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## The Next Generation Company

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Is a great work environment the result of high performance, or the cause of it? We believe the latter, that engaged and committed workers outperform their less inspired peers. Companies that employ management and workplace practices that engender strong commitment in their workers substantially outperform companies that don't.

Today knowledge, ideas, and innovation are the primary igniters of wealth creation for companies, markets, and economies. And the primary source of knowledge, ideas, and innovation is people. People – your talent pool – are your trump card to achieve outrageous bottom line performance. The economic, demographic, social, and organizational changes of the past decade have made it painfully clear that corporations must change their beliefs and behaviors if they are to prosper going forward.

Three new realities have emerged from our research that, when combined, can make or break your bottom line:

### 1. Talent wants a New Deal; Employee loyalty and performance are *not* for sale.

Workers of all ages have switched off from their employers and workplaces. They may act committed but many give just enough to get by, and no more. They save their discretionary energy and passion for other pursuits. You may have their bodies and even their minds, but not their hearts.

### 2. How companies treat employees directly affects business performance.

There is a substantial and growing body of evidence demonstrating across-the-board business performance payoff in corporations from increasing employee engagement and commitment.

### 3. The numbers are against you.

If you don't buy the performance case then consider this: by 2006, two workers will be departing the workforce for every new one coming in; demographers and analysts predict that by 2008 we will see a shortage of 10 million workers across all sectors of employment. Confronted with a shrinking labor pool, companies will face even greater pressures to change their people policies and practices to compete for talent.

In response to these economic, demographic, social, and organizational changes, we have identified a new breed of company emerging. We call it the *Next Generation Company*. The crux of our findings is two-fold. First, Next Generation Companies achieve breakthrough bottom line performance because of their progressive people practices. Second, Next Generation Companies understand what drives employee fulfillment and most affects the motivation and performance of their workforce. They know that high fulfillment and high performance are NOT mutually exclusive.

Next Generation Consulting research has identified the following **six key drivers** of high employee fulfillment and high business performance:

**Meaning:** Making the mission purposeful - giving employees something they can believe in, something that gives their work and their lives meaning - something that involves a higher purpose.

**Voice:** Giving workers a say in the strategy of the business - giving them large degrees of discretion to act in pursuing the goals of the organization and trusting them to exercise their discretion wisely.

**Enrichment:** Providing opportunities for growth - providing staff with a rich work and learning environment - and the tools and support they need to do the work they like most and are best at.

**Membership:** Building bonds among workers and with the company - developing rich person-to-person connectedness and belonging that individual employees share with others within or affiliated with an organization.

**Appreciation:** Giving everyone their fair share of reward and recognition - making sure everyone who contributes to success is rewarded and recognized commensurately.

**Harmony:** Creating and sustaining work-life balance - maintaining a work environment that allows staff to perform at peak without compromising their personal priorities and interests.

Next Generation Companies invest in a long-term talent strategy. The people management practices of Next Generation Companies not only drive engagement and commitment in their employees, they define the culture in ways that make it both unique and high performing. They employ infinite combinations of key drivers to keep their talent engaged, committed...and yes, even loyal. Next Generation Companies don't latch onto initiatives du jour. Their people practices are deliberate, consistent, and reflective of their unique value propositions.

Our ***Next Generation Company Report*** addresses the radical notion that treating employees well is not only good for your business, but vital to achieving high performance. A deliberate, systemic approach to guiding, motivating, and enabling performance leads to more satisfied customers, higher profits, more growth, greater organizational flexibility, and more innovation.

For more information on Next Generation Companies and a summary of the *Next Generation Company Report* visit: [www.nextgenerationcompany.com](http://www.nextgenerationcompany.com)

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You may also want to take a look at [www.hotjobs-coolcommunities.com](http://www.hotjobs-coolcommunities.com), to see which communities are "hot" with young talent, and why.

### **About the Work Design Collaborative and *Future of Work Agenda***

The *Work Design Collaborative* is an applied research and development consortium focused on defining the future of work and helping its members achieve new levels of workforce and workplace productivity. The Collaborative is widely recognized as the leading source of knowledge and expertise related to the future of work. The Collaborative produces and distributes management tools, surveys, benchmark databases, white papers and technical reports, conferences and workshops, newsletters, books and articles, and public presentations on the changing nature of work. Our consortium is composed of senior business, IT, HR, and facilities executives, as well as smaller technology companies and service providers selling into these markets.

*Future of Work Agenda* is a free monthly electronic newsletter produced by the *Work Design Collaborative*.

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