

A Success Story of Managing Millennial Talents: A Case of Mindvalley

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Abstract. Purpose- The purpose of this paper is to explore how organizations in start-up phase should revise their strategies to accommodate the millennial generation workforce.

Design/Method/ Approach- We apply a single case study with a start-up organization in Malaysia, focusing on in-depth interviews with the founder and employees.

Findings - The motivating factors in workplaces for millennial generation includes learning opportunity, fun, money and Corporate Social Responsibility. Having a competency based talent management system that is aligned with business goals and strategies is a winning factor for organizations of this size.

Research limitations-We use a single case study of a small start-up to understand millennial talents. Generational differences in workplace and policies of large enterprises were never taken into consideration.

Practical implications - Firms, even at the start-up phase need to fulfil the expectation of new generation from workplaces, by moving toward more innovative and creative practices.

Originality/value -This paper extends scarcity of empirical work on millennial workforce impacts in start-up companies in emerging economies. In the final analysis, we develop a talent management framework for start-up entrepreneurial ventures.

Keywords: Millennial, Generation Y, Talent Management, Human Resource Management, workplace interaction.

1. Introduction

By 2016, more than 70 million baby boomers will retire and be replaced by the influx of millennial generation, those born after 1982 (Crow and Stichnote, 2010). Regarding this fact, the war of talents will be the major human resource issue in near future. The companies will be looking for innovative and appealing methods to secure and retain their talent and knowledge, and talent pipeline will be the only crucial variable separating the winners and losers (Talent mobility 2020: the next generation of international assignment, 2010).

To conquer this challenge it is crucial for organizations of all sizes to know all features and characteristic of millennial workforce. One main agreed perception about millennial in all studies is that, they have great and sometimes outlandish expectations. They were lavishly praised and received trophies when they excelled, and even sometimes when they did not, to avoid damaging their self-esteem (Alsop, 2009). Without any hesitation, they are brighter, faster and more passionate than the previous generations and that is the result of qualitative change in globalization and technology (Tulgan, 2009).

Reviewing previous studies (Kirkland (2009), J. Stephen Heinen and Colleen O'Neill, (2004) and Wanxin Gao, Qiuying Yu, Xianglin Teng, (2008)) on managing millennial talents, the majority of them have been examining large scale organizations, where there exist too many rules and regulations, while today's economic especially in Asian countries is in hands of small and medium enterprises. Undoubtedly, talent management in SMEs is different than in larger firms (Creelman, 2004).

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For finding solutions and strategies for SMEs to accommodate the new generation of workforce, we have conducted a case study on an award winning organization in managing millennial talents. Interviews with business leaders and employees are used for getting insight on how this organization attract, deploy and retain the millennial 'A' players. Later in the findings, the gathered data from reviewing previous studies and analysis of practices in the organization of our choice is used to draw a framework, which can be used as a guideline by HR practitioners as a tool for tackling the challenges of millennial workforce.

1.1. SMEs in Malaysia

Based on the data from SME Annual Report 2009/2010 in Malaysia, "SMEs account for about 99% of total business establishments and contribute to 31% of the nation's Gross Domestic Product (GDP). SMEs' shares to total employment and exports of the country are 56% and 19% respectively." Given Malaysia's favourable economic essentials, there is tremendous potential in developing SMEs to become a catalyst and an important domestic source of growth in the new economy (SME Annual Report 2009/2010, 2010).

1.2. Talent Management in SMEs

Although many studies argue the role of Strategic Human Resource Management (SHRM) in large firms less have focused on the role of SHRM or Talent management in small and entrepreneurial enterprises (Mayson and Barrett, 2006). Scarce attention to SHRM in SMEs generates significant HRM problem in SMEs (Brand and Bax, 2002).

The difference of Talent management in small and large organization relies on constraints and advantages that SMEs face, such as lack of specialized talents, limited resources to spend on studying the tools for better talent management, critical role of new employees and critical role of employees' turnover. On the other hand SMEs reflects the idea that "small is beautiful". SMEs have fewer layers of management, which eases processes of driving talent mind-set throughout the organization. Feedback and ideas leap from one employee to another, enabling them to be more responsive to their employees. This reflects the sense of belonging and ownership to its employees (Creelman, 2004). Balancing both spectrums of strengths and weaknesses, SMEs are target workplaces for millennials, Not only because of less structure and bureaucracy in them, but also the feeling of "We are special" (Creelman, 2004).

2. Millennial: The new workforce

Definition: Millennial generation also known as millennials refer to the current group of young people who are entering the workforce. They are the ones born after 1982 and have been raised by Baby boomers. MP3 players, laptops and video game players have been their toys and Internet is their essential needs such as air.

Features: During the millennial life span technology and globalization have undergone a qualitative change, which has brought millennials a different life experience and distinguished traits. They feel confident and special. From an early age their families focused huge amounts of time, attention and financial resources on them (Crow and Stichnote, 2010), which also have made them to be family-oriented.

Moreover having grown up with greater diversity in their neighbourhoods and schools than previous generation, millennials tend to be more open and accepting of others, regardless of gender, colour, religion or sexual orientation (Crow and Stichnote, 2010).

They value immediacy and speed more than anything else. This new generation are typical multi-taskers. Through search engines available to them and adoring parents who have made sure they have the newest stuff, they are used to have the whole world at their fingertips and tend to be the most impatient customers (Crow and Stichnote, 2010).

Characteristics in workplace: Millennials expect to be intellectually challenged, move rapidly through the chain of command, have a work-life balance, and receive frequent feedback. Salary is not the primary motivator for their selection of a workplace (Crow and Stichnote, 2010). They value flexible work routine, which allows them to have time for their families and personal interests (Alsop, 2009). Despite the fact that previous generations have been considered spoiled in their youth, millennial feel an unusual strong sense of entitlement (Alsop, 2009). This is different from belief of most managers that millennial want the top job on

day one. Tulgan (2009) in his book corrects “This young generation do not have any interest to take their time to get feeling for the place. They want to identify problems that nobody else has identified, solve problems that nobody else has solved, make existing things better and invent new things, because they want to make an impact.”

Although millennials have high expectations about what their employers should provide them, companies should not expect much loyalty from them in return (Alsop, 2009). On the other hand, they are aware by retiring baby boomers they are highly needed and they can afford to be picky and have high expectations (Chen and Wang, 2003).

2.1. Talent Management Practices for Managing Millennial Workforce

Some researchers share the idea that sustained competitive advantage comes from talent management practices. Talent management is all about the way organizations attract, develop, motivate, manage, and reward their talents (Heinen and Neill, 2004). Organizations need to define new strategies and practices that sought millennial s’ characteristics and expectations.

As a first step, to attract and attain millennial talents, enterprises should create a studios and inspiring atmosphere, and pay respect to the talents, specially the best of them. Together with the teamwork spirit, innovation and intimate cooperation between different levels, the organizations shall shape an atmosphere that millennial will not quit easily (Chen and Wang, 2003). Flexible working hours and places as well as a loose supervision is what these young talents need, to move toward creative work. Organizations should know that what millennial is asking for is not more power for supervision or directing other people but smooth operation of their work (Chen and Wang, 2003).

Having the talent at door step, the next step is performance management. One approach is linking core competencies to individual’s skill set, and in this way focusing the growth opportunities for each individual. One example for this approach is embedding the areas of growth for each leader into each individual balance scorecard and identifying a quantifier for that person’s annual performance review and in this way paving a clear road for their career development path (Kirkland, 2009). Managers should also remember to reward their talents often, big or small, as millennials are used to get trophies just for showing up, no matter if they have win or lost (Tulgan, 2009).

The third step which is counted as the most important one is training and development (Millennials at work: Perspectives from new generation, 2008). A successful career program should be based upon the staffs’ full knowledge of the corporation’s development design and the vacancy status of posts (Chen and Wang, 2003).

Finally, it is about retaining and succession planning. The level of turnover among new employees has risen slightly in last two decades. Not surprising; because millennials view jobs as just one piece of the whole life puzzle. For managers to retain the best of this generation they need to listen to their new employees and get to know their wants and needs to turn the reason millennials leave organizations to the reasons they will stay and work harder (Tulgan, 2009).

3. Method

The current article do not tend to generalize the findings, instead it is trying to embark an in-depth understanding of how SMEs and start-up organizations can attract, deploy and retain millennial talents. For this purpose, a single case study has been chosen to identify how Mindvalley has been successful in managing millennial talents. A combination of primary and secondary data collection was used in this study. Semi-structured interviews conducted with company’s key members were used as primary data collection. The secondary data was obtained from literature review.

The focus group included three employees with age range of 25 and 29, two female and one male, from both international and local employees. Their job tenures were between 9 months and 4 years. The main reason for this selection was getting insights of local and international employees, and making comparison between male and female mind-set. The reason behind selecting employees with different tenure was to study their level of experiences and expectations from Mindvalley.

4. Findings

Mindvalley is an American company established in 2002 in Palo Alto, New York and was moved to Malaysia in 2004. It is a publishing company, which works with thought leaders in field of personal development and business transformation and helps them to publish their work in form of new media, such as software, websites, membership sites, movies, audio and video training and much more. As 70% of its customers are Americans, having a strong and responsive customer service team is crucial for Mindvalley and that is where talent management plays an important role in company strategies.

In the short time of its existence, Mindvalley has won many awards for creating one of the most unique work cultures that is desired by the new generation. They have started to give a new meaning to the word of “work”, by creating an environment in which people play, create, learn and grow while they are paid. Mindvalley has 45 employees with average age of 26 years old. More than half of them come from countries such as US, Canada, Argentina, Poland, Russia, India, Philippines and Malaysia.

CEO views talent management as helping employees to recognize the power that is within them and helping them unleash that power. He believed in a work environment where happiness is truly the new productivity. He viewed office as a place where every employee should enjoy what he is doing and not only be satisfied with what they are doing but be happy about it. In view of senior talent manager, the other observable point in Mindvalley is the fast speed of processes. “Employees can express their thoughts and ideas directly with CEO, without any need to wait for approval from any superior.” She indicated. Moreover flexible working times, informal and open environment of office are key factors for making Mindvalley’s work environment attractive for millennial talents. This is synchronous to Crow and Stichnote (2010) as they found that Millennials have always lived in a networked society where they share ideas directly with the organization and hierarchy as well as pecking remained insignificant.

To find the best talents and fuel its growth, Mindvalley recruit all year around. CEO explained “For most of the smartest people, especially the ones who are just out of college and not yet started families, the number one inspiring factor in looking for jobs is not money but education. The number two factor is work environment. Basically, how fun their work is going to be. Number three is money and number four is social responsibility.” These four factors coincide with Tulgan’s (2009) profile of a millennial workplace. Mindvalley banked on these four factors in attracting star performers.

Mindvalley has used different practices for performance management. Mindvalley is a result-oriented company, and as mentioned by senior talent manager, “We look for intense people, who are looking for excellence and result-driven.” It also ensures that every result the employees bring to the company is celebrated and rewarded accordingly. Mindvalley uses profit sharing practice, for rewarding employees. Through this system, it ties management and founder’s goals for revenue with employee goals.

On the other hand, Mindvalley views training and development as a key aspect in talent management. They make sure employees have enough time for learning new things besides working. Some of the practices that they use in this regard are: “45-5 rule”, which indicates each employee get 5 hour to learn something new beside 45 hours of working per week, each employee can share what he has learned with others, and sending its employees for conferences and trainings which helped them to grow personally and professionally. The senior talent manager indicated “We believe, the more you invest in your mind, your knowledge and your experiences, the richer you will be”. This is how Mindvalley has been able to grow 23-25 year old employees to managers running \$2-3 billion businesses within one year.

Currently Mindvalley has designed a competency model feedback system, which is used in performance management and also recruitment, to hire the talent which is 100% culture mix. Table 1 illustrates the current competency model.

As an innovative organization, it also uses technology in all aspects and also for talent management. The examples are using social media to attract and recruit talents as well as to manage the teams to work more efficiently.

Table 1: Competency Table for different roles in Mindvalley

Event Satisfaction	Events Manager	
Problem Solving	Programmers	Designers
Coaching	Business Managers	
Organization	Project Managers	SEO
Long-term Market focus		
Effective Communication	Customer Support Agents	
Customer Focus	Universal Competencies	
Happiness		
Growth		
Connectedness		
Impact		

In the second part of the study, interviews were conducted with selected millennial employees. The important factors for working in Mindvalley pointed out by first employee were growth opportunity, flexibility and freedom, and the amount of responsibility. The thousands of studies on millennial talents in workplaces have all been consistent about the fact that this group of workforce are always looking for challenge and the opportunity to develop and grow themselves (Chen and Wang, 2003).

The second employee also counted the flexibility, freedom in assignments, the great team, fun and dynamic working environment as important factors. Literature (Crow and Stichnote, 2010) confirmed that millennials prefer more relaxed work environment that allows them dress casually, take naps or have video game breaks to recharge, and attend to personal matters during working hours.

The significant factors for third employee beside the previous factors, were work/life balance, money and working with a great team of experts. He also mentioned about the impact he has on society as his inspiration. “I am developing website and software that are educating people and helping them with the difficulties they have”, he indicated.

Table 2 is the summary of important factors in managing millennial talents, drawn from the interviews.

Table 2: Talent Management practices in Mindvalley

	CEO	Senior Talent Manager	Employee 1	Employee 2	Employee 3
Learning and developing opportunity	√	√	√	√	√
Using latest available technology	√	√	-	-	√
Work/Life balance	√	-	-	-	√
Fun	√	√	-	√	√
Money	√	√	-	-	√
Flexibility	√	√	√	-	-
Employer Relation (freedom)	√	√	√	√	-
CSR	√	-	-	-	√

5. Analysis and Discussion

The main challenge in 20th century for organizations is to attract the best people. Because people need to realize they can achieve their potential and meet their personal aspirations within the company (Goffee and Jones, 2009). Regarding this fact, Mindvalley also tries to distinguish itself from other organizations by sending the message to talent that they are different and unique. The openness, clarity and feedback are also what differentiate it from other work places.

How organizations should manage their millennial talents? For this inquiry, we have used the data gathered from Mindvalley, as a successful case of managing millennial talents, to develop an emerging theoretical framework, which can be implemented in start-ups and SMEs.

In first step, the HR experts and managers should build a competency model which is tailored to the business value and strategies valued by the current employees and are attractive to millennials. In this process it is highly important to engage all business leaders and senior executives, as they are the essence for making the talent management system to work. The next step is utilizing a talent management system, which is based on the competency model. In figure 1 we have defined four main areas for managing talents.

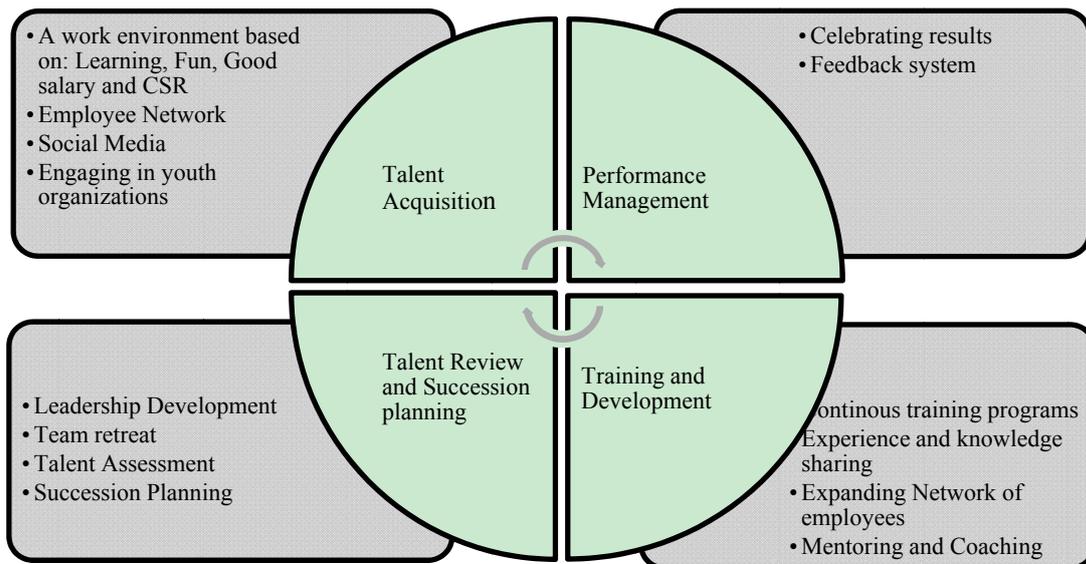


Fig. 1: Talent Management System based on Competency Model

5.1. Talent Acquisition

Millennials are looking for organizations that give them the tool and support to grow their skills and expand their mind-set box. Next factor is to have a job that entertains them. It does not mean that they do not take the roles and responsibilities seriously, but putting aside those redundant rules that only belong to traditional workplaces. Millennials go over all written rules and define a new concept. Organizations should try to use this potential and give them the freedom and space to use their creativity in a productive way. The third factor is about money. Organizations should also come up with innovative reward systems that are encouraging. Profit sharing with employees is one of the most used but little risky ways that great workplaces are using currently. The last motivating factor for millennials is the value of being a socially responsible organization. They are the generation born in the world that is facing the most economical, political and environmental crisis and having high consciousness about acting socially responsible is nothing new about this generation. Through these four factors organizations are able to brand themselves within this generation. SMEs can use information systems and social media available to attract and recruit millennial talents.

5.2. Performance Management

Managers need to make sure the employees' progress and performance is measured based on the competencies and organization values. What is important for start-up phase is the result. SMEs can establish a reasonable and fair performance management system which focuses on the desired result of business and make sure the designed system appear fair to all employees rather than rational. Applying a continuous feedback system is necessary in organizations. Managers should spend time with their talents and give constant and effective feedback. Millennials will show the brilliance and talent inside them when they know that managers care about them.

5.3. Training and Development

Living in the knowledge era, the line between working and learning is becoming increasingly permeable. Organizations always need to provide challenging roles and responsibilities to their millennial talents to engage them in continuous learning. Having weekly or monthly training session and also using their

employees to share their knowledge or conduct trainings is recommended. Mentoring and coaching programs and connecting employees with those top gurus and talents in the same area is a wise way of developing them.

5.4. Talent Review and Succession planning

The start-up organizations should always deploy the entrepreneurial spirit within their employees and give them all the tools and support they need to accelerate their skills to reach their long-term objectives. They need to continually conduct talent review based on competencies and define the areas of focus for farther development. Organizations also need to have a leadership development program, which encourages employees and a feedback system as an assessment tool. They also need to make sure employees are motivated and their personal goals and values are aligned with the organizational values from time to time.

6. Conclusion & Implication

In the connected world of today, where the product lead vanishes in Nano seconds, what is really important for new start-ups is a great team of differing skills that continue rapid innovation. Hence such type of enterprises that target for growth and being on top merit should focus on talent management strategies that appeals to millennial generation needs and expectations.

What arose from our inquiry is predominantly a story of one small company. We do not claim our framework as the culmination of understanding millennial workforce within the sphere of SHRM. It would be interesting to generate multiple case studies from a broad spectrum industries, sizes and life-cycle. Such exploration of insights could be a pathway to examining and generalizing our preliminary framework.

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