A new generation of employees and technology
How leadership needs to evolve to handle tomorrow’s challenges

The workplace is by nature ever-evolving. Not long ago, computers were still a novelty and handing out loyalty gifts to employees with 30, or even 40 years’ service was nothing out of the ordinary. But this era is slowly coming to a close; in a few of years from now, the last of the baby boomers will retire, Generation Z will enter the workforce, and robots will play an increasingly important role in corporations. These major disruptions are already showing their first symptoms: employee turnover is increasing, digitalization of every aspect of work is progressing, employer excellence awards are becoming more important, and employees worry about losing their jobs to robots.

A new generation of employees with a modern upbringing is arriving on the scene with challenging expectations toward their employers—and a new generation of technology is making automation a reality. Among other trends, these are likely to be the two key drivers of future change and it is time for leadership to prepare for the resulting challenges.
The two disruptors of our time are closely linked and should be analyzed in conjunction to allow the holistic understanding necessary for developing the most appropriate response.

What defines the new generation of employees?
While Generation X is moving up the managerial ladder in organizations, Generation Y is at the source of several new movements in the employer-employee relationship. One of today’s key challenges is employee loyalty toward organizations, which makes talent retention one of the key corporate challenges of our time.

First of all, low retention rates challenge knowledge management within any firm, and increase the need for a good sharing culture. With young employees moving in and out of corporations, management needs to ensure that knowledge is retained in the company. Hence, the need to find appropriate ways to secure its employees’ expertise on paper, or nowadays more often on hard drives, in order to minimize the loss of knowledge after the departure of a staff member. Similarly, this high turnover also means a high number of new recruits, and it is essential to get them up to speed and fully functioning as quickly as possible. Hence, the process of onboarding, which for many companies still remains a formality, becomes increasingly important in order to transfer firm

knowledge. Qualitative knowledge transfers become irreplaceable and state-of-the-art tools such as knowledge sharing platforms prove to be of great value.

Another consequence of a high turnover rate is the constantly increasing hiring activity to secure the supply of talent. Due to increased volatility in the job market, companies need to work relentlessly on attracting the best available human capital. In order to be successful in attracting the best people, companies need to address and respond to jobseekers’ expectations. Where companies were fine to publish a job ad a decade ago and have dozens of candidates lining up in front of their offices, creativity in approaching their target group and using the right channels and technology has now become indispensable. And that is not all: some startups are putting corporations in a display window, providing transparent information about salaries, fringe benefits—and much more alarmingly—proxies for employee satisfaction. Companies have become transparent for candidates, and designing and implementing an employer-of-choice strategy has become necessary if a firm would like to maintain its access to the most talented employees.

Looking into the future, what else does leadership need to prepare for?
While leadership currently adapts the corporate talent strategy to respond to the current generational challenges, it is highly advisable to anticipate the arrival of Digital Natives. Exposed to touchscreens and mobile data since their childhood, they are stereotypically more comfortable communicating through multiple social media apps on their smartphones than having a face-to-face conversation. Whereas the Millennials are often considered to have great confidence about the future, seeking independence and entrepreneurial opportunities, the Post-Millennials are, in contrast, in search of stability. The New York World Trade Center attacks are some of their earliest memories, and they were in their teen years—a period considered to have a substantial impact on a person’s character traits—at the time of the Great Recession. They are inspired by youngsters from their own generation like Malala Yousafzai, the youngest ever Nobel Peace Prize laureate, as a sense of unsettlement and insecurity has accompanied their childhood. Generation Z is a true product of a globalized world, always connected through the constantly available internet, at ease with ever-evolving technologies, but equally aware of global issues such as inequality, climate change, and terrorism.

This particular DNA explains their challenging expectations toward employment. Having experienced their parents being under pressure during the recession or mentally exhausted due to excessive stress, burnouts are a serious concern that this generation will more actively try to prevent than any other generation before. Increased demand for a healthy balance between their personal and professional life and flexibility is the product of this fear. The typical responses from management provide a good basis, but will have to be reinforced going forward: home-office, flexible working hours, internal mobility, and secondment schemes are just a few options that will be required in the future, rather than just being “nice to have.” And for as much investment that offerings like gyms, sophrology, or yoga courses will require, they are not the medicine like gyms, sophrology, or yoga courses will require, they are not the medicine that will prevent burnouts, stress-related frustration, and the resulting employee turnover. Although these elements are pieces in the puzzle of employee well-being, they are not the solution. The only sustainable remedy against employee exhaustion is helping them to create awareness about their physical and psychological state and helping them to develop the courage to take corrective action when they sense they are getting off balance.

Additionally, the feeling of doing meaningful work is becoming a critical source of motivation. Working for a company whose values they share or for something they believe in not only has a positive influence on employee well-being,
but also has a significant impact on their intention to stay with an organization.\(^1\) Believing in the mission of their work and working autonomously toward an ideal is increasingly important for Generation Z. This might explain why 37 percent aspire to lead a company they founded or own,\(^2\) inspired by role models such as Elon Musk, serial entrepreneur and founder of Tesla and SpaceX and champion of disruptions.

Reflecting on the different characteristics of the new workforce, one apparent conclusion is the need to connect employees emotionally to their jobs and companies. For Generation Z, this translates into the feeling of doing something meaningful and impactful. Even though how to create this connection remains the million dollar question, more deeply engaging with young employees and having regular discussions about their passions and drivers is likely to be a good start.

**Thinking for a living and how time is actually spent**

While the above observations apply to Generation Z as a whole, they apply in particular to knowledge workers—people who think for a living. Benefiting from the highest level of education, young university and business school graduates do not expect to perform tedious chores, such as scheduling meetings and filing expenses, when they enter the workforce. However, with the rise of computer tools and internet services, many tasks previously performed by secretaries are now landing in the laps of employees. This allows for greater autonomy, and yet consumes a lot of time that could be spent on the core of one’s job description.

Moreover, office technologies that supposedly automate operations, such as Enterprise Resourcing Planning (ERP) or Customer Relationship Management (CRM), often remain disconnected from each other and unable to complete an entire process end-to-end. As a result, employees have to perform tasks such as extracting and moving data from one system to another. The technology cannot deliver value by itself and therefore needs a knowledge worker to perform routine and mostly monotonous tasks, which, as you might rightly guess, fall far short of the expectations of the recent generation.

**How can automation change this?**

Certainly, hopes are high that this is an aspect where the new generation of technology can bring substantial change. Robotic Process Automation (RPA) is software with artificial intelligence able to learn structured administrative processes that until today required human involvement, such as feeding ERP and CRM systems from multiple sources like emails and spreadsheets. After very limited training, business operations people with the relevant process and subject matter expertise can start automating processes with RPA tools, even without any programming experience. The user links, drags, and drops icons representing process steps in a very similar way to Microsoft Visio. Afterward, the robot acts through the same user interface as a human, not interfering with underlying computer systems. The implementation threshold is comparatively low and will lead to an increase in automated processes in the near future.\(^3\)

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1. Deloitte Millennial Survey 2016
2. Randstad Gen Z & Millennials Collide @ Work report
   https://hbr.org/2015/06/what-knowledge-workers-stand-to-gain-from-automation
In this way, operations can be radically transformed, improving service quality and increasing compliance, while at the same time cutting delivery times and costs—and this is clearly no science fiction anymore. As an example, UK mobile communications provider Telefonica O2 already uses 160 robots to process 400,000–500,000 transactions per month, not to mention the projected three-year return on investment of over 650 percent.4

While this sounds like a recipe for headcount reduction, this is not necessarily the case. For example, at Xchanging, an IT, business and procurement services provider, workers embraced the opportunity to include robots in their teams, allowing them to do intellectually more interesting work while the robots process the structured information into standardized templates, perform checks, and only escalate exceptions to the employees. Thanks to artificial intelligence, the robots learn over time and decrease their margin of error. From a capacity management point of view, the ability to easily scale up and down according to workload reduced challenges such as staffing, overtime, and training.

Co-working teams of humans and robots, with each assigned their specific tasks, will be the future of operations. Knowledge workers will be able to concentrate on tasks that require creative and intellectual problem solving, with robots performing the supporting work as needed. This collaboration could free employees from tedious and mundane tasks, which responds to one of the major concerns of the incoming generation. In jobs where repetitive and high-volume tasks can be automated, employees can add value at a higher level: interpreting the data processed by the robots. By this, entry-level jobs are especially becoming more satisfying. This is an attractive improvement for young generations expecting to make a difference and find meaning early in their careers. Rather than being afraid of RPA, the right cooperation between man and machine can lead to increased output and employee satisfaction levels, and potentially even improve retention rates.

What does this mean?
Accepting automation as a part of our everyday lives will not be an easy change. Companies adapting robotic technology will be challenged by managing the people side of change. Retention will once again become a key aspect of this process. As processes are being automated, workers will have to learn new skills and companies should facilitate a reorientation of their workforce to ensure minimal layoffs. Learning opportunities have to be offered alongside the introduction of automation; firms will quickly realize the skill gaps

between their existing workforce and the new generation of technology. This is an opportunity for employees and employers alike and should be approached as such. Leadership needs to offer the necessary training and development to ensure the smooth adoption of RPA. Change management should focus on how technology can benefit employees in releasing them from unproductive work and increasing the quality of work produced.

At the same time, it becomes apparent that the arriving generation of employees will more easily embrace these new technologies. Further, automation will enable employers to offer the activities Generation Z is looking for: creativity, innovative thinking, and the ability to understand and process information—the same skills that new technologies will require from employees. It seems that the new generation of employees and technology will work well together.\(^5\)

It is becoming clear that the bigger challenge is to onboard the existing workforce on this journey. Firstly, it is essential to ensure that as many people as possible develop a working knowledge of incoming technologies. Secondly, more senior employees will have to work toward accommodating the different approach and understanding the changing expectations that younger employees bring to the workplace. As a result, the successful inclusion of Generation Z and the adoption of automation depend on the flexibility of managers as well as their ability to guide employees through a period of fear and motivate them to overcome initial gaps.

Getting ahead of the disruption should become the motivation for management to start preparing themselves and their current workforce for the arrival of both a new generation of employees and technology.

**And what about the existing workforce?**

Assuming that the new generation of employees and technologies will meld well together, the real challenge for leadership will be to create and foster an environment in which this modern collaboration can take place. Given that it is Generation X that has to construct this accommodating work environment, the real challenge is their own understanding of a world that is much different from the one in which they have grown up, and their change readiness. In many corporations, management is not at ease with modern technologies and also struggles to understand the expectations of newer generations of employees. As a first step, leadership needs to fully recognize the factors that motivate Generation Z and then match these with their business needs. Becoming more responsive is the first condition for creating an attractive workplace, and introducing RPA can be one of many tools for accomplishing it afterward. Therefore, the human factor will play a substantial role in guaranteeing smooth cooperation between employees and robots.

**Glossary**

Classifying people into different generations is of course a theoretical attempt at categorizing key behavioral differences and similarities over time. Hence, the borders of each generation are fluid and might overlap.

As a guide, we can define the last generations by the following birth years:

- **Baby Boomer Generation:** mid ‘40s–mid ‘60s
- **Generation X:** late 60s – late ‘70s–early ‘80s
- **Generation Y (Millennials):** early ‘80s–mid ‘90s, also considered as children of the Baby Boomers
- **Generation Z (Digital Natives or Post-Millennials):** mid ‘90s+

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\(^5\) Charlotte Jee on Techworld (2016) Technology is not about to steal your job - here’s why
www.techworld.com/careers/technology-is-not-about-steal-your-job-3634370/