

Guide to Managing Millennials in the workplace

The world of work is changing like never before, from technological advances that are making our everyday processes faster, smarter and more efficient, to changing socio and economic dynamics that challenge the status quo and force us to reassess our approaches and mindsets. The present is certainly exciting, but the future is intriguing.

Executive summary

When we published the Guide to Smarter Hiring, we took a look at some of the most effective ways that Employers can better manage their talent attraction strategies to attract and retain the best people they need for their organisations.

A key focus was on how to manage Millennials in the workplace, which provided an at-a-glance of the key management styles that enable Employers to get the most from this newest generation of workers.

When researching the Guide, we found a plethora of information and opinion about the role that today's Millennials are having both in the here and now and in the coming years. We also found evidence to suggest a lack of real understanding on the part of Employers over the extent to which the Millennial generation is and will reshape the workplace. That's what this Guide seeks to address.

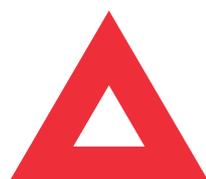
When we talk about the 'future of work', we tend to think about the projected impact of automation on the workplace and the skills needed to manage the new jobs that will emerge as a result or the impact Big Data will have in both the Recruitment and retention process along with the rise of the so-called 'gig economy'. Yet of all the technology and socio-economic changes that lie ahead, it is the role played by Millennial workers that will have the greatest impact.

There is a perception in the media and among many business leaders that automation will take over many of the jobs that we are familiar with today. While there is some truth in that, the reality is that the rise of the robots won't happen anytime soon.

Indeed, research by McKinsey's digital strategy division predicts that the automation of certain roles could, and probably will, take at least four more decades to come to fruition. This is because the pace of change at which technology influences jobs takes a lot longer than people think when certain factors are considered.

First, there are limitations over the ability of existing supply chains to modernise their systems. Then, there is a lack of knowledge among business themselves coupled with a lack of real urgency or appetite towards greater automation among organisations. Not forgetting cost – adapting and implementing new technologies is an expense that organisations prefer to invest over a sustained period of time.

All of which brings us back to the one great change that is the most certain of all – Millennials will reshape and reform the workforce. The question is, are we ready for it?



Who are Millennials?

Each year that goes by will see more and more of the talent we need being drawn from the Millennial ranks to replace the retiring Boomer generation. The challenge for Employers is this - once that Millennial talent has been found and hired, how do they manage and align it to the organisation's goals?

To answer this we must first understand precisely what we mean by the 'Millennial' generation.

Born between 1980 and 2000, this demographic were named as such because this would be the first generation to graduate after 2000 – the new millennium. Like those who went before them (Generation X and the Baby Boomers), this is a group that has its own nuances and identity. But, unlike its predecessors, there are many more of them.

The number of Millennials entering the workplace is rising at a rate of knots. In 2015, Millennials overtook Baby Boomers for the first time to represent 25% of the global workforce. By 2020, this figure will be 50% and that will see them outnumber their Generation X predecessors.

However, despite this, Millennials remain in short supply and those with the right skills will be in high demand. This will see the balance of power in the job stakes shift away from Employers and closer towards Candidates, while organisations themselves will battle it out to attract and keep hold of their young talent.

What the research says

A report conducted by Gallup in 2016 found that, over a given 12 month period, 21% of Millennial workers had changed jobs, while 60% admitted to being open to new job opportunities - the highest percentage among all generations of workers.

The same research also found that, of those who left their jobs, just 7% took up a new position with the same company and 36% said they plan to proactively look for a

new position elsewhere over the next 12 months.

Armed with this information it is easy to see why popular wisdom has it that Millennials are lazy, entitled, impatient and hop from job to job in a never-ending quest to find 'something better'. Taken at face value, it would be difficult to offer a counter argument. But take a look at what other research has revealed and an altogether different perspective emerges.

Indeed, it has been shown that the hard-to-please stereotype about Millennials is precisely that – a stereotype. A report commissioned by CNBC found that Millennials are actually more than satisfied with the training and development they received from their Employers. Furthermore, the report found that 76% say they are satisfied with their opportunities for promotion – 10% higher than any other generation.

This reflects the findings of a global employee survey conducted by KPMG. Canvassing 30,000 of its workforce, KPMG found that when it came to staff engagement, morale, pride in the organisation, optimism over the company's future and various other metrics, Millennial employees were virtually on a par with their colleagues over the age of 35 years.

However, the data only tells half the story – when the context of these statistics is considered the statistics ask many more questions than they answer: Why are so many younger workers moving from one employer to the next? What do Millennials want? What can Employers do to stem the tide of Millennial talent leaving their organisations?

These are just some of the questions we will seek to answer in this guide.

What does smarter hiring look like in practice?

2. What do Millennials need and want from Employers?

It may seem an open-ended question akin to that old favourite 'how long is a piece of string?' But defining what Millennials want is easier than it might seem – it just seems to get lost somewhere in translation.

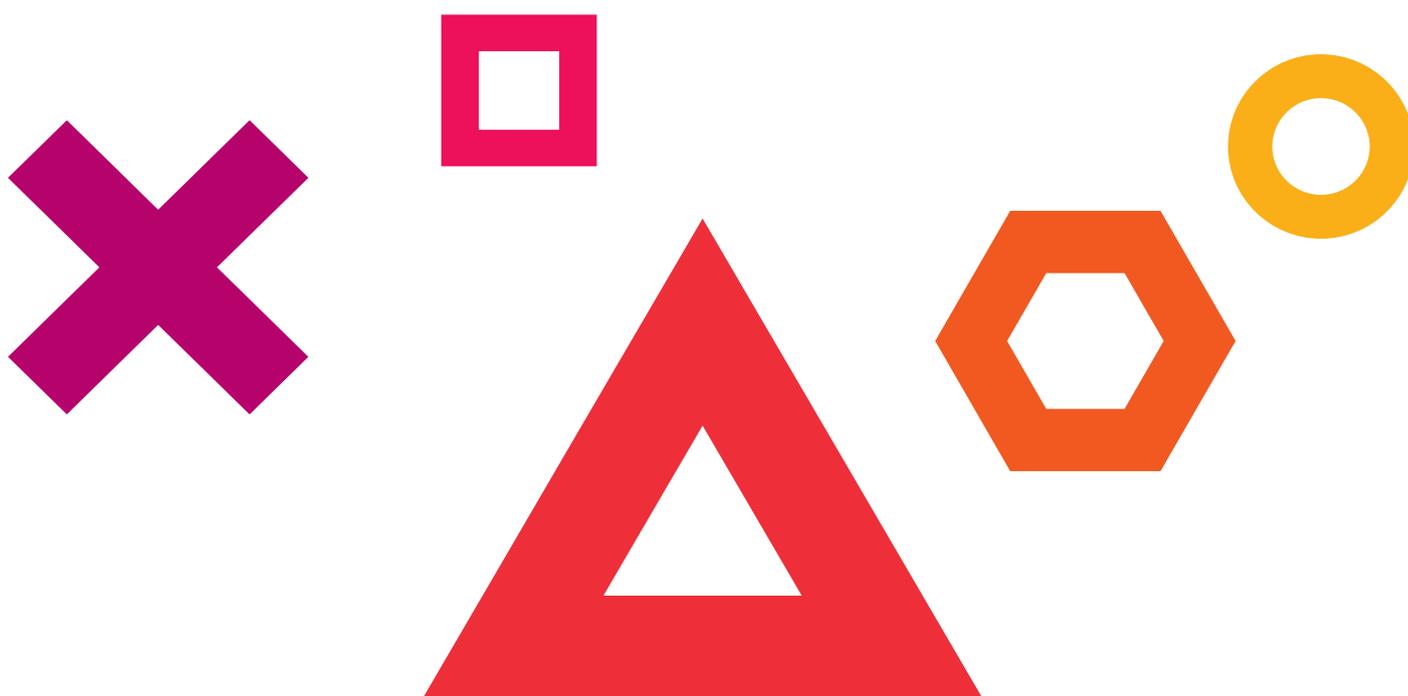
As we have already explained, conventional wisdom holds that Millennials are impatient, self-absorbed, distracted and unlikely to remain with the same employer longer than five minutes. While such descriptions seem to have an element of truth to them, few can be substantiated with any real evidence.

Park the superlatives for a moment and there is a positive

side that is focused on a sense of purpose, engagement, feedback and a work/life balance that supercedes all desire for financial reward.

Come to think of it, is there really that much of a difference between Millennial workers and everyone else? After all, small differences between younger and older employees have been commonplace since time immemorial. So to cite these differences as being the reserve of Millennials would be wrong.

What is clear, however, is that Employers need to develop a greater understanding of this generation and structure their Recruitment strategies accordingly.



What do Millennials need and want?

Millennials are looking for more from their careers than 'just a job'.

1. Opportunities for career progression

Millennials are job hoppers, but with good reason. In a world where people are living longer, employees are facing up to the prospect of careers spanning at least 60 years. It makes sense to spend as much of that time as possible performing a role that is better aligned to their needs and career aspirations, and if these things can't be met with their current Employer they will shop around to find one that does.

2. Money isn't everything (but it's still important)

It is a myth to suggest that Millennials place little value on pay. In fact the opposite is true. A global study conducted by PwC found that after opportunities for career advancement, competitive wages were the second most important factor for 44% of Millennials when it comes to what they look for in a new role. Specifically – starting salary coupled with location. It is the latter that is particularly pertinent to Employers in Oxfordshire.

In early 2017, Allen Associates conducted a survey to better understand the key Recruitment challenges that Employers in the area currently face. 60% of respondents stated that their location was one of the biggest obstacles they face. This in turn sees many Employers hike their salaries to attract the talent they need.

3. Opportunities to learn and develop

Millennials tend to take the view that each role they hold serves as a stepping-stone in their career. But they also want to learn and grow with each Employer and to work for an organisation that will invest in their development.

According to the PwC report, 22% of Millennials ranked training and development as the most important and valuable benefit offered by an Employer. They're not looking for a boss, they want a coach. The 'command and control' style of management carries very little sway in the Millennial workforce. Rather, they want managers who can identify their strengths and help to build on them.

4. Work/life balance

In a report conducted by CNBC, 1 in 5 (18%) of Millennials rank work/life balance as being the most important trait they look for in a company. While this is only a percentile point or two above the national average, Millennials are more vocal about it. Interestingly, a lack of work/life balance has been shown to be a major cause of stress among younger workers.

In 2016, Willis Towers Watson found that 50% of Millennial workers reported 'heightened stress' at work, with 69% of those listing a poor work/life balance as the root cause. Part of the reason could be down to a lack of real understanding among Millennials of the way in which some industries actively encourage a long hours working culture. But there is also the suggestion that Employers need to be careful not to set unrealistic expectations of what is expected in the role at the Recruitment stage.

5. Technology

Unlike any previous generation before them, Millennials have grown up in a digital world. Communicating via text, instant messaging, face time and a plethora of social media tools is commonplace for this group of workers. They will expect their workplace to be equipped with the technology that enables them to instantly connect, engage and collaborate with one another.

PwC's research found that 59% of Millennials state that the standard of technology provided by an Employer is a key factor when deciding whom to work for, with 78% saying that access to the right technology makes them more effective in their work.

6. Sound reputation

In our Guide to Smarter Hiring, we spoke at length of the need for organisations to work hard on promoting their employer brand, but with good reason. Research carried out by LinkedIn found that 83% of Employers believe that the perception and reputation their organisation has can positively or negatively impact their ability to attract top talent. This is especially the case when it comes to Millennials.

Several surveys point to reputation as being one of the biggest influencers during the job decision-making process, with estimates suggesting this is an important consideration for 1 in 3 of Millennial workers. But it is much more than that.

A study conducted by Corporate Responsibility Magazine/ Allegis Group Services revealed that more than 8 out of 10 (84%) Millennials would leave their current position if another role with an Employer that had a better corporate reputation came along. Interestingly, 69% said that even if they were unemployed they still wouldn't consider a role with a company with a poor employer brand or corporate reputation.

7. Shared values and making a positive difference

There is the perception that Millennials are the 'ethical generation' – driven by the desire to work for organisations that make a positive impact in the world around them. There is certainly a lot of truth in this assumption, but the extent to which this is manifested in practice is perhaps not so grandiose.

Millennials look for Employers whose values are aligned with their own – those who build and create trust by being transparent and socially responsible. However, this is only a key consideration for just under half (42%) the Millennial workforce, which is still a significant number of course.

Indeed, the research carried out by Global Tolerance also found that 42% of Millennials placed meaningful work that directly benefitted others as being of greater value to them on an individual level than a higher salary. 1 in 3 (36%) said they would work harder if the company benefitted society and they could see how their role is making a difference.

8. Team work yes, but still individuals

Whether it's the bringing together of different areas of the business such as marketing, sales, finance, HR, and IT to form cross-functional teams, or creating teams of individuals from the top down, Millennials are very much about collaboration and connectivity.

Yet, as contradictory as it seems, they also have a strong sense of individualism (no wonder Employers often struggle to 'get' what this generation is all about). It comes down to being recognised for the individual contribution they make while still preferring to work within a group or team setting.

9. Ping-pong tables, astroturf offices and free beer?

No, this is not what Millennials say they want. In fact, Baby Boomers are more likely than Millennials to want creative spaces. But when it comes to free beer on a Friday afternoon, few generations will forego that workplace benefit.

What do Millennials need and want?

Understanding what motivates Millennials is the first – and most crucial – step in the process. Now the focus switches to the strategic approach needed to attract and recruit the Millennial talent that is needed.

We are in a candidate-driven market, where it is the job seekers who hold the greatest bargaining power. It's a huge about-turn to the situation that existed as recently as five years ago, when Employers were very much in the driving seat and in the fortunate position of being able to cherry-pick the Candidates they really want.

At a time of record employment levels, Employers need to adapt their Recruitment strategy and tailor it to the needs and wants of the Millennials they want to attract.

Share your values

Research shows that once the basic hygiene requirements such as pay, conditions and location are satisfied, the values and the vision of the organisation take on a greater importance in the eyes of Millennials.

Describing your organisation as the market leading this or fastest growing that may grab their initial interest, but Millennials want to dig deeper and find out what matters to you as a business, where you are now and where you are going. So it is important to clearly communicate the values that are important to you.

However, a word of caution. The values you extol need to be ones that the business has truly embraced. Too many Employers choose values that they think will resonate most with the talent they want to attract – integrity, teamwork, passion, professionalism to name but a few. But how are they manifested in practice?

Millennials are like every other generation of job seekers – they are inquisitive and for every claim an Employer makes they will respond with So what, what difference will make to me?

For instance, if cultural awareness is one of your core values, how do you demonstrate this? Perhaps you follow the likes of HSBC who say they “communicate openly, honestly and transparently, welcoming challenge, learning from mistakes” and by “listening, treating people fairly, being inclusive, valuing different perspectives.” Maybe integrity and honesty are two of your core values. If so, do you adhere to the way that Kellogg's principles are put into practice – by “showing respect for and valuing all individuals for their diverse backgrounds, experiences, styles, approaches and ideas, and listening to others for understanding.”

Communicate your vision

When Martin Luther King Jr took to the steps of the Lincoln Memorial to address a crowd of civil rights marchers in 1963, he proclaimed that he had a dream. This was the rallying call that garnered even greater support for what King and the movement he represented was seeking to achieve. It is this selling of the ‘vision’ that Employers need to communicate too.

Companies such as Google and Apple are unquestionably two of the most successful organisations both in terms of market share and their ability to attract and retain top Millennial talent. They are not constrained by the ‘this is the way things have always been done’ mentality, nor are they stuck in a state of ‘same old same old’.

The attractiveness of Employers with a successful Millennial recruitment strategy lies in the fact that they have each have a vision that is brilliant in its simplicity and equally inspiring – much like Dr King's “I have a dream.”

Indeed, Google's vision is "to provide access to the world's information in one click," with the tagline "Do cool things that matter." Chevron states that it aims "To be the global energy company most admired for its people, partnership and performance," while Chanel's vision is "To be the Ultimate House of Luxury, defining style and creating desire, now and forever."

Manage expectations

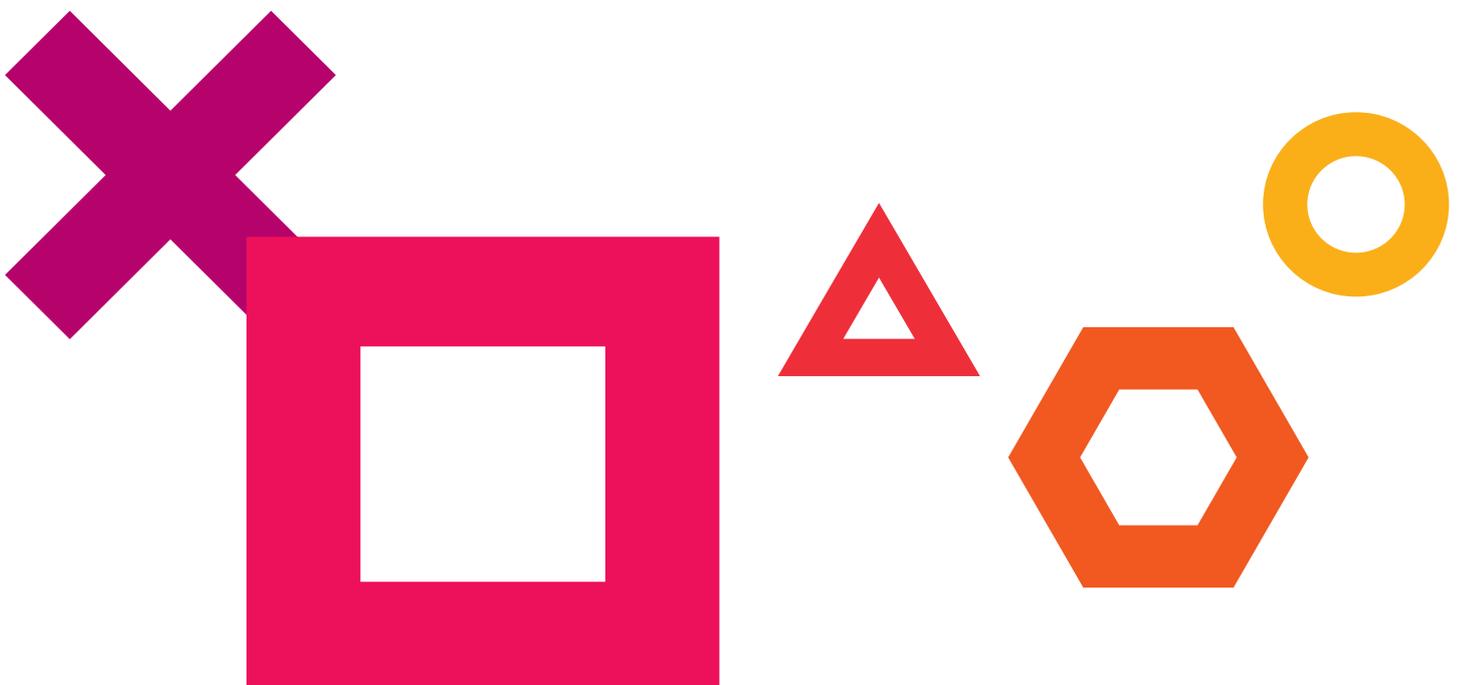
It is a matter of reward. Millennials are not only motivated by where the organisation is now, they are influenced by where it is going too, the role they can play in making this happen and the opportunities it could create for them in their career.

Most Millennials are ambitious - they want to progress and the sooner this can be done the better. But there are only so many roles at the top of the organogram and some will invariably not make it that far. So Employers need to be careful when setting expectations.

Corporate social responsibility

Millennials are attracted to Employers that they admire and respect as consumers. They are even willing to pay slightly more for a product if they know it will make an impact on the things they care about. It is the same when it comes to deciding which Employer they choose to invest their careers with.

In fact, according to the Global Corporate Sustainability Report published by Nielson, 81% of Millennials expect their Employer to demonstrate best practice in business sustainability and ethics. They also want Employers to better communicate their CSR policy too. In doing so, Millennials are more likely to want to rally behind what will become – once employed – a shared cause. Purpose beyond profit.



Retaining Millennial talent

January is traditionally the busiest time of the year when it comes to employment.

Some surveys suggest that as the dulcet tones of Auld Lang Syne begin to fade into the distance as many as 1 in 4 of all employees in the UK will be dusting off their CVs and planning their next career move. Others put this number at 1 in 3.

Whichever figure is taken, the number is high. As we have seen, an estimated 60% of Millennial workers are open to new opportunities, with career progression at the forefront of their minds. So the challenge for Employers is finding ways to keep hold of their best Millennial talent and plug the shortfall in their talent pipeline.

The solution comes in three distinct forms.

Engage

When it comes to employee engagement, we Brits are rather poor at it. In fact, according to the Global Perspectives report, the UK ranks 18 of 20 in the world staff engagement rankings. As if that wasn't bad enough, a recent survey conducted by Deloitte found that 80% of UK companies lack any form of employee engagement at all.

Yet there is a wealth of research to show that organisations with highly engaged employees have higher staff retention rates than those who don't. For instance, the MacLeod Review stated that, "engaged employees are also more loyal to their employer and demonstrate greater degrees of innovation." In other words, employee engagement is a performance-driven issue.

Indeed, Towers Watson has found that employees who are engaged with the business directly contribute to that business being 1.7 times as likely to outperform their competitors. This is because engaged employees feel a greater sense of loyalty to the business and are

proven to increase their work efforts, which in turn boosts productivity and positively impacts on the organisation's bottom line.

Effective employment engagement is about creating and maintaining two-way communication throughout the business. Here are a few ways you can do this:

- Internal communications: Maintain a regular flow of news and updates from across the business, whether through all-staff emails, intranet sites, newsletters or monthly meetings
- Gain and retain employee buy in: 'Selling' the company's vision at the Recruitment stage is fine, but it needs to be an ongoing process. Employees need to be reminded of the vision they initially bought into and the role they can play in moving the business closer towards turning it into reality
- Let their voice be heard: Millennials want their opinions and ideas to be heard and noted, so provide the platform for them to do so. Engage them during the decision-making process, whether it be something as simple as canvassing their ideas in a focus group situation or as part of a key brainstorming session where the best ideas are presented to the leadership team for final sign off.

Support

Countless surveys point to Millennials being enthused, energetic and ambitious workers. They also place great value on learning and development and seek bosses who are less of a manager, more of a coach. In other words, they want and expect regular and constructive feedback on their work and clearly defined paths for career progression.



Here are just a few yet highly effective ways to ensure that you can support the millennial talent in your teams:

- Reverse mentoring: Traditional onboarding and 'buddying-up' methods have tended to pair new starters with colleagues in a similar role. However, the process of 'reverse mentoring' has been shown to be more effective, and increasingly popular in organisations. How this approach differs is that individuals – in this case millennial employees – are paired with a more senior colleague. It works in two ways: the younger worker benefits from the experience and insight of someone who has 'been there and done it', while the older worker gains a greater understanding (and appreciation) of how different approaches – particularly when it comes to the use of technology – can improve existing processes.
- Listen in order to tell: While Millennials are often considered to have greater self-confidence than previous generations of workers, they certainly do not profess to have all the answers. In fact, the opposite is true. To navigate their way through their career Millennials will proactively search for ways to develop the skills they need to plug any gaps in their knowledge. So listen to how they want to learn and seek to provide an amalgamation of on-the-job training, group-based skills workshops and even online and distance learning that can be completed in a less formal environment.
- Social collaboration: Deloitte is a prime proponent of this form of support for its millennial employees. The notion is simple: In addition to its more formal and structured training and development programmes, Deloitte stresses the importance of what it terms 'organic opportunities for professional growth.' In practice, this involves learning via varying mediums, such as peer-to-peer coaching, user-created forums, and crowd-sourced information portals where its global talent base can share best practice with each other and access a variety of e-learning resources.
- Keep talking: In their research, PwC found that half (51%) of Millennials say they prefer feedback to be an ongoing process and a key aspect of their own personal development. So while monthly or quarterly one-to-ones and annual appraisals may suffice for Generation X

workers, the same cannot be said for the Y counterparts.

The report stated: The companies that are most successful at managing Millennials are those that understand the importance of setting clear targets and providing regular and structured feedback.

Advance

The workplace is constantly evolving. The expectations of one generation, their norms and practices will differ from the next as each one seeks to assert itself. Millennials are no different but what separates them from previous generations is that the notion of seniority and time-served is flatly rejected when it comes to career advancement.

They want and expect career progression to take place sooner rather than later and to move quickly through the organisation. According to several surveys, around half of all millennial workers place career progression at the top of their list of career goals – ahead of earning potential. It is this that makes an Employer an attractive proposition – providing the organisation itself is equally ambitious.

Both parties having ambition is one thing, being able to provide those career progression opportunities is another. Millennials are rather practical in their approach to work – if advancement where they are is a realistic possibility within the right timeframe, they will remain where they are and do what is needed to get position themselves in contention for promotion.

To counter this, Employers could consider adding more levels to the organogram. Top talent is hard to find so it makes sense to pull out all the stops to retain the talent that is already in situ. This is not about introducing new hierarchies; rather, it is a way of providing just enough of an incentive to the high achieving Millennial workers with the greatest potential to climb the ranks and eventually become key members of the leadership team further down the line.

Managing Millennials

The Millennials are not coming. They are already here. Employers need to shift their mindset away from notion that they need to 'prepare' for the Millennial and recognise the fact their importance in the here and now and the dominant role they will play – not in some distant future but within the next 5 and 10 years.

Forecasts show that Millennials will make up half the global workforce within three years, and two-thirds by 2025. So the need to align the organisation's business plan and strategy around Millennials is now. Look at where the business is now and where it is going, consider the roles that will be needed and ensure there is a succession plan in place, and focus on the financials – factor the costs of supporting the development of your Millennial talent and the cost of replacing that talent too.

As we have seen, Millennial workers want to be engaged and supported, they are looking for coaches rather than managers in the traditional sense, and they want to be inspired to become better and do what is needed to advance their careers. Therefore, when it comes to the day-to-day management of Millennials, it is important that Employers understand the leadership style that is most effective.

Given what we know of Millennials, they don't work well under a so-called 'command and control' or rigid style of leadership. Rather, they respond best to leaders that can inspire positive change, have enthusiasm and recognise that the sum (the team) is only as good as its parts (the individuals within the team). This style of leadership is referred to as 'transformational'.

Coined by the researcher Bernard M. Bass, transformational leadership, in its most simple form, is defined by its impact on others. The theory follows that Millennials both respond better and perform better when they feel that their superiors trust that they can do their best.

Indeed, serial entrepreneur Richard Branson is a staunch advocate of this style of leadership. He has stated that, "If you can motivate your people, use their creative potential, you can get through the bad times and enjoy the good times together...if your employees are happy and smiling and enjoying their work, they will perform well." Why?

Because transformational leaders care and are attentive to each individual and hold positive expectations of them, believing they can and will do their best, they empower and stimulate Millennial workers to want to do better.



Conclusion

The world of work is changing like never before, from technological advances that are making our everyday processes faster, smarter and more efficient, to changing social and economic dynamics that challenge the status quo and force us to reassess our approaches and mindsets. The present is certainly exciting, but the future is intriguing.

The next few years will see the greatest workforce shift in history. Never before has a single generation evolved at such a rate that within the space of two decades it will have come to represent three out of every four people in the workplace. The Millennial generation is supremely talented and the challenge for Employers will be figuring out how to find and attract the best of them while working out how to manage and meet their expectations in a bid to retain the top talent they already have.

Current evidence shows that there remains a disconnect between what Millennials want and expect from their careers and the experiences they have. This suggests that there is still some way to go before Employers truly 'get' what Millennials are all about. But as PwC succinctly concludes, "Millennials may have made some compromises...their ambition and sense of self-worth has not diminished. Before long, this generation will form the majority of the workforce and they will look for employers who are truly acting on their promises."

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