

MOTIVATING MULTIGENERATIONAL TEAMS

While your company swag – baseball caps, sweatbands, etc. – might be one-size-fits-all, one thing is for sure: motivation, engagement, and incentives are most certainly not a “one size fits all” undertaking. This is especially true as it relates to today’s multigenerational teams, comprised of Baby Boomers, Generation X, and Generation Y. Working in the incentive compensation industry, Xactly has seen that, for the first time in decades, sales and business leaders are managing teams and workforces that are made up of three very distinct generations. This is exciting, but also brings new challenges to incentive compensation and the workplace as a whole.



100,000 FEET ABOVE COMPANY LEVEL

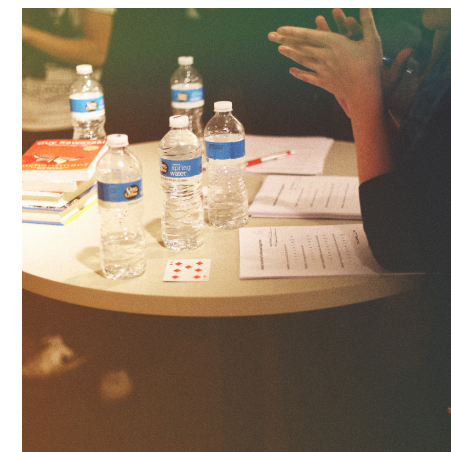
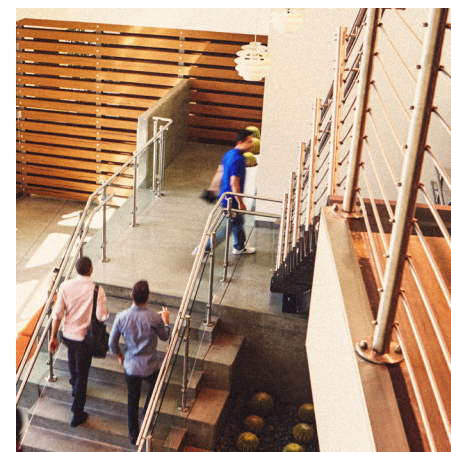
In this guide, we will take a journey together through the various ways that leaders can engage and motivate their teams in order to appeal to all their employees, regardless of their generational background. We'll start at the 100,000 foot level and talk about "performance drivers;" we'll discuss what they are and how they coincide and depend on each other. We'll talk about the Generations themselves with a little "generation 101" and discuss who the people are that make up the three prevalent generations and what makes them tick.

Then we'll shift gears a little bit and bring it down to ground level where we'll discuss 6 best practices for motivating and engaging teams that leaders can adopt to optimize team behavior, performance, and happiness.

Let's start at a high level: Most company leaders have heard of the three drivers of corporate performance: corporate culture, strategy, and talent. We have all heard the phrase "culture trumps strategy." While that may be so, what is blatantly apparent is that culture, strategy, and talent are all equally important in today's companies. Strategy and talent without a strong corporate culture is empty. Talent and culture with no strategy will give you a bunch of smart people in hoodies sitting around on beanbags eating free food but with very little direction and execution. Finally, strategy and culture devoid of talent is meaningless as well. To employ a familiar metaphor, culture, strategy, and talent are three legs of a stool and are needed to create a thriving company.

THE FUEL IN THE CORPORATE ENGINE

That said, there are three other performance drivers that many team leaders believe are equally as important as culture, strategy, and talent. These are leadership, engagement, and motivation. Culture, strategy, and talent are critical ingredients or “parts” of the corporate engine and leadership, engagement, and motivation are the “fuel” that is needed to make the engine run. One set of performance drivers without the other is incomplete. Leadership, engagement, and motivation are needed to create the culture, to harness the talent, and to execute the strategy.



AVOID 3 GENERATIONS TURNING YOUR WORKPLACE INTO A THREE-RING CIRCUS

This is where things get tricky as it relates to the generational makeup of our teams. As we said earlier, for the first time in decades, teams at work are made up of three very distinct generations. The three generations, Baby Boomers, Generation X, and Gen Y (also known as the Millennials) each have unique perspectives, come from distinct backgrounds, and are motivated by different things. It's natural that business leaders might feel overwhelmed by the changes in the workplace and the challenges that they bring. They might ask themselves:

“How on earth can I combine the three generations into a cohesive team, and engage and motivate them in a way that is optimal to drive performance?”

To answer that question, we must first learn a bit about each generation and what makes them tick. So let's walk through each generation and learn a bit about them.

BABY BOOMERS

Born between 1946-1963, the “Me Generation” brought us Woodstock, the Civil Rights Movement, and ample social change. Interestingly enough, many of the hippies of yesteryear have become the business leaders of today. Many stay in the corporate world because they are skilled and passionate about their work. Others stay in the workforce more for necessity than passion; many Boomers had their retirement delayed by the Great Recession. Studies have shown that, as a whole, Baby Boomers prefer visibility, status symbols, and personal recognition over other types of incentives. They feel most valued when they are publicly recognized for what they have accomplished in their role. More than any of the other generations they value face-to-face correspondence, personal meetings, and leadership roles.



GEN X

Those that were born between 1964 and 1979 are commonly referred to as the “latchkey kids.” Often, both of their parents worked, so they became more independent at a younger age than any other generation. It wasn’t uncommon for them to walk home from school, let themselves into the house, and maybe throw a TV dinner in the microwave. Because of this self-sufficient upbringing, they are very independent at work, and don’t respond well to micro-management. They value pay for performance, and expect their income to be augmented to reflect their hard work and long hours. The term “Workaholic” has been thrown around a lot when talking about this generation.



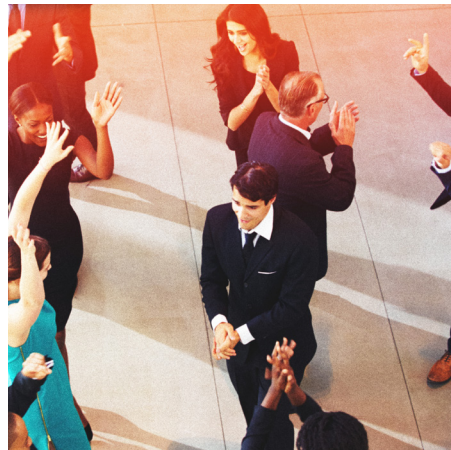
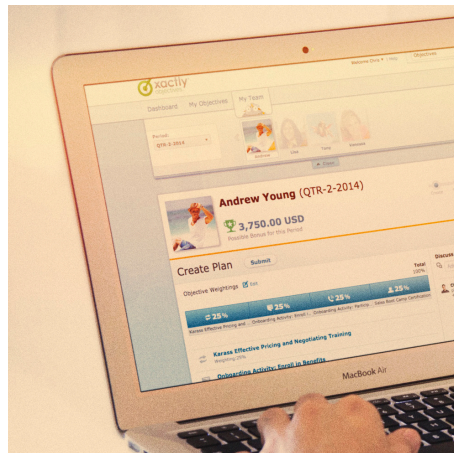
GEN Y

The Millennials, born between 1980 and 1999, are currently 75 million strong, so it's no surprise that there has been so much focus put on them. Unfortunately, as the newest member of the workforce, they've acquired the typical 'younger sibling' reputation. The reality is that Gen Y is a force to be reckoned with. True, they were brought up with participation trophies, so they expect a lot of recognition, but Gen Y is still fiercely competitive when they're given a reason to be passionate about their work. They understand social media and how to utilize its power in the corporate world, which can make a big difference in your organization. Since they grew up with a lot of mentorship from parents and teachers, they want real-time feedback and development from their managers. Most Gen Y employees love to work as a team, and they're skilled collaborators.

Some of the challenges involved in managing Millennials are that they want rapid development, meaningful work, and the knowledge that what they're doing is impacting the company. They value technology, the ability to be philanthropic at work, actionable feedback, and personal recognition.

So as you can see, each generation is from a different era, was brought up under unique social circumstances, and have distinct desires and values.





THE GOOD NEWS

But here is the good news:

There are absolutely motivational tactics that resonate and work with employees regardless of what generation they belong to. It's these best practices that we are going to walk through now.

BEST PRACTICES 1

INCENT RIGHT, INSPIRE PERFORMANCE



All employees want to get paid correctly and fairly. But it's also critical that they are paid in alignment with what you want them to be doing. Aligning compensation and rewards with behavior and achievements is critical in today's workplace. Each team, especially sales teams that are heavily driven by variable compensation, must have a compensation plan and program that drives desired behavior and is well aligned with the businesses' overall goals. Alignment, correct payments, employee comprehension, and immediate feedback are paramount. If you cannot do this today, you should be reviewing your compensation process and figuring out how you can. All employees, regardless of generation, care about getting paid correctly and in accordance with their goals and behavior.

ENGAGE THROUGH METRICS

All employees again, regardless of generation, need to know how they are doing in relation to their goals. This is especially true of Gen Y, who grew up with constant feedback and monitoring. Remember, they were the first generation with helicopter parents checking their grades online and making sure they turned in all of their assignments. Especially in the world of sales, this is extremely important for sales reps in every role: from lead generation all the way up through the strategic enterprise sales reps, everyone wants to know:

-How they are doing against their goals?

-How they are doing against their peers?

-How much money are they making or “can” they make if they accomplish certain goals?

-Are they doing the right things?

The good news here is that with today’s tools and technologies, things like CRM, analytics reports and dashboards, gamification, and engagement tools along with the ubiquitous devices (computers, monitors, tablets, smartphones), there are a myriad of ways we can provide the teams with data to keep them engaged and motivated.



A black and white photograph of a person's legs sticking out of a hammock. The hammock is strung between a large tree on the right and a post. The person is lying on their back, and their legs are extended towards the left. The background shows a sandy beach, the ocean, and a cloudy sky. The overall mood is relaxed and serene.

BEST PRACTICES 3

REWARD CREATIVELY

So, all generations love to be rewarded – who doesn't? That being said, the types of rewards that resonate most powerfully are not always cold hard cash rewards. The best performing companies use various techniques to reward their teams. They employ variable compensation strategically, using contests and spifs to drive both long and short-term behavior. They have reward trips, TVs, iPads, and cars as rewards.

Sometimes it's all about pure recognition. When a rep's face goes up on the leader board for everyone to see it goes a long way towards inspiring competitive performance. In Xactly's lead gen team, we gave the highest performing lead gen rep a special parking space close to the building entrance as part of his reward for being the top rep for the month.

Sometimes our Gen Y team members want a day off to hit the beach or the driving range if they hit their goals. The rewards don't have to be monetary or expensive but use creativity to figure out what appeals to your team.

MENTOR AND NURTURE

Much has been said about Millennials' need for nurturing and development. They have often been somewhat disparagingly described as the most nurtured generation ever raised. This isn't really a fair depiction; the reality is that Gen Y has had the opportunity to live in an era where learning and development is prioritized. Private coaches, tutors, the Internet, video based training, and more have all contributed in Gen Y's desire to learn and develop. The reality is, all generations want this training and development along with a clearly defined career path so that they understand what the next steps are in their development.

Good leaders of high performing work forces know this and put developmental and training programs in place along with a clearly defined career path so that their teams can master their craft and advance in their careers. Having these career development programs in place can drive incredibly positive behavior and, in fact, allow you to attract and keep the best employees.

On the other hand, not having these programs in place can prove very detrimental and also cause friction, especially with millennial employees. A few years ago, Xactly hired a Gen Y sales rep that was very focused on learning and advancement. He came on board and got up to speed quickly and had two very successful quarters where he hit quota both times. As soon as the second quarter ended he started asking about a promotion and the next steps in his career.

His manager had to have a difficult conversation with him, and explain that he needed to have several more "good quarters" under his belt before he got promoted. This made us quickly realize that Xactly needed to put a very clear career plan in place for the sales team that outlined what was needed and expected for them to advance.

We put in place a program that allows top reps to become mentors if they wanted to follow the management track. We also created more sales rep levels that reps could aspire to within 12 months if they performed. These were smaller stair steps they could take to feed their desire to constantly advance without making to big a leap to the next level. This worked very well with the team across all generational members, and it allows us to keep our top talent satisfied and engaged, and promote from within when the time comes.

BEST PRACTICES 5

CREATE AN ENLIGHTENED ORGANIZATION

Now what does this mean? It may sound mystical and ethereal, and enlightenment is traditionally more closely associated with the Buddha than with corporate America – but stay with me. An enlightened organization not only trains and develops the team, but also allows for integration and collaboration. This needs to be embedded into the culture of the organization and the company.

Integration means helping each other in a productive way throughout the team and the corporation. It means being able to allow individuals to maintain their “Individuality” while still becoming incorporated into their corporate culture. When employees are able to balance individuality with their job, they are much more engaged and motivated because they care for the company as they feel the company cares about them.

Collaboration is also a key feature – this means strategy, goals, and objectives are not just “handed down” from on high, but instead employees can help define certain areas of strategy and contribute to goal creation. Employees from all generations want to learn from each other, contribute to the greater organization, and be heard. Not having this environment results in alienation and dysfunction, and often leads to high turnover rates.

Finally, the enlightened organization is directly related to the next best practice, which is:



THE IMPORTANCE OF A STRONG COMPANY CULTURE

We like to use Xactly as a good example of a company with a strong culture. Obviously we're biased, but we see Xactly as a company that has a clearly defined corporate culture that all employees can rally around. Our core Values of C.A.R.E, which stands for Customer Focus, Accountability, Respect, and Excellence, resonate throughout our halls and are talked about and invoked every day in all of our employees' actions and decisions. It's manifested in how we deal with each other, our customers, and our community, and it gives our employees a broader sense of purpose and a company identity that is much stronger than any individual effort. It is the job of the leader to perpetuate this and cultivate the strong culture, and to hire the right talent to maintain this standard. Again, cross-generational employees gravitate towards a strong culture and the sense of purpose and identity that it offers.

So there you have it! Some best practices that if incorporated can help you drive and motivate your teams and cross any generational divides.

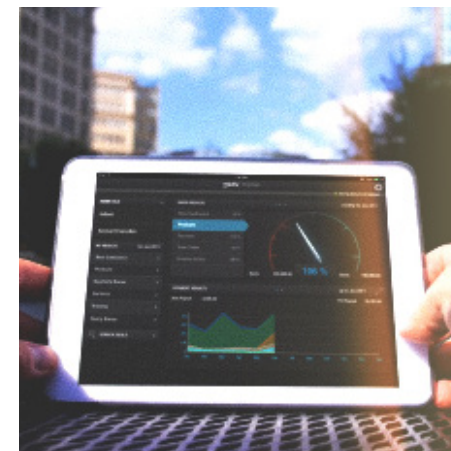
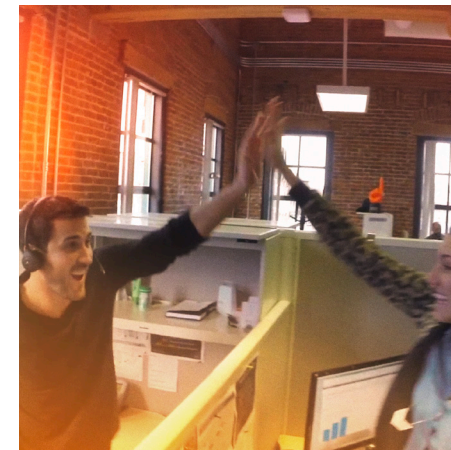
XACTLY

At Xactly, we have cultivated a focus on the science of driving behavior through incentives. We are a pure-play SaaS company that provides software solutions to companies of all sizes and industries, allowing them to manage and optimize their sales compensation, commission structure, and bonus processes.

As a byproduct of that, we get to talk to hundreds of companies and thousands of sales and team leaders every year to discuss the ways that they can use compensation and rewards to motivate and incentivize their sales reps and employees.

OUR VISION

Our vision is to Inspire Performance by changing the world of Incentive compensation. In our 9 years we have automated the incentive process for hundreds of companies, and we have the data that allows us to analyze how the best performing companies are paying and motivating their employees. In fact, our CEO, Chris Cabrera has written a book on the subject called *Game the Plan: Every Sales Rep's Dream, Every CEO's Nightmare*.



HELP YOUR COMPANY ACHIEVE MORE

ADDITIONAL RESOURCES ON
THE XACTLY WEBSITE:

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