefit plan further demonstrates this by speaking to Gen Y's needs directly. SNDA's supplementary housing fund helps Gen Y's achieving housing and car ownership. This portion of the plan in particular has shown significantly positive effects on retaining employees.





# Conclusion





## Conclusion

As demonstrated in the pages above, Generation Y in China provides unique management challenges for all companies. They are more individualistic than previous generations, more information oriented, more financial-gain oriented, and more demanding than their predecessors, many of whom are now managing them.

However, through understanding their generational history and meeting their needs and motivations directly, companies can not only manage these employees successfully, but leverage their unique talents, creativity, motivations and comfort with technology.

The key lies in implementing successful programs that encourage and reflect understanding between this uniquely new generation and the ones before. Through understanding, companies can also successfully implement programs that allow for clarity in information, pathways for Gen Y's to self-direct their career trajectory, tangible linking between financial rewards and effort, and a flattening of the corporate culture so that Managers and Employees can build and maintain healthy working relationships.

In this environment, expression, creativity, innovation and growth will naturally thrive. Programs set up to formally channel ideas and efforts will become methods of positive reinforcement throughout the whole organization. Gen Y's employees will be successfully retained and used. Managers will see their value. From this virtuous circle, China's next generation of corporate growth will arise.

## Study Participants

The following companies provided in-depth interviews for the study:

- IBM
- Hong Kong Disneyland
- Goldman Sachs
- Johnson & Johnson Medical (China) Ltd.
- Shanda Networking Co., Ltd
- Tencent
- Alibaba.com
- Cummins (China) Investment Co., Ltd

## Study Contributors

### IBM (International Business Machines)

IBM, the International Business Machines Corporation, founded in 1911 in the United States, is a world leader of information technology and business solutions. The company creates business value for clients and helps solve their problems through integrated solutions that leverage information technology and deep knowledge of organizational processes. In 2009, IBM put forward the vision of "Smarter Planet" globally to further boost the development of the next generation information technology and industry. In 2010, IBM's global business turnover has reached USD 99.9 billion. It has registered 5,896 patents in the US, ranking No.1 around the

world for 18 consecutive years. In China, IBM has all business operations from R&D to products and services offerings. It has opened 31 branches in China, penetrating its business into 350 cities. It has established the R&D centers, the Global Procurement Headquarters and 5 Global Delivery centers. IBM China has been recognized as "The Most Respected Company in China" for 8 consecutive years, and was awarded as "THE Leading Company of the Past Decade" in 2009.

### N-Dynamic (N-Dynamic Market Research & Consultancy Ltd.)

N-Dynamic, founded in 2000 in China, is a full service market research & consultancy company. N-Dynamic aims at helping its clients make sound business decisions by providing timely and quality research and consultancy services. It is the China Representative of the IRIS (International Research Institutes) network, which comprises of 35 independent market research agencies worldwide, with only one member per country.

### Study Writer

Rashmi Jolly Dalai has a BA in International Affairs and Writing Seminars from Johns Hopkins University, and a MA in International Affairs from Columbia University. She worked in the investment banking industry for five years for Goldman Sachs in convertible bonds, and then as a Management Consultant for the fertility and genetics industries in partnership with Stone Ridge Partners. She currently writes full time for both businesses and creative projects.