Leveraging New Talent Through the Effective Management of Millennials

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Leveraging New Talent Through the Effective Management of Millennials

A Guide to Understanding How and Why Effective Recruitment and Management of Millennials is Vital to Your Organization’s Success

The Millennial Generation Defined

First it was the Baby Boomers, then came Generation X, and now we’re in the midst of learning what a world is like as the Millennials take the reins.

Millennials, in their most technical form, are defined as young people born between 1982 and the early 2000s. Sometimes you’ll hear Millennial characterized as someone born as early as the late 70s, but that’s a more rare classification.

When we think Millennial, we most often think of those people that are either just beginning their careers now, or who are somewhere in the early stages of their careers.

Millennials have often faced negative stereotypes as they begin those careers, and despite our tendency to think this is novel, each generation has often faced friction from the one before as they’ve begun entering the workforce and social landscape.

The Millennial World View

In order to fully leverage the talent, unique perspective and abilities of the Millennial generation in the workplace, it’s important to first have a broader understanding of the more general mindset of these young adults, because these are factors contributing to their views on not only life, but also the workplace and their career trajectory.

Consider the following statistics, collected as part of the Pew Research study, “Millennials in Adulthood: Detached from Institutions, Networked with Friends:” (Pew Research, 2014)

- Millennials tend to stray away from the idea of joining particular groups that previous generations have seen as a defining component of their identity. For example, Pew finds more than 50 percent of Millennials identify as politically independent.
- Only 26 percent of this generation was married at the time of the Pew study.
- 19 percent of Millennial respondents say they can trust most other people, which is incredibly low when compared to other generations. In fact, 31 percent of Gen Xers say most people can be trusted, while 40 percent of Baby Boomers believe most people can be trusted.
- Despite this shying away from the traditional institutions, and a less trusting point of view, Millennials still remain optimistic and positive in their beliefs. The Pew study showed nearly 50 percent of Millennials believe America’s best years are still ahead, which is higher than respondents from any other generation.

These results are significant to employers because they reflect key factors contributing to how Millennials view the workplace. Millennials tend to value concepts like transparency and communication from their managers, and the idea that Millennials lack loyalty to one particular company or are just aimlessly wandering may in fact
be the result of their desire to explore their options and remain unaffiliated until they find a company where
they feel they truly fit and can make a difference.

The above statistics show some of the starkest contrasts between Millennials and the generations before them,
who are often the people charged with their management. These older generations tended to value stability and
security in all aspects of life and work, often leading them to stay at the same job or with the same company for
years, decades or through the entirety of their career.

It’s not just social and cultural issues that play into the Millennial workplace.

They also have a unique perspective of the jobs market and the economy. Many Millennials started to look for
their first “real” job either at the start of or in the midst of the Great Recession, and they continue to struggle to
find employment because of the aftermath of the economic destruction that occurred as a result.

According to the same Pew study, Millennials are the first generation in American history to face higher levels of
student loan debt, a higher rate of unemployment, more poverty, and less overall personal wealth than the two
generations coming before them. Despite these hardships that are having a very real impact on Millennials both
presently and, potentially, well into the future, this is a generation that continues to value not just financial
success and security, but the sense they’re making a difference in the world. It’s been difficult for managers
from previous generations to understand that Millennials aren’t solely driven by economic factors when it
comes to recruiting and retaining these employees because for past generations, the idea of achieving the
American Dream was almost entirely dependent on financial factors.

There’s two other factors that define the Millennial generation, in terms of life as well as the workplace. These
young people are undoubtedly the most educated and the most technologically savvy to enter the workforce,
ever.

Pew Research found in 2012 that an astounding 1/3 of young people aged 25-29 in the U.S. had obtained at
least their Bachelor’s Degree (Pew Research, 2012). It also found 90 percent of young adults in the same age
bracket had obtained a high school diploma, and 63 percent of America’s young adults between these ages had
completed at least some college.

Much of this drive toward obtaining more education has significantly stemmed from shifting viewpoints on the
labor market. The American economy has moved from one dependent on producing goods and being
manufacturing-based, to an economy that’s knowledge-based, and Millennials have been quick to understand
the importance of an education in this changing landscape.

In terms of technology, Millennials, for the most part, haven’t known life without it. From the time they were
very young, Millennials have often grown up with at least one personal computer in their home, and they’ve
also been on the cusp of innovation, from the smartphone to the tablet. This comfort level with technology is
important to how Millennials perform in the workplace, as is the constant engagement Millennials are used to
because of the rise of social media sites.

These are just a few of the forces at play that make it difficult for managers from older generations to
understand how to best approach Millennials in their workplace There is a significant difference in the mindset
of most Millennials when compared to their older predecessors, and it’s making it difficult for managers to best understand how to leverage these young people, in order to ensure they’re bringing the most value to their workplace.

The Millennial Mindset

Before any manager can hope to leverage the talent and abilities of a Millennial employee, it’s first important to understand their perspective. Beyond the information above, it’s necessary to delve even deeper into what makes a Millennial tick in order to best understand how to manage them in the workplace.

Sound complicated?

It is.

Studying generational differences in order to understand and harness the available value in the American workforce is complex enough a task that numerous organizations and groups dedicate themselves to conducting and publishing this research.

One group that released an entire study about the Millennial generation is the U.S. Chamber of Commerce.

Here’s what the study, entitled *The Millennial Generation Research Review* (U.S. Chamber of Commerce), demonstrates:

- This generation, also called Generation Y, is extremely inclusive and open to concepts of diversity. Findings from the U.S. Chamber of Commerce show 45 percent of this generation is open to preferential treatment being given to minorities in order to help them get ahead.
- Despite the fact that Millennials like to think of themselves as team players, collaborators and selfless, in reality this is a generation that tends to be very focused on themselves in many ways, and driven by what the Chamber calls “extrinsic” forces of motivation.
- 75 percent of Millennials report having created at least one social media profile for themselves, and 20 percent say they have posted a video of themselves online.
- Millennials are increasingly educated, but with that comes a staggering amount of student loan debt for many of them - on average, this generation has $25,000 of college debt when they graduate.
- Despite the high rankings of this generation on IQ tests, they also tend to have trouble when it comes to self-reliance, and they tend to be more anxious and say they feel more stressed out than previous generations.
- Over 25 percent of Millennials reported themselves as self-employed for the U.S. Chamber study, and more than two-thirds of all respondents said they were interested in entrepreneurship. Millennials were responsible for more than 150,000 start-ups being created each month in 2011.

This is just some of the general information gleaned from the U.S. Chamber’s intensive study of Generation Y.

So why are these facts important?

This information is the key required to understand the mindset of a Millennial – not just in a wide-reaching lifestyle sense, but also their identity as employees.
The Millennial View of Work

We briefly touched on how Millennials view entrepreneurship - it’s something they value a great deal, because it offers flexibility and the opportunity to create one’s own path and direction.

We’ll continue to explore the Millennial perspective as far as employment and the labor market as a whole, with a continuation of the U.S. Chamber’s findings:

- Over half of Millennials who responded to this particular study said a quality benefits package is one of their primary decision-making factors when deciding on an employer, and over 60 percent said benefits are not only important in the initial decision, but also the decision as to whether or not they’ll stay with their employer.
- Millennials not only like benefits, but they want to have some say in what those benefits are. Over half of the survey respondents said they wanted benefits they could “choose,” and they’re even willing to pay for those benefits, rather than risk losing them.
- An overwhelming 3 out of every 4 Millennials who participated in the study say they not only want a work-life balance, but essentially demand it.
- The relationship a Millennial employee has with his or her boss is extremely important. This is a generation of employees that very much values the sense of having a mentor or a coach in the workplace, and the top reason this generation reports leaving a job is because of a reason that directly relates to their boss or manager.

Another big name to conduct a large scale study of Millennials and their work habits and views is PricewaterhouseCoopers (PwC). The company collaborated with a team at the University of Southern California, along with researchers from the London Business School.

The study is entitled, “PwC’s Next Gen: A Global Generation Study.” (PwC) At the time of its release, it was the largest generationally-based study ever conducted and it looked at more than 44,000 anonymous web surveys, as well as interviews and focus groups.

Key generalities discovered through the study include:

- Unlike many older employees, Millennials have taken a new view on work-life balance, and they often hold the belief that excessive work demands aren’t worth sacrificing their personal life.
- This generation places a high value on not just salary and benefits, but the overall corporate culture and work environment of their employer. They want to feel like their bosses and employers are being open and transparent with them in terms of communication, and they also want a positive environment and one that heavily involves both support and feedback from their bosses or managers.
- Generation Y places a high premium on the sense that they’re valued and appreciated in the workplace. For these employees, a job isn’t as much about how much they’re getting paid, or even about development opportunities, but instead a job, to them, should meet a variety of professional but also personal needs.

Why Millennials Aren’t Irrelevant
Everything listed above is all part of the stereotype many employers have about Millennials. Some of the associations are positive and some are negative, and all, of course, are generalities.

While the negative connotations associated with this young generation are truly only one aspect of the generalizations that may or may not be true for the individual, it has led employers to be hesitant when it comes to hiring these young people. Unfortunately employers simply can’t afford this luxury any longer.

There are more than 80 million Millennials, and it’s believed about 1/3 of the current workforce is indeed a Millennial. By 2025, according to the BPW Foundation (BPW Foundation), 75 percent of the world’s workforce is going to consist of Millennials.

**The Challenge**

Regardless of the great talent, abilities and perspective Millennials may bring to the table, there’s still a disconnect between employers and young employees, and it’s causing friction in the workplace that’s leading to a loss of productivity, unfilled positions and an economy that’s likely to suffer if changes aren’t made.

American Express and Millennial Branding did their own research study on the subject of employer and employee expectations of one another that sheds a bit of light on the situation.

The study, entitled “*Gen Y Workplace Expectations,*” (Millennial Branding) found the following:

- Gen Y employees tend to have a fairly positive view of their employers and work leaders. For example 59 percent said their managers can offer experience, and 41 percent said their managers offer wisdom. Unfortunately for Millennials, according to this particular study, their managers don’t have the same positive feelings about their employees. 51 percent of respondents said their Millennial employees have unrealistic salary expectations, 47 percent said they have a poor work ethic, and 45 percent of managers said they feel Gen Y’ers are easily distracted.

- 53 percent of Millennial respondents said they felt they would make more of a contribution to their workplace if they were able to receive mentoring from company leaders.

- Millennials are extremely interested in workplace feedback and assessments, yet 20 percent of managers report giving employees no assessments at all in formal terms, and 19 percent of Millennial employees say they don’t receive formal reviews.

- Millennials and their managers tend to have a different view of what it takes to get ahead. 75 percent of managers responding to the survey said it takes four years or more to become a manager, while only 66 percent of Millennials shared that sentiment. 32 percent of managers responding said it could take eight years or more to move up the ranks to a managerial position, while 22 percent of Millennials felt that could hold true.

- It’s not just the overall workplace where there’s a disconnect between Millennials and managers—there’s also some disagreement about the importance of education. Only 10 percent of managers say they feel an advanced degree is required for success, while 22 percent of Millennials feel an advanced degree is required.

**Approaching a Multi-Step Problem**
The Millennial workforce issue is vast and multi-layered, but there are two primary areas that should be addressed first and foremost: recruiting Millennials and then successfully managing them with retention in mind.

As mentioned before, employers aren’t going to have the option to write off Millennials, since they comprise the majority of the workforce, so rather than simply dismissing this generation, the most competitive and successful corporations are going to be those that actively and robustly dedicate resources to not only finding the best young talent, but then fostering that talent and building long-term relationships that are going to lead to retention.

**Step One: Recruitment**

In the process of recruiting Millennials, the challenges are unique. These young people may be willing to accept less money in order to feel like they’re achieving personal balance, or they’re being given the opportunity to make a difference.

Employers can no longer rely on the old standbys of a higher paycheck or a better benefits package in the traditional sense, because these aren’t likely to be what’s going to lure the best and brightest of Generation Y.

Instead, employers can consider the following tips for recruiting long-lasting Millennial talent:

- Develop and identify a strong corporate culture and work to maintain it and advertise it. Just like you’re advertising to potential customers on a constant basis, in order to get that desirable Millennial talent you’re seeking, you’re really going to have to focus on how you market yourself to them. This concept goes back to the idea that Millennials strongly desire a good corporate culture and a positive work environment. Some of the companies young people are flocking to are those like Apple and Google, where there’s a lot of focus on the brand consumers see, but also the brand employees see.
- Take the time to learn about Millennials and what makes them tick. This is important, because many of the recruitment tactics being used by corporations simply aren’t speaking to the mindset of the Millennial. Utilize available research and speak with young employees whenever you have the opportunity to gauge what drives them and their employment decision-making process.
- Know where to reach them. Millennials are heavily involved in social media, and this can be one of the best tools employers can utilize if this is the type of employee they want to attract. Millennials simply aren’t going to be reading the classifieds, and many of them aren’t even going to be visiting job fairs. They get their information digitally, so utilize these channels to get in contact with top talent. As a bonus for employers, this also tends to be a pretty inexpensive way to focus your recruiting efforts.
- As much as social media can be a valuable and inexpensive way to reach Millennial talent, it’s also important to understand how much your reputation matters in the recruitment of this generation. It’s easier than ever before for disgruntled employees to utilize an online channel to let the world know what a horrible environment your company has. It’s unfortunate in many cases, because it may be the result of an angry rant, but you have to focus on reputation management if you want the best Millennial employees. This goes along with the creation of a strong and consistent employer brand, and you have to always have your eye on making sure you’re being presented to potential employees in the best possible light.
Millennials are all about the relationship and connection they have with their superiors. As mentioned earlier, a poor relationship with a boss is the primary reason Millennials say they leave their job. This isn’t just a management issue once you employ a Millennial - the same holds true in the recruitment process. Create a personal relationship with potential candidates, and give them the genuine sense you want to provide a mentor-like environment if they become an employee.

Deliver instant gratification, or at least nearly instant. Millennials are multi-taskers, and they have the world at their fingertips in a second’s notice. They expect that same level of responsiveness during the career recruitment process. Let talented Millennials know where they are in the recruitment process, and keep them updated quickly and thoroughly.

Present opportunities for soft skills training. In the past, training and development was really focused on the teaching of skills that were directly utilized in the workplace. We’re increasingly seeing now a generation that already has a lot of knowledge and skills, but they lack the soft skills, or the interpersonal abilities, to thrive as much as they’d like to in their career. Millennials often know they’re lacking in the soft skills arena, so when making an attractive case for employment at your company, let them know there are opportunities available to develop those soft skills as you’re working to recruit.

This is very much a technical element - make it easy for Millennials to access your company. This is a generation that’s completely connected and you’ll rarely find them without a smartphone or tablet in their hands. They’re even shunning the laptop in favor of these mobile devices, so when you’re actively recruiting Millennials, keep this in mind. Make your employee portal accessible on a variety of devices, and make job availabilities and communication tools similarly easy to access regardless of the type of device being used. When you’re able to provide this to Millennial employees, they’re likely to feel you’re more on the pulse of their needs, which is going to further bolster your employer brand.

Now That You’ve Got Them, How Do You Keep Them?

Many companies are realizing it’s not recruiting Millennials that’s the real challenge - it’s keeping them.

As much as Millennials value flexibility in their workplace, they value it in their lives as a whole, and that means they’re much less likely to vow allegiance to one company. They see life as a constantly evolving opportunity, and they want to always be taking advantage of the newest and most promising opportunities.

This is in stark contrast to the generations before—particularly the Baby Boomers. At one time the norm was to start working for a company right out of high school or college and remain there until retirement.

That’s no longer not just the norm - it seems as outdated as the house phone to young employees.

Pew Research released a study in the spring of this year (2014) in which 57 percent of surveyed Millennials currently employed said they did not plan to stay at their current job for the remainder of their career and more than 60 percent said they only see their current job as a stepping stone to their next one. Surprisingly, despite their young age, 60 percent of the Millennials who responded to the survey said they had already changed careers at least once, as well.

Employers may understand Millennials are fluid and it’s going to be difficult to tap into their sense of engagement, but again, as with hiring these Gen Y’ers, it’s a necessity. Unfilled jobs or jobs that go empty for
long periods of time cost employers thousands of dollars, and countless hours of lost productivity.

Any employer will tell you the best thing for them is to have a workforce of engaged, long-term employees, but how do you get that when you’re up against the changing tides of the Millennial mindset toward their career?

- Embrace a greater good as part of your corporate culture and mission. Millennials value the idea of being part of something larger, and they really tend to shun the concept of the evil corporation. Huge companies like Apple draw them in because there’s a real focus on these concepts of corporate and social responsibility. On a macro-level, make these concepts part of your core values. On a micro-level, give employees the opportunity to do things to give back to the community and the world, and encourage that level of involvement. For example, encourage volunteer days or the creation of environmental responsibility programs. It will help Millennials feel like they’re part of something that’s more of a cause than a corporate push for profits.

- Personalize and tailor training and other on-the-job development by looking at the individual. Millennials, despite their willingness to work as a team, ultimately do have the sense that they want to be recognized on an individual level. Utilize big data and technology-based assessments to uncover the strengths of your Millennial employees and create tailored approaches to fostering those strengths. It may seem like a lot of work for an employee who might not stay onboard, but when you’re identifying the strengths of young employees on a personal level, you’re not only increasing their sense of satisfaction but you’re also identifying important information that can be extremely valuable to your organization.

- Communicate on a constant basis. Millennials are all about communication in its many forms. They want one-on-one time with their leaders, and they want that face time that makes them feel as if they’re being mentored and nurtured. The desire for communication doesn’t stop there, either. They want emails, newsletters, social media updates - they want it all to feel like they’re part of the team, and also that they’re getting transparency on the part of their leaders. Put in place strong communication plans within an organization so Millennial employees can know the ins and outs of what’s happening. They need that connection.

- Feedback, feedback, feedback. Millennials tend to perform at their best levels when they’re getting constant, consistent feedback. Despite their tendency to desire flexibility, they simultaneously want to know what’s expected of them, and they want to know how they’re doing. Implement regular feedback into your workplace, and make expectations clear.

- Create an environment that’s both inspirational and aspirational. Regardless of economic situations that could lead them to feel otherwise, Millennials tend to have a fairly positive world view. Play off this sense of positivitiy to engage and motivate employees by creating an inspirational workplace. They don’t want leaders who are arrogant, rude or difficult to connect with. They want to feel like they’re looking up to a leader who truly respects them, but who also deserves respect. Inspire Millennials and give them leadership that’s aspirational, and they’re more likely to be engaged in their work and their company over the long-term.

- Encourage the entrepreneurial spirit and innovation. Millennials love the idea of changing the world through innovation, so be clear on job expectations, but also provide opportunities to brainstorm, think outside the box and pursue things they feel are relevant or important. You may actually come up with something valuable by letting a fresh, young talent take the creative reins and explore new possibilities.
Mapping the Millennial

It’s undeniable—managers from older generations have to find ways to effectively leverage the skills and talent of Millennial employees. Rather than approaching the situation from a negative perspective, or consistently falling back on stereotypes of this generation, it’s important for leaders, in order to remain competitive, to embrace Millennials and what they bring to the table.

This is the generation that’s produced people like Mark Zuckerberg. It’s a generation that despite its differences from those before, is incredibly driven, full of the entrepreneurial spirit, strives to be innovative, and has the education and technology to make significant contributions in the workplace.

Millennials have the potential to be those workplace disruptors—the individuals that change the status quo, shift the way things are done, and in turn bring tremendous rewards—if managers from previous generations are willing to take a chance, delve into their mindset and lead them in a way that best suits their abilities.