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Managing the Millennials: Employee Retention Strategies for Generation Y

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CLAREMONT McKENNA COLLEGE
MANAGING THE MILLENNIALS: EMPLOYEE RETENTION
STRATEGIES FOR GENERATION Y

SUBMITTED TO
PROFESSOR JAY CONGER
AND
DEAN GREGORY HESS

BY
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I. Introduction

*“They are the newest generation to enter the labor market, yet they already have clear ideas about what they expect from you as an employer. They are in high demand, so if you can’t meet their needs, they’ll find someone who can.”*¹

-Stuart & Lyons, on Generation Y

This thought echoes the concerns of those who feel obligated to alter their workplaces in drastic ways to accommodate the influx of millennial workers that has only just begun. These outcries are based on various sources, some of which are credible and others much less-so. But regardless of how much they differ from previous generations, it is clear that Millennials have developed a very unique identity, and this collective personality will undoubtedly shape how they approach their adult lives as they grow into them. However, research has shown that this group is not always as drastically different as common perception suggests. As this group of 76 million continues to migrate from school to the working world, offices around the country and the world are trying desperately to determine how best to lure them in, motivate them to be productive employees, and retain them upon reaching this desired level of productivity, but sometimes the motivational drivers require subtle changes rather than drastic shakeups.² Rather than acting on exaggerated theories lacking in empirical substance, employers must instead focus on the smaller changes that will make them more appealing to this new cohort.

Before exploring any generational research, it is important to understand how generations are defined and the factors that differentiate one generation from another. Ryder (1965) defines a generational cohort as “a group of individuals similar in age who have experienced the same

¹ Stuart, A, & Lyons, S. (2008). Millennials in the workplace – Understanding and capitalizing on the connected generation. *Viewpoint*. Retrieved from http://www.doitwell.ca/blog/wp-content/uploads/Viewpoint_Millennials_in_the_workplace.pdf on November 27, 2011.

² Ng, E., & Schweitzer, L. (2010). New generation, great expectations: A field study of the Millennial generation. *Sprott School of Business*, 282.

time period.”³ Ryder’s conception provides a good starting point, but really, a generation is more complex than this definition suggests. Kowske et al. (2010) expand that members of the same generation are around the same ages upon momentous events in both society, such as wars, social movements, and significant technological advances. They also experience similar milestones in their own lives, such as beginning school, entering the workforce, and retiring, at the same point in time.⁴

Even with such a precise definition, determining generational levels remains an imprecise science. Generational cutoffs, such as persons born between 1978 and 1998, are necessary for research purposes, but it would be difficult to argue that someone born in 1977 is inherently different from a similar person born in 1978, as their generational designations might suggest. These cutoffs, though, allow for a greater understanding of human behavior, as they permit researchers to discover the effects of landmark events on a given generational cohort – an impossible task in the absence of cutoff years.

Understanding how generations are defined allows researchers to determine what differentiates one cohort from another. As Kowske et al. noted, experiencing landmark events at similar developmental points shapes a generation, so while many generations may experience a given event, their age of exposure will be key in determining how they respond and how their outlooks are affected. The following table offers a look at some of the defining events of the last century and the generations that they have defined:

³ Ryder, N.B. (1965). The cohort as a concept in the study of social change. *American Sociological Review*, 30, 843-861.

⁴ Kowske, B., Rasch, R., & Wiley, J. (2010). Millennials' (lack of) attitude problem: An empirical examination of generational effects on work attitudes. *Kenexa Research Institute*, 1, 265-279. Retrieved July 28, 2011.

Silent Generation	Baby Boomers	Generation X	Millennials
<p>-WWII, Korean War, Great Depression, New Deal, Rise on Corporations, Space Age,</p> <p>-Raised by parents that just survived the Great Depression.</p> <p>-Experienced hard times while growing up which were followed by times of prosperity.</p>	<p>-Civil Rights, Vietnam War, Sexual Revolution, Cold War/Russia, Space Travel</p> <p>-Highest divorce rate and 2nd marriages in history.</p> <p>-Post-war babies who grew up to be radicals of the 70's and yuppies of the 80's.</p> <p>-“The American Dream” was promised to them as children and they pursue it. As a result they are seen as being greedy, materialistic and ambitious.</p>	<p>-Watergate, Energy Crisis, Dual Income families and single parents, First Generation of Latchkey Kids, Y2K, Energy Crisis, Activism, Corporate Downsizing, End of Cold War, Mothers Working More</p> <p>-Their perceptions are shaped by growing up having to take care of themselves early and watching their politicians lie and their parents get laid off.</p> <p>-Came of age when USA was losing its status as the most powerful and prosperous nation in the world.</p> <p>-The first generation that will NOT do as well financially as their parents did.</p>	<p>-Digital Media, Child Focused World, School Shootings, 9/11 Terrorist Attacks, AIDS , Corporate Scandals</p> <p>-Typically grew up as children of divorce</p> <p>-They hope to be the next great generation & to turn around all the “wrong” they see in the world today.</p> <p>-They grew up more sheltered than any other generation as parents strived to protect them from the evils of the world.</p> <p>-Came of age in a period of economic expansion.</p> <p>-Kept busy as kids</p> <p>-First generation of children with schedules.</p>

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As the table illustrates, generations are affected by wars, social movements, and simply general trends in society. There is no specific rule that determines what can shape a generation. As one would imagine, the major shapers and characteristics of any generation affect the name of that particular generation, but again, there is no discernible pattern to this naming. The Silent

⁵Camex. Retrieved from http://www.camex.org/Portals/CAMEX/uploaded_docs/handouts/2-12_HO.pdf on November 18, 2011.

Generation, for example, is named to recognize their “conformist and civic instincts,” whereas the Baby Boomers pays tribute to the “spike in fertility that began after World War II.”⁶ The name “Generation X,” on the other hand, signifies a lack of any real consistent personality. The “X” is symbolic of the unknown, fragmented identity of this generation.⁷ Finally, Millennials were named as such because they were the only generation to come of age at the turn of the New Millennium.

Understanding baseline generational differences will be insufficient in evaluating how the Millennials will impact the workplace, though. One must pay sufficient attention to current workforce dynamics. As it stands, there are essentially three generations actively participating in the labor force. Baby Boomers are in management positions and nearing retirement, leaving Gen Xers and Millennials to vie for their spots.⁸ This, along with the job switching tendencies that are becoming more common, is rapidly changing the current American workplace. Because each generation has different values, ideas, methods of approaching problems, and communicating, many offices are struggling to find the right balance to accommodate all. Before, there were “definite rules as to how the boss was treated and how younger workers treated older workers,” but those rules are changing rapidly.⁹ For example, Stan Smith, Deloitte’s director of Next Generation Initiatives, recalls a group of managers complaining that they were always being interrupted by young staff members, only to hear their CEO respond, “You are well paid to be interrupted. How else are they going to learn?”¹⁰ In some ways, the playing field is more level, as

⁶ Pew Research Center (2010). Millennials: A portrait of generation next. Pew Research Center, 8.

⁷ Jackson, R. L. (2010). *Encyclopedia of identity*. Thousand Oaks, Calif.: SAGE Publications.

⁸ Simons, N. (2010). Leveraging generational work styles to meet business objectives. *ARMA International*, Winter, 29.

⁹ Elmore, L. (2010, June). The workplace generation gaps. *Women in Business*, Summer, 9.

¹⁰ Hershatler, A., & Epstein, M. (2010). Millennials and the world of work: An organization and management perspective. *Goizetta Business School*, 217

employees are gaining more input, regardless of tenure, but it is also making workplace norms harder to decipher, especially for Millennials.

Millennials, who are persons born as early as 1977¹¹ and as late as mid-2000s,¹² depending on the source, are often a difficult group to categorize, but researchers have made significant progress in identifying common traits of the average Millennial. For example, in *Millennials and K-12 Schools* (2008), notable demographers Neil Howe and William Strauss pinpointed what they called the seven core traits of the population, which included special, sheltered, confident, team oriented, conventional, pressured, and achieving.¹³ These seven adjectives, which appear often in subsequent research on the Millennials, account for a significant proportion of the behaviors in which Millennials engage, but they exhibit other traits as well. For example, the Pew Research Center echoes that Millennials are confident but also notes above-average levels of self-expression, liberal tendencies, and openness to change,¹⁴ and a London Business School study contends that members Generation Y are reflexive, diverse, impatient, and selfish.¹⁵ These qualities, while they cannot be ascribed to every member of the population, are an important first stroke in painting a portrait of this enigmatic generation. The contradictory nature of some of these descriptions – conventional vs. open to change, sheltered vs. confident, team oriented vs. selfish – speaks directly to the complexity of this generation and explains why researchers continue to struggle in pinpointing what exactly separates Gen Yers from previous generations.

¹¹ Simons

¹² McClellan, S. (2008). Externships for Millennial generation law students: Bridging the generation gap. *Seattle University School of Law*, 255-280.

¹³ Howe, N., Strauss, W., & Nadler, R. (2008). *Millennials & K-12 schools: Educational strategies for a new generation*. Great Falls, VA: LifeCourse Associates.

¹⁴ Pew Research Center, 1.

¹⁵ London Business School. (2010). The reflexive generation: Young professionals' perspectives on work, career, and gender. *London Business School*, 1-50.

While it is important to understand what the Millennials are, it is equally imperative that employers comprehend what they are not, as there are numerous myths perpetuated by the popular media. For example, while anecdotal and academic evidence supports that Millennials are more narcissistic than previous generations, this can be somewhat misleading, as it is often based only on students at 4-year universities. This data fails to reflect the large number of Millennials who are not enrolled in universities.¹⁶ Further, in analyzing worker hours by generation, Millennials are often found to work less than previous generations. Taken at face value, this would suggest that Generation Y has poor work ethic relative to other generations, but as Deal and Altman (2010) show, it is not necessarily that simple; hours are often closely related to organizational rank, and since older workers have had longer to achieve higher rank, they are more likely to be in positions that require them to work more hours. Deal and Altman predict that the numbers will even out once Millennials have had more time to climb the ladder.¹⁷

This effect coincides directly with the concerns raised by Taylor and Keeter (2010), editors of the Pew Research Center's comprehensive research snapshot on the Millennial generation, as they caution that any generational research will be muddled by three external effects if they are not controlled for. The first is a "Life Cycle Effect," describing data that will change as generations move into similar points in their lives. For example, Millennials and Baby Boomers may rate very differently on a trait like optimism for the future, but this difference could be a result of their age rather than a generational outlook. If researchers evaluate different generations without measuring them at the ages, it becomes impossible to determine whether any differences are a result of age or generational attitudes, which can seriously affect the data. It is

¹⁶ Trzesniewski, K.H., Donnellan, M.B., & Robins, R.W. (2008). Is "Generation Me" really more narcissistic than previous generations? *Journal of Personality*, 76(4), 903-917.

¹⁷ Deal, J., Altman, D., & Rogelberg, S. (2010). Millennials at work: What we know and what we need to do (if anything). *Center for Creative Leadership*, 193.

this effect that Deal and Altman use to support their thesis. However, there are is also a “Period Effect,” which describes variable influence of monumental events, depending on the age when people experience them. For example, The Great Depression may have affected people differently, depending on whether they were young and trying to begin work or nearing the end of their careers. This does not mean that these two groups are innately different, as a generational evaluation of their feelings of optimism might suggest, but rather, they were just affected differently due to their differing experiences with an event. Lastly, there are “Cohort Effects,” detailing the relationship between age and development of “core values.”¹⁸ This effect is not as problematic in generational research, as a generation is a cohort, by definition, but it is still important that this effect is not explaining too much of the variance in the data. Depending on the circumstance of application, these effects can be negligible or tremendously influential, but in evaluating an entire generation, they must be taken into account, as there is almost certainly a macro effect. The most accurate studies will at least eliminate the life-cycle effect by comparing data at similar ages, but this is not always possible.

In order to separate these effects out of the data, it is important to think critically about how each generation’s background affects their futures. Like any generation, the Millennials were shaped both by the external events and changes in home and family life. This generation was shaped externally by developing concurrently with the rise of globalization¹⁹ as well as specific events such as the Oklahoma City bombings, the Columbine shootings, and the World Trade Center attacks on September 11, 2001.²⁰ These events, coupled with the increased usage of the internet – the information superhighway – fed into the notion that the world was not as safe as it previously was, and the natural human response to increased risk is to intensify protection

¹⁸ Pew Research Center, 13

¹⁹ Simons, 31.

²⁰ Barnes, G. (2008). Guess who's coming to work: Generation Y. Are you ready for them? *Horizons*, 59.

against said risk. In the case of Millennials, this protection came from both parents and the Federal government. The government responded in large part with increased regulation, taking a more active regulatory role in many aspects of the human experience, including automobiles, home products, education, schooling, and most notably, air travel.²¹ More than ever before, the government was vigilant against threats that were presented on a micro level, and most obvious beneficiaries of this increased protection were America's children – the children of Generation Y.

The government's efforts to make the world a safer place for American children were surpassed only by the parents who were now fighting tenaciously not only to protect their children from immediate threats but from future failures as well – the Baby Boomers. On the cusp of “the most child-centric time in our history,”²² Baby Boomers were voracious consumers of any literature pertaining to strong child development, and they adjusted their parenting styles accordingly. For example, while past generations had to structure their schedules around any availability in their parents' calendars, Millennials grew up as the focus of the family, leading parents to revolve their own lives around their children's increasingly busy social schedules.²³ With increasing pressure to involve one's children in extracurricular activities both for resume-building and self-development, it became insufficient to merely divide one's life between school and “free time,” so Millennials engaged in athletics, music, performance, community service, and leadership more than any generation before them had.²⁴ This new lifestyle could be

²¹ Hershatter & Epstein, 215

²² Simons, 31

²³ McKellan, 263

²⁴ Abaffy

expensive, but the United States' economic explosion meant that families could now afford the rates required to participate in elite athletics, selective musical groups, and exotic service trips.²⁵

While these teenagers faced both internal and external pressure to excel at their new pursuits, instructors and parents were careful to tread lightly in criticism, hoping to avoid any damage to their now fragile egos. These children, who for years were praised and rewarded for completing even the smallest of tasks, had become ill-prepared to process and draw from criticism, no matter how constructive.²⁶ However, while they received the bulk of their parents' pressure, Millennials were not the only ones affected by the Boomers' desire to see positive results in their offspring; teachers and others affecting the Millennials' lives could also be targets. For example, many parents demanded that their children receive clear objectives regarding what would be necessary to earn an "A" in a given class, and parents were quick to pressure the school's administration as well, leading to unprecedented levels of grade inflation, as indicated by the stratospheric 42% of all United States seniors that graduated with 4.0 grade point averages in 2008.²⁷

While high-performing children were becoming more common, there were not necessarily enough spots at elite colleges to accommodate the influx, so parents were forced to find other competitive advantages to rise above the rest. For some people, this meant enrolling their children in school earlier than had previous generations, an attitude that led to the quadrupling of states that offered publicly funded preschools from 1980 to 2004 and prompted over 50% of eligible children to start their education at the preschool level.²⁸ This emphasis on education continued through middle and high school, where parents continued to press for

²⁵ Barnes, 59

²⁶ Pew Research Center, 17

²⁷ Hershatter & Epstein, 215.

²⁸ Ryan, J.E.A. (2004). Constitutional right to preschool? Abstract. Retrieved from <http://ssrn.com/abstract=605341>.

educational improvements with regard to facilities, challenging content, more technology, increased choice, and more individualized attention.²⁹ While much of the focus was on secondary education, changes often resulted in an increased desire to pursue higher education. In 2008, for example, over 1.5 million high school students took the SAT, an unprecedented 30% increase from 1998.³⁰ While part of this increase can be accounted for by the sheer size of that graduating class, Millennials clearly had a higher proclivity toward education, one that is reflected in looking at the statistics provided by the Pew Research Center, which notes that “more than half of Millennials have at least some college education (54%), compared with 49% of Gen Xers, 36% of Boomers, and 24% of the Silent generation” at comparable ages.³¹ This disparity does not even capture the possible gap if future college attendees are taken into account, which suggests a possible downward bias to these results. From these statistics, however, one can confirm that the Millennials are on pace to become the most educated generation in history.³²

As is the case with evaluating large groups of any kind, creating a comprehensive identity for the Millennials remains challenging, and in some respect, impossible, but as researchers continue to infiltrate the minds of this generation, businesses and society alike will benefit from the increased understanding. With luck, Millennials will benefit too, as the following analysis should illustrate how understanding the Millennials’ childhoods and backgrounds affects their career aspirations, allowing organizations to shape their retention strategies accordingly.

²⁹ Hershatter & Epstein, 215.

³⁰ College Board. (2008). *How have college bound seniors changed in 10 years?* Retrieved from <http://collegeboard.com/press/releasees/197846.html>.

³¹ Hershatter & Epstein, 210

³² Pew Research Center, 1.

I. Millennial Traits and Their Motives

Millennial Traits

Understanding common Millennial traits remains important, but to devise effective retention strategies, employers must understand the various motivational drivers for this demographic. Understanding who Millennials are and what they want from their lives will be important in determining the best strategies to keep them at any organization. In order to attract any population, one must understand their psychological makeup and desires, and if employers understand why Millennials are different, they will be better able to custom-tailor their retention strategies to this exploding workforce populace.

Interest and Work Engagement

For a Millennial, the ideal job will appeal to their core characteristics. In order for them to enjoy a given job, they must find the experience interesting and feel engaged beyond their office work.³³ This heightened commitment to engagement appears to be a reflection of their childhoods, where they were constantly involved in activities to become (and appear) more well-rounded. After enough exposure to a busy lifestyle, an empty calendar can lead to feelings of boredom and chronic anxiety. A population that consistently moves forward, as the Millennials have, does not want to stay stagnant.

Because of this need for constant stimulation and engagement, Millennials often engage in multitasking – one of their perceived hallmark traits. Because Millennials are said to be “fluent visual thinkers,” they should have a heightened ability to scan information quickly and multitask.³⁴ Carrier et al. (2008), though, note that Millennials multitask more frequently than

³³ McClellan, 277.

³⁴ Hershatter & Epstein, 213

previous generations, but they are not necessarily better at it.³⁵ Further dispelling this idea, Meyer (2007) claims that while Millennials may like to multitask, they are not actually becoming more productive. In fact, their productivity is actually suffering.³⁶ However, Millennials continue to demonstrate an insatiable need for concurrent projects, seemingly unaware of any adverse effects on productivity, leading some to claim that Millennials are addicted to multitasking.³⁷ This claim is not unfounded, as both academic and anecdotal evidence confirms that Millennials are more comfortable when performing multiple tasks simultaneously. A trip to the library, for example, yields a plethora of students dividing their attention between their phones, music, and studies. Further, the Pew Research Center reported that almost two out of every three Millennials acknowledge that they have texted their friends while driving a car at some point in their lives.³⁸

Social communication is not the only area in which Millennials favor technology, though. Because technological aptitude is often a function of age of exposure rather than age or intelligence, Millennials are the most adept generation at utilizing technology, continuing the pattern of every generation being more technologically able than the preceding generation was.³⁹ This comfort with technology has become an all-consuming part of the Millennial identity, as 73% of Americans feel that Millennials can be defined by their attachment to technology.⁴⁰ Millennials adopt new technologies instantly, and Simons (2010) notes that they “are more intimate with the interactive and collaborative technologies that are ever-present in their educational, social, and professional lives.” He also notes that many Millennials are so attached

³⁵ Carrier, L. M., Cheever, N., Rosen, L., Benitez, S., & Chang, J. (2008). Multitasking across generations: Multitasking choices and difficulty ratings in three generations of Americans. *Computers in Human Behavior*, 25, 483-489.

³⁶ Aratani, L. (2007, February 26). Teens can multitask, but what are costs?. *The Washington Post*. Retrieved November 27, 2011, from <http://www.washingtonpost.com/wp-dyn/content/article/2007/02/25/AR2007.html>

³⁷ McClellan, 280

³⁸ Pew Research Center, 1.

³⁹ Deal, Altman, & Rogelberg, 197

⁴⁰ Abaffy

to technology that they are not only comfortable learning through interactive technology, but many of them *prefer* this to a traditional classroom experience.⁴¹

Because Millennials are so accustomed to technology, which provides instantaneous feedback, Millennials need to experience instant gratification. This aversion to delayed satisfaction can affect job performance in several ways. First of all, they find it difficult to wait for promotions, as will be discussed later, but the need for instant gratification affects their short-term work processes as well. They struggle with long projects, bureaucratic inefficiencies, and attention to detail and accuracy.⁴² Unaware that they are inherently ill-equipped to deal with delayed gratification, the absence of instant reward can become extraordinarily frustrating for Millennials, and this frustration affects both job performance and job satisfaction, leading, in some cases, to poor retention.

External Goals

This frustration will heighten if Millennials feel that they do not have control over their lives. With lives that have been essentially mapped out for them, to the point that many developed a fear of deviating from the perceived standard path to success, these autonomy-hungry Millennials are finally reaching an opportunity to become more independent, and they do not want it to be pilfered by the hands of a rigid corporate schedule.⁴³ Millennials, who confirm that they have felt and continue to feel pressured, want to relieve themselves of this rigidity to the extent that it is possible, and they can do this only through embracing a flexible lifestyle, allowing them to take control of their personal lives, if nothing else.⁴⁴

⁴¹ Simons, 32

⁴² Barnes, 62

⁴³ Barnes, 60

⁴⁴ Hershatter & Epstein, 215

Millennials value flexibility so highly because they place a premium on a rewarding home life. While they have aspirations for high-paying careers, they are more focused on familial issues than were previous generations at similar points in their lives. For example, over half of Millennials surveyed say that their principal goal in life is to be a good parent, followed closely by their desire to “have a successful marriage.”⁴⁵ This desire for a strong marriage is, by all accounts, a reflection of their parents’ failure to do so. Only 60% grew up in two-parent households, and Millennials do not want to continue this trend. Beyond their home life, they want also to be good citizens, as evidenced by the more than one-in-five who cite helping people in need as a primary goal in their lives.⁴⁶ Essentially, priorities are shifting away from careers, as Millennials increasingly view their jobs as the means by which they can achieve their personal goals.

Millennials have such a pronounced need for a strong home life because they feel that it is part of their self-development as human beings. Self-development is an oft-cited goal for Millennials, as they have consistently been flooded with messages urging them to fulfill the best versions of themselves.⁴⁷ Even the United States Army recruited them with the message “Be All You Can Be.” However, while this quality is clearly apparent in Millennials, it is really an extension of the Baby Boomers’ pursuit of self-actualization. Baby Boomers were the first generation to place strong emphasis on self-actualization, and even today, they value personal growth more than Millennials and Gen Xers.⁴⁸ However, while this quality is their most distinguishing, the need to self-actualize remains an important quality for Millennials.

⁴⁵ Gibbs, N. (2010). Generation next. *Pew Research Center*, 176(11), 72.

⁴⁶ Pew Research Center, 2-18

⁴⁷ Koc, E. (2008). The many faces of the Millennial Generation. *NACE Journal*, 69(1), 18-25.

⁴⁸ Hall, D., & Richter, J. (1990). Career gridlock: Baby Boomers hit the wall. *Academy of Management*, 4(3), 7-22.

As Millennials have aggressively negotiated for contracts allowing for this control, they have fed the already common perception that, as a generation, they are far too entitled. Beyond the desire for high compensation and good benefits, Millennials also crave more intangible rewards such as respect and individualized attention.⁴⁹ In the past, this respect was earned rather than immediately awarded, but Millennials expect it instantly. Again, this is most likely to be a reflection of their coddled childhoods, as they spent much of their youths protected, respected, and sheltered.⁵⁰ Since generations have been studied, subsequent generations have always expected to have superior quality of life and standard of living to the preceding one, but this effect is especially apparent in Millennials.⁵¹

Section IIB: Strategies for Millennial Management

While it may be true that Millennials are entitled, employers face a reality that offers few other choices. This population will be an integral part of the workforce, and organizations will have to accept them to survive. Understanding common motivators for Millennials is an important step towards attracting them to and keeping them with an organization, but comprehending their desires will be inadequate; employers need real, tangible solutions. Preferences will still differ depending on the individual, but with a base understanding of Millennial behavior, employers can devise effective strategies to make themselves more appealing to the Millennial cohort.

Promoting Engagement in the Workplace

Clearly, if any employee enjoys a particular job, he or she will be more likely to stay there. For some employers, this is straightforward, as the nature of the work revolves around

⁴⁹ McClellan, 263

⁵⁰ Barnes, 60

⁵¹ Coldwell, D., Billsberry, J., Meurs, N. v., & Marsh, P. (2008). The effects of person-organization ethical fit on employee attraction and retention: Towards a testable explanatory model. *Journal of Business Ethics*, 78, 612.

their employees' interests. This is not always the case, however, and employers clearly need productivity from their workers even if they are not pursuing their passions (i.e. testing video games, working on movies, writing music reviews, etc.) There are still ways to create a more attractive work climate even in the absence of an organic and natural interest in the work, and Buckingham (2006) feels that this is essential, noting, "I really believe that Generation Y's success in the workplace lives or dies on whether or not it gets engaged."⁵² This observation, though it applies only directly to the Millennial population, has implications beyond Generation Y. As Millennials become a larger percentage of the workforce, employer success will depend on Millennial success, so it becomes imperative that the Millennials are engaged. It is therefore the employer's role to provide variety in work tasks and patterns as well as opportunities to learn the interesting aspects of even mundane tasks.⁵³ In this regard, employers could take note from Key Bank, which offers new hires a chance to see the different sides of banking in a rotational program, including retail and small-business banking, loans, investing, and wealth management.⁵⁴ Gen Yers may not see the benefits of their work without being explicitly shown, so employers must cultivate this engagement in the work. They can accomplish this also by "fostering a team environment and providing and supporting specific challenging goals."⁵⁵ Regardless of how it is accomplished, employee engagement should be a top priority for any employer that wants to keep Millennials, as research supports common intuition: if people like their jobs, they will be less likely to leave.

⁵² Engaging Generation Y

⁵³ Barnes, 62

⁵⁴ Tkaczyk, C. (n.d.). 20 Great Employers for New Grads. *CNNMoney*. Retrieved November 28, 2011, from <http://money.cnn.com/galleries/2007/fortune/index.html>

⁵⁵ Allen, D., Bryant, P., & Vardaman, J. (2010). Retaining talent: Replacing misconceptions with evidence-based strategies. *Academy of Management Perspectives*, May, 57.

Beyond the tactics mentioned, a common way to engage Millennials is to give them ownership of their work through leadership opportunities. Govaerts et al. (2011) note that employees who feel that they are potential leaders are more likely to stay with an organization.⁵⁶ This does not mean, of course, that every employee is going to feel like a leader, and nor should they. But employers must make “high potential” employees feel like they are not only part of the future, but they control the future. This does not happen by accident. More often than not, employees will only feel like they have leadership potential when they are explicitly made to feel this way, and employers accomplish this by having specific programs in place to move employees toward positions of leadership. Companies cannot simply put people in positions and trust them to become effective leaders. Rather, they are forced to identify potential leaders earlier and invest in their development. This not only has a positive effect on the employees who are the direct beneficiaries, as it provides all employees the chance to see where the leadership is coming from, instilling more confidence in leadership, both present and future.

Employee engagement and ownership should lead to increased job satisfaction – one of the most important predictors of retention for any generation. Fortunately for employers, Millennials already report higher job satisfaction than did past generations at similar points in their lives.⁵⁷ From an employer’s perspective, though, it is insufficient for Millennials to simply enjoy their work. They need to be good at it as well, and one of the ways in which employees improve their productivity is through simply working harder. In the case of Generation Y, their work ethic has been consistently questioned, but this perception can be inaccurate. Past studies have found, for example, that Millennials actually rate significantly higher on “hard work”

⁵⁶ Govaerts, N., Kyndt, E., Dochy, F., & Baert, H. (2011). Influence of learning and working climate on the retention of talented employees. *Journal of Workplace Learning*, 23(1), 40-49.

⁵⁷ Kowske, Rasch, & Wiley, 268

constructs than Generation Xers do.⁵⁸ Interestingly enough, even Millennials see work ethic to be a weakness of their generation. While members of the Silent Generation, Baby Boomers, and Generation X all cited “work ethic” as a primary unique characteristic of their generations, Millennials did not. Furthermore, 75% “acknowledged” that past generations have better work ethic than they do.⁵⁹ McClellan (2008) counters that Millennials will work equally as hard in a given workday, but they want more flexibility, to work as quickly as possible, and be rewarded for their work.⁶⁰ This fits well with the Millennial narrative, as they are smart, capable, and ambitious, but they have been shaped so much by operant conditioning – teaching through incentives of rewards and punishments – that they continue to operate within this mindset. It is possible that their response to incentives will become slightly less sensitive in the coming years if Giuliano (2009) is to be believed. He notes that people who experience a recession between the ages of 18-25 are “more likely to believe that individual success is a result of luck rather than hard work,” so the Millennials that are currently pushing through a recession may not work as hard in the future, believing work to be futile in the face of chance.⁶¹

Employers must pay special attention to this relationship with technology. For while 83% of Millennials sleeping with their cellphones⁶² should not affect employers, a more profound connection with technology should. Millennials are now so comfortable with technology that it has begun to feel like a necessity rather than a luxury. Millennials expect their employers to give them access to the best technology possible, and this access affects retention. If employers are not investing in technology, not only will they lose the potential productivity

⁵⁸ Meriac, J., Woehr, D., & Banister, C. (2010). Generational differences in work ethic: An examination of measurement equivalence across three cohorts. *Department of Psychology, University of Missouri - St. Louis*, 319.

⁵⁹ Pew Research Center, 6

⁶⁰ McClellan, 269

⁶¹ Giuliano, P., & Spilimbergo, A. (2009). Growing up in a recession: Beliefs and the macroeconomy. *Institute for the Study of Labor*.

⁶² Gibbs

gains, but they may lose employees as well. Simons offers the following analysis of the role of technology in the 21st Century workplace:

Employers must be aware that Gen Y may grow impatient with the applications that are the lifeblood of many corporations; applications they might consider “tired.” Finding ways for these systems to provide the value these workers anticipate and expect within their terms – unified, electronic, and mobile – will enable and encourage them to participate more fully in the organization.⁶³ This impatience, in the case of Millennials, can lead to frustration, and frustration affects both performance and satisfaction. Even if past generations can accomplish a task without a given technology, Millennials’ brains have been conditioned to work with technology, not without it. For this reason, it is imperative that employers understand all of the implications of a “wired” workplace when thinking about ways to keep Millennials. Technology stimulation in the workplace will continue to be an asset that can work in any employer’s favor.

Beyond introducing new technologies for Millennials to learn and utilize, employers should also determine how best to exploit the technologies that are already tremendous fixtures in the Millennial lifestyle, most notably social networks. Over 80% of Millennials use social networking sites like Facebook, Twitter, and Myspace, and this number continues to grow.⁶⁴ These networks offer them unprecedented instant access to hundreds, sometimes thousands, of people. If they are encouraged to use these networks professionally, they will be more comfortable, as they are often at their best when they are using technology and consulting with other Millennials, both of which fall under the umbrella of social networking. Furthermore, as noted in *The Reflexive Generation* (2010), this virtual network can serve as a tremendous boost for “companies where networking and the rapid dispersion of knowledge and collection of ideas

⁶³ Simons, 32

⁶⁴ Lippincott, J. (2010). Information commons: Meeting Millennials' needs. *journal of library administration*, 50(1), 29.

is a crucial competitive advantage.”⁶⁵ This means that, if addressed properly, companies can gather intelligence through the virtual webs of their employees’ social networks. This opportunity to connect and learn, though, can have adverse consequences as well. Employees are often using their social network to explore and connect themselves to new opportunities, so these networks are an added threat for employers who are concerned that their employees will be poached away.⁶⁶ This fear is simply one more reason why employers must start looking very seriously at their talent programs, ensuring that they are not being outperformed by their competitors in retaining Millennials.

Promoting External Engagement

However, companies that emphasize their commitment to life *outside* the offices should see a decrease in this effect. People work harder at jobs that they like, and Millennials like jobs with ample opportunities for involvement.⁶⁷ Whether through community service opportunities, company athletic leagues, cooking classes, or dance workshops, employers should be prepared to create opportunities for their employees to engage themselves in. These opportunities not only provide alternative avenues for employee/employer engagement, but they also provide for a higher degree of camaraderie with colleagues.

Providing external opportunities will be useful for increasing Millennials’ employer satisfaction, but they also need to enjoy their time at the office in order to be fully satisfied with their employers. While they cannot control the nature of the work, employers can affect how the work is completed, and they can benefit from using Millennials’ need for efficiency and comfort

⁶⁵ London Business School, 7

⁶⁶ Deloitte (2011). Talent edge 2020: Building the recovery together -- What talent expects and how leaders are responding. *Deloitte*, 4.

⁶⁷ James, H. (2010). Causal impact of employee work perceptions on the bottom line of organizations. *Association for Psychological Science*. 5(4), 378-389.

with technology to their advantage. Employers must integrate projects with quick access to results within longer, delayed gratification assignments. Any opportunities to provide employees, especially Millennials, with a tangible sense of accomplishment and reward should be seized upon, as it is this feeling of triumph that leads to greater overall job satisfaction. In addition, employers should take advantage of new technologies that allow their employees to complete tasks more quickly and efficiently. Aside from the obvious boosts in productivity that should arise from these efforts, the immediate gratification will create a work environment that Millennials enjoy. Because Millennials' expectations of how quickly they can access information are so high, anything less than the best technology will be seen as obtrusive to their job needs.⁶⁸

Businesses that understand these motivational drivers for Millennials, and more importantly, their effects on employee attraction and retention, will find ways to support these aspirations for a more balanced life. As Smola and Sutton (2002) note, "the Millennial generation seeks a different psychological contract with future employers, emphasizing a better balance between work goals and personal goals."⁶⁹ Employers that resist the reconciliation of firm goals with this rising desire to place more emphasis on one's personal life will most likely see drops in productivity, talent acquisition, and company reputation. This effect, while present across all generations in the workforce right now, is most present in Millennials, who are 40% less likely to describe themselves as "work-centric" than are Boomers, and they are nearly 10% more likely to self-identify as "family-centric."⁷⁰ The UCLA Freshman Attitude Survey,

⁶⁸ Simons, 32

⁶⁹ Smola, K.W. & Sutton, C.D. (2002). Generational differences: Revisiting generational work values for the new millennium. *Journal of Organizational Behavior*, 23, 363-382.

⁷⁰ Hershatler & Epstein, 219

administered by the Cooperative Institutional Research Program, found that in 2006, the most important belief is in raising a family at 75.5%, and it continues to increase.⁷¹

While employers may easily surmise that Millennials are less likely to identify themselves as work-centric individuals than their parents, they may be surprised to find out just how large the gap is. In theory, this discrepancy could be a result of the Boomers' propensity to overcommit to their work. Millennials grew up with parents who committed themselves fully to their occupations, only to fall victim to downsizing, layoffs, and strained relationships.⁷² This first-hand experience with the cruelty of the corporate world almost surely impacted these impressionable youths, and could certainly drive them to ensure that they never made the same sacrifices upon realizing the role of luck in securing long-term employment.

Even now, many of them are entering the workforce amidst economic uncertainty, so they have seen another cycle of talented employees losing their jobs.⁷³ These layoff cycles pose tremendous obstacles to the former conception of the psychological contract; Millennials feel that if employers are not going to demonstrate loyalty to their employees, then employees have no reason to make this obligation to their employers.⁷⁴ However, Millennials' aversion to an unqualified commitment to their careers should not be misconstrued as an unwillingness to work. Rather, they simply want to avoid being so fully committed to their jobs that their personal lives suffer as a result; Millennials simply want independence and responsibility. They cite "autonomy over when and how to work" as the most important work-life balance element.⁷⁵ While Millennials may be reluctant to work the long hours that Baby Boomers did, the message here is

⁷¹ Institutional Research Program. (2008). The American freshman. *Higher Education Research Institute at UCLA*. Retrieved November 27, 2011, from <http://heri.ucla.edu/PDFs/pubs/briefs/40yrTrends.pdf>

⁷² Espinoza, C., Ukleja, M., & Rusch, C. (2011). Core competencies for leading today's workforce. *Leader to Leader*, 18-23.

⁷³ Kowske, Rasch, & Wiley, 275

⁷⁴ Hauw, S. D., & Vos, A. D. (2010). Millennials' career perspective and psychological contract expectations: Does the recession lead to lowered expectations?. *HRM Centre*, 294.

⁷⁵ London Business School, 4

that they will often compromise to working more hours as long as they are afforded more flexibility in when to complete those hours.

Self-Development Opportunities

However, Millennials want very badly to excel in their field, so if they know that they are developing, they will be more open to increased hours. Employers can capitalize on this need for self-development by offering opportunities to learn and grow rather than simply just to work.

According to Rodriguez (2008), employees with opportunities are less likely to leave. It is when they feel that they have reached a static point with an organization that they feel the need to pursue new opportunities.⁷⁶ Learning opportunities lead to increased retention because employees feel valued when a company provides tangible investment in their futures.

Furthermore, people enjoy their work more when they are better at it, and learning opportunities provide a chance to become better at it.⁷⁷ Employers might be inclined to see the risks involved with this type of investment, as they are making their employees more valuable candidates in the marketplace, and they could potentially take this training to a new organization, but research has shown that the benefits often outweigh the risks.⁷⁸ Even in addition to the increased productivity and retention, the knowledge gained from workplace learning opportunities can matriculate through an entire office if employees are encouraged to present their new material to their colleagues.⁷⁹ This means that investing heavily in top-performing employees can, in essence, mean an investment an entire office of employees. For example, Randstad, a staffing and human resources company, offers 14,000 training courses “ranging from computer software instruction

⁷⁶ Rodriguez, R. (2008). Learning’s impact on talent flow. *Chief Learning Officer*, 7(4), 50-64.

⁷⁷ Kyndt, Dochy, & Baert, 48

⁷⁸ Kyndt, Dochy, & Baert, 27

⁷⁹ Kyndt, Dochy, & Baert, 48

to management training” through its online Randstad University.⁸⁰ Having such a wide variety of course allows employees the chance to find something that they are interested in, facilitating an enhanced learning experience. Furthermore, training opportunities could potentially lead to more creative thinking, leading to innovation, which allows a company to become stronger and increase retention incentives in other ways.

Just as employers can, in some cases, use Millennials’ desire to self-actualize to their advantage when devising retention strategies, in some cases, Millennials’ sense of entitlement can be beneficial as well. According to Buckingham (2008), this omnipresent sense of privilege might not be a bad thing. He notes, “I think their demands and sense of entitlement mesh perfectly with the needs that companies have for employees who are creative, innovative, resourceful, resilient, persistent, and engaged.”⁸¹ He is noting the difference between the perception and the reality of the effects of this mindset. While employers may be reluctant to take on employees with an entitled attitude, these employees will often be successful if they are managed successfully. Their entitlement stems from a very high sense of self-worth, and that sense of self-worth drives people to produce work that they think is worthy of themselves. These employees are competitive, and they will continue to push forward to best their competition, proving to themselves and others that they are deserving of their own high esteem.

Because Millennials have such high self-regard, they will be extremely selective in choosing where to spend their working hours. For this reason, employers must understand how to coalesce the Millennial lifestyle with workplace objectives. This means providing a variety of work tasks to keep them stimulated and interested, and leadership development programs.

⁸⁰ Tkaczyk

⁸¹ Engaging Generation Y

Furthermore, employers must embrace new technologies, provide flexibility when possible, and expose their employees to extracurricular engagement.

II. Supervisor Style and Millennials

Even if employers are able to create desirable opportunities, much of this progress could be lost if the Millennials are then managed poorly. Just as they place a high degree of emphasis on the work itself, Millennials also place a premium on supervisor quality, and they are not alone in this. According to a recent Gallup poll, the last three generations all place “quality of managers” (56%) and “quality of management” (55%) as some of the most important factors to consider in a career, and these both rate higher than traditional incentives like on-site cafeterias.⁸² As any good manager’s job is to help his or her employees succeed, managers must develop an understanding of how they can best adjust their management styles to this new crop of workers.

Recruiting and Training

The employee-manager relationship begins early, and managers must cultivate strong relationships from the start, ensuring that the training process is adequate for their new employees, especially when these employees are Millennials. Generation Y employees have high expectations for being trained well, and they feel that this is a very important part of their experience.⁸³ Millennials want to feel like their employer is investing in them, and strong training programs are the most tangible evidence of this investment. They view development and training opportunities, along with growth opportunities, as a demonstration of loyalty, and this loyalty in turn breeds loyalty to the organization.⁸⁴ Furthermore, training opportunities can serve as a good chance to instill confidence in employees, especially if they have recently been passed up for a desired opportunity.⁸⁵ As employees gain not only the new skills, but also the increased

⁸² Ott, B., Blacksmith, N., & Royal, K. (2007). Job seekers ask: Who's the boss. *Gallup Management Journal*.

⁸³ De Hauw & De Vos, 294

⁸⁴ Pricewaterhouse Coopers. (2008). *Managing Tomorrow's People: Millennials at work – perspectives from a new generation*. Retrieved from <http://www.pwc.com/en-GX/gv/managing-tomorrows-people/millennials-at-work/pdf/mtp.pdf>

⁸⁵ Iles, P. (2007). Employee resourcing and talent management. *Human Resource Management*, 104.

sense of self-worth, they will bring confidence to aspects of their work that extend beyond the targeted trained skills. Training opportunities can also make employees more capable future leaders if they are trained on management skills like identifying strengths and weaknesses, talking about shortcomings, and managing time to focus on strengths.⁸⁶ But while the tangible increases in productivity are important, the sometimes imperceptible effects on retention often outweigh them, as training and development opportunities often increase a Millennial's intention to stay with a company, according to Allen et al. (2010), who also note that employers can directly tie training programs to retention if employers fear that their charges will take their skills to a new employer. For example, employers can require that a percentage of the training costs be repaid if the employee chooses to leave within a given period of time.⁸⁷ Even if managers choose not to create these explicit ties, retention will still be enhanced with greater opportunities to train and grow.

Support and Attention

Even after the training process is completed, Millennials will still feel as though they need additional support from their managers, and they seek a strong mentor relationship to provide this support. They often “anticipate and can benefit from a ‘surrogate’ parent in the form of a company coach or role model from whom to learn the ropes and assist with problem solving.”⁸⁸ Millennials crave this relationship because it plays a fundamental role in the job aspects they seem to most crave from a job: growth and comfort. A mentor provides a safety net onto which they can fall without fear, pinging questions and absorbing advice. Millennials have had this relationship in the past, either from teachers, coaches, or parents, and keeping some semblance of this past will be extremely beneficial. Here, the best model is from the Central

⁸⁶ Pew Research Center, 29

⁸⁷ Allen, Bryant, & Vardaman, 56

⁸⁸ Barnes, 61

Intelligence Association, which offers one-on-one, group, and peer-to-peer mentoring.⁸⁹ For some managers, adopting this role is simply too much, as they are presiding over too many employees to take each and every one as a mentee, and others simply will not want to, feeling that it is not in their job descriptions. This is the attitude that will have to change once Millennials comprise a greater percentage of the workforce. If this role is not currently expected of managers, it soon will be, as it has serious implications on recruiting and retaining Millennials.

One obvious aspect of this mentor-mentee relationship is the focus on individualized attention. This is, potentially, another reflection of their Millennials' unique childhoods and backgrounds, as this generation is far more accustomed to receiving customized attention than previous generations were. Both at home and in school, Millennials have spent the majority of their lives hearing that they are special and that they deserve to be treated as such. They want their managers to take an interest in them, to reach out to them, and to treat them as though they are unique. They also want their rewards to match any individual preferences.⁹⁰ When managers are able to develop relationships with their employees and adjust their management style accordingly, Millennials will respond positively.

Through developing these relationships and providing individualized attention, managers should know their employees well enough to provide emotional support. Millennials want to know that, even in the face of failures, that they will be supported and encouraged by their supervisors. This can be difficult for a manager, as sometimes the employee needs to understand that he failed more than he needs support. A manager cannot be so unconditional in his support that his employees lose incentive to succeed, but support goes a long way for creating a stable and comfortable work environment, and this effect is especially apparent in women. In "Talent

⁸⁹ Hershatter & Epstein, 220

⁹⁰ Allen, Bryant, & Vardaman, 57

Edge 2020,” Deloitte reported that 40% of women cited support and supervisor recognition as a valuable retention technique, compared to 28% of men.⁹¹ The extent to which a manager wants to offer support to his employees is often a case-by-case basis, but if a supervisor can provide encouragement, even in the face of adverse circumstances, his employees will forge a stronger bond with that employer, and appears to be especially true for the emotionally fragile Millennials.

Feedback Constructs

Because this generation is so emotionally delicate, they do much better with praise than with criticism. It should come as no surprise that a group of pressure-laden young workers would want to feel appreciated, but often their reactions exceed what managers expect. Because Millennials so often want to hear positive remarks but not negative critiques, they become “angry and resentful” upon hearing critical evaluation.⁹² Their need for positive reinforcement, combined with their impatience, also has implications on how their financial reinforcements should be allocated. The Corporate Leadership Council (2005), for example, suggests that organizations offer “a one percent [pay] increase three times a year, rather than giving them a 3.5% raise at the end of the year.”⁹³ The downside of this particular method is that companies must identify strong performances earlier on, but Millennials will respond better to a system that offers them more immediate, tangible positive feedback, and similar incentive structures should be adopted as Millennials become a greater part of the workforce. Certainly, a manager cannot completely abstain from criticizing a given generation simply because of fragile egos, but

⁹¹ Deloitte, 7

⁹² Espinoza, Ukleja, & Rusch, 21

⁹³ Corporate Leadership Council. (2005). *HR considerations for engaging Generation Y employees*. Washington, D.C: Corporate Executive Board.

supervisors must be trained to avoid projecting unnecessary criticisms at Millennial workers, as harsh criticism could drive them out of an organization.

This need for praise is just a small part of Millennials' sometimes insatiable need for feedback, possibly the most important distinction between Millennials and their counterparts in other generations. This requirement of feedback can most likely be traced to a combination of two factors. First of all, Millennials have been raised in environments where they were constantly provided, and encouraged to seek, feedback.⁹⁴ Secondly, Millennials are accustomed to online interactions, where feedback is instantaneous, leading them to want not only feedback, but immediate feedback.⁹⁵ Millennials also view feedback as essential for them to grow and self-manage their work later on, placing an even higher premium on feedback. These workers will also view the absence of feedback as an equivalent to negative feedback, which poses an unusual problem for managers.⁹⁶ Past generations have not expected feedback simply for completing their job requirements, but Millennials constantly need to be told how they are doing to ensure that they do not assume the worst.

In providing this feedback, though, managers must be sure to stay within a framework that Millennials will view positively. McClellan (2008) contends that a manager's critique should open with some specific, positive comments, moving then to aspects that need improvement, and closing with praise and encouragement.⁹⁷ Essentially, McClellan is arguing that Millennials are often too fragile to handle criticism without the cushion of praise. In addition, the feedback itself should be "constant and constructive,"⁹⁸ which can be accomplished

⁹⁴ Hershatte and Epstein, 217

⁹⁵ London Business School, 2

⁹⁶ Barnes, 61

⁹⁷ McClellan, 273

⁹⁸ London Business School, 26

through providing direct, not abstract, feedback.⁹⁹ In order for Millennials to grow, they must be challenged, and the best way to challenge them is through providing specific feedback on what they can better and how they can do so.

Communication and Directives

In order to provide this feedback effectively, managers must place as high a premium on communication as Millennials do. Communication facilitates deeper and stronger relationships as well as providing a clear direction. Open communication lines should start as far back as the recruiting process and continue through the last day of work for any employee.¹⁰⁰ This means that not only should the employee receive information from his superiors, but there should be avenues for the employee to communicate as well. Communication must go both ways, or it is simply direction. Surveys have supported this, noting that 40% of employees are dissatisfied with communication about strategy and direction, and this has deeper implications than some understand; nearly 75% of employees who plan to stay with their employers believe that there is strong communication at that employer, whereas only 53% of employees who plan to leave feel that their employer is an effective communicator.¹⁰¹ This does not appear to be a causal relationship, but it shows that firms who are scoring well on retention are also scoring high on effective communication.

One of the most important aspects of this communicative relationship is Millennials' need for clear directives from their managers, a desire that managers must always be cognizant of. Especially when a Millennial is a new employee, clarity is extremely important both in producing strong work and in reducing the likelihood of turnover.¹⁰² Clear instructions allow

⁹⁹ McClellan, 274

¹⁰⁰ Barnes, 60

¹⁰¹ Deloitte, 6-12

¹⁰² Allen, Bryant, Vardaman, 56

them a greater chance to experience success and lead to their feeling that they will continue to experience this triumph at their current employer. This means that managers should make every effort to “provide detailed assignments, guidance for completing them, [and] samples of excellent work” if they can, as it will leave little ambiguity for their new employees to take on.¹⁰³ Furthermore, Millennials dissatisfaction over work often stems from confusion about their role or purpose in a given project, and they are more likely to “refrain from criticizing procedures and tasks that they understand.”¹⁰⁴ It is insufficient for a manager to give clear directives about what the work is, though. They must be lucid in describing every aspect of the work, including deadlines, as Millennials have been shown to work better and, perhaps counter-intuitively, they “experience less pressure with deadlines and timelines.”¹⁰⁵ A clear manager will preside over employees who are not only more successful, but they are more likely to remain with their current employer, as people want to be where they will be successful.

Self-Management and Flexibility

If managers are clear with their directions, Millennials will be able to work independently and self-manage, two important objectives for Millennials. Managers must be sure to engage in active management without being overbearing.¹⁰⁶ While this can seem contradictory at first, in reality, it is a matter of a subtle difference. Millennials crave hands-on management at the outset of a given task, but they want the freedom to be able to work on it alone once they have been provided with adequate instruction. In a detailed approach to managing these two ideas in Millennials, The London Business School offers the following chart as guidance:

¹⁰³ McClellan, 272

¹⁰⁴ McClellan, 274

¹⁰⁵ McClellan, 278

¹⁰⁶ Abaffy

Give them goals and let them run with it...¹⁰⁷

Give them a remit, but then be hands off

Give a high-level overview but then leave them to it

Set goals and provide vision, but leave them the freedom to do it in the way that they want to

Provide clear deliverables and sporadic checkpoints

Do not provide baby steps; provide an end goal

Do not micro-manage

These mandates are useful for managers who are not used to facing such an ambiguous set of employee desires, as they provide more specific instruction on how to balance the two conflicting ideals.

For Millennials, flexibility represents the most important aspect of self-management, as they have not grown accustomed to rigid schedules. For many, rigid hours are a higher deterrent than long hours, as Millennials are comfortable working on weekends as long as they are afforded some flexibility during the week.¹⁰⁸ Millennials are accustomed to working long hours, and while long hours can be unappealing, many Gen Yers have accepted this as the status quo. However, they are still accustomed to a high level of freedom in their lives, and they look to maintain this freedom in their careers. As Andrea Hershatter (2010) notes, “in *Fortune*’s annual “100 Best Companies to Work For,” over 80% allow employees to telecommute or work from

¹⁰⁷ London Business School, 24

¹⁰⁸ Trunk, P. (2007, July). What Gen Y really wants. *Time*. Retrieved July 15, 2011.

home at least 20% of the time.¹⁰⁹ Employees of all generations are finding tremendous value in the flexibility that comes with working outside an office, and employers can benefit as well through reducing overhead and allowing telecommunication. Of course, not every employer can allow its employees to work from home, but for the ones that can, this idea means that an employer could simultaneously reduce costs and increase retention – a rare opportunity that has positive short-term and long-term consequences.

Millennial Values

In addition to expectations of how Millennials expect to be treated, managers must also adapt to their beliefs of how the office will run. Millennials value speed, and not only do they want to produce their own work as quickly as possible, but they expect others to work quickly as well.¹¹⁰ Oftentimes, they feel that current management styles are slow, bureaucratic, and hierarchical, and this can be the source of enormous frustration for Millennials.¹¹¹ This generation borders on intolerance when it comes to slow processes, so employers who want to hold on to them must make sure that there are processes in place to facilitate a quick work environment. A good manager will create a work environment that enables employees to work rapidly and is ready with new assignments if they complete their work early. Managing Millennials requires anticipation, and if a manager fails in this area, employees will become frustrated and disgruntled.

A manager can earn Millennials' respect through presiding over a quick and efficient workplace, but he must recognize that they will come in with already defined attitudes toward authority. First of all, whereas past workplace dynamics have led to immediate respect for

¹⁰⁹ Hershatter & Epstein, 219

¹¹⁰ McClellan, 269

¹¹¹ London Business School, 6

superiors, Millennials feel that their managers have to earn that respect.¹¹² Millennials do not necessarily believe that they are better than their managers, but they may feel closer in status than past generations have. Managers presiding over Millennials can earn this respect through using their own experiences, both in and out of the workplace, to teach them how to be successful, as Millennials will recognize this as being emblematic of a team player. Millennials are also more likely to respect people of authority who go out of their way to treat janitors and other low-skilled workers well.¹¹³ This may be counter-intuitive to managers who are operating in a climate geared toward identifying high-performers and making them feel special, but it is imperative that managers do whatever is necessary to develop strong relationships with their Millennial employees, as these relationships represent strong predictors of retention.¹¹⁴ If Millennials have poor relationships with their managers, they will be much more likely to leave, regardless of the job's attractiveness.

Any poor relationship will be weakened further if managers do not fully comprehend the weaknesses of this generation. Generation Y employees are notorious for weak problem solving skills, so in some cases, putting them in positions where they are required to solve complex problems will set them up for failure, especially if the problems require long-term thinking and planning.¹¹⁵ This means that they will also struggle with ambiguity and vagueness. Millennials have also developed a constrictive fear of failure, leaving them unable or unwilling to embark on projects where they do not think that they will succeed.¹¹⁶ However, while it is important to be aware of Millennials' negative qualities, one must also be cognizant of the false myths that permeate the popular media. Through various media, Millennials have been labeled as lazy,

¹¹²McClellan, 274

¹¹³ McClellan, 274-75

¹¹⁴ Allen, Bryant, & Vardaman, 61

¹¹⁵ Barnes, 61

¹¹⁶ Barnes, 65

stupid, incompetent, and stubborn, but while this might be true in anecdotal instances, research has not shown it to be the case for a majority of the generation.¹¹⁷ However, managers who buy into these unfounded stereotypes are bound to meet a resentful populace of Millennials, damaging their relationships with the employee and the employee's relationship with the organization. Instead, it is important that managers form their ideas of Millennials only based on credible sources and research, ensuring that they do not insult or demean their Gen Y employees.

Even if a manager succeeds in creating and maintaining strong relationships with his employees, he will face more challenges in retaining Millennials than he would with other generations, but it is vital that the manager understands his influence in Millennial retention. If a manager presides over a strong training program and becomes a mentor figure to Millennial employees, especially at the beginning of their careers, they will be more likely to stay. Managers need to provide individualized attention and emotional support, offer praise when possible, and emphasize feedback and communication. If they can accomplish these objectives, in addition to running an efficient office and providing clear directives, Millennial employees will be much more likely to stay.

¹¹⁷ Emeagwali, N. S. (2011, May 10). Millennials. *Association for Career and Technical Education*, 26. Retrieved July 15, 2011.

III. Total Rewards and Career Paths

A Millennial's perception of previously discussed topics is vital to his sustained interest in a working relationship with a given organization, but often, these constructs are outweighed by financial considerations. While exceptions can be made, and they often are, a strong total rewards package – the sum of base compensation, bonuses, commissions, and benefits packages – remains a formidable strength in alluring bright young minds to any career. As with employees of any age and generation, Millennials respond to financial incentives, and while there is often a schism between their perceived self-worth and their actual market value, there are enough employers making extraordinary human capital investments that Millennials can often find someone willing to bid at their sometimes astronomical asking prices. This does not mean, however, that employers who are unwilling to offer competitive pay packages will be unable to bring in and retain top talent, but they will have to find other ways to make their organizations appealing to a group of employees who have grown up during tremendous economic growth and who are accustomed to a materialistic lifestyle. This means that to truly design a strong rewards package, one must evaluate pay considerations in conjunction with the other aspects of the job being performed.

Through examining Millennials, it is clear that they are very ambitious, and these ambitions will clearly guide how they decide to shape their professional lives, meaning that they have enormous retention implications. Some have noted an apparent increase in achievement goals such as fame and fortune, a quality that is found in people who place a very high premium on the perception of success.¹¹⁸ While most employers are not hiring for positions that will catapult the prospective employee into a new life of fame and grandeur, the fact that there is significant rise in the desire for these constructs is illustrative of the success-obsessed culture that

¹¹⁸ Barnes, 59

defines Millennials. Even if they are sometimes unwilling to put in the necessary work to achieve these ideals, they want, more so than past generations have, to experience the feeling of extraordinary success. And the Millennials who are willing to work for it have most likely devoted so much time to building a strong resume that they want it all to mean something; they want to be recognized for their efforts. In terms of retention, employers can capitalize on this.

Growth and Advancement

More than any other way, Millennials' ambition manifests itself in a constant need for growth and advancement. This need for growth and advancement is perhaps the defining career aspiration of the Millennial generation, and consequently, it is often one of the catalysts to seeking new employers. In analyzing different "turnover triggers" across generations, Deloitte found that "lack of career progress" ranks first among Millennial employees' reasons for leaving.

Furthermore, a majority of employees who have plans to leave their current organizations feel that their employers are inadequate in creating career paths and advancing top performers.¹¹⁹

Again, this effect impacts retention as well, as a substantial 41% of Millennials feel that promotion and job advancement opportunities are the most effective retention initiative.¹²⁰ Some companies, when evaluating their advancement paths, will realize that there are too many jobs that dead-end too quickly. And while every employee will not be able to continually advance throughout his career, this is often do to a shortage of opportunities rather than a shortage of talent. Rather than retaining their current structures and promoting only when opportunities become available, employers need to create opportunities. They need to define paths to advancement and find ways to develop and promote top performers, or they will simply lose them. For this reason, it is important to have well-developed and well-defined plans in place for

¹¹⁹ Deloitte, 2

¹²⁰ Deloitte, 2-8

advancing employees, and employers can learn from Chesapeake Energy on this front.

Chesapeake not only hired a social media coordinator, but it also conducts semi-annual full performance reviews, allowing an employee to increase his or her salary and title twice per year.¹²¹

Not every company can custom-build their advancement model to align with Millennial expectations, but those that can should take away the strengths that can be found in this model. First of all, there is the element of immediacy that will be a huge draw for Millennials, but more than this, the fact that Chesapeake, and companies with similar models, actively seeks out opportunities to advance its employees. While rational members of past generations would prefer models that reward longevity and loyalty, Millennials are much happier with quick and erratic performance-based advancement than they are with slow and predictable steady advancement, and even though Millennials are not yet the largest population in the workforce, employers have little time to waste in implementing Millennial-friendly advancement plans. If they fail to do so, they will likely lose a great deal of impatient Gen Yers, and with them will go their experience and knowledge. When employers are finally ready to make the necessary changes, it may be too late.

Financial Incentives

While growth and advancement are extremely important to Millennials, financial benefits will also receive careful consideration in a decision-making process. For example, Deloitte found that nearly one-in-three men rated “lack of compensation increase” as the primary reason for leaving an employer, and while this effect was smaller in women, it was still a significant 14%.¹²² Often, causes of leaving an employer are different than those causing an employee to

¹²¹ Hershatter & Epstein, 219

¹²² Deloitte, 2

stay, but in this case the effect goes both ways. While 24% of employees responded that they would leave due to a “lack of compensation increases,” employees were even more likely to be enticed to stay through financial incentives, as “additional compensation” and “additional bonuses or other financial rewards” were the second and third most effective retention incentives, coming in at 39% and 34%, respectively. However, pay is the “single most important motivational factor for Millennials,” which means that even if it ranks second in terms of retention, it still has a significant impact once a person is already working.¹²³

In addition to the obvious benefits that come with increased compensation, pay could also be tied to Millennials’ needs for feedback, as higher pay provides tangible evidence that an employee is doing a good job, and Millennials are constantly seeking this affirmation.¹²⁴ Because there are such important psychological implications associated with pay, it is important that rewards packages are not only significant enough to be meaningful, but they must also be fair to employees.¹²⁵ For example, consulting firm Mars & Company emphasizes the inherent meritocracy in their promote-from-within structure. As soon as an employee demonstrates an ability to handle the responsibilities of a higher role, he or she will be promoted, regardless of tenure.¹²⁶ If rewards are not fair, they will have less impact on behavior, as employees will not feel that working harder or performing better will be reflected in higher pay, so they will feel better off loafing. With all the attention on pay, though, it is important to remember that increasing pay will not always be the best, or even an adequate, solution. In some studies, for example, salary ranks as the ninth most important work attribute for Millennials.¹²⁷ Here, Millennials put advancement, good colleagues, and work-life balance at the top of their career

¹²³ Ng & Schweitzer, 282

¹²⁴ Ng & Schweitzer, 283

¹²⁵ Gberville, D. (2008). Employee retention strategies and organizational performance. *Ife Psychologia*, 16(2), 134.

¹²⁶ Mars & Co. (n.d.). *Mars & Co.* Retrieved November 28, 2011, from <http://www.marsandco.com/careerpath>

¹²⁷ Ng & Schweitzer, 286

wishlists. In either case, the take home message is that pay is still a very important factor to Millennials, but it is less important than it has been to past generations, and Millennials are willing to sacrifice less to increase their pay. While financial incentives clearly guide behavior, Millennials seem to favor growth and advancement over pay.

Leadership Opportunities and Promotions

While Millennials rank leadership opportunities lower than they do pay, they also want responsibility in the form of managing other employees, fulfilled through leadership positions. Again, this assertion can be illustrated through an evaluation of how employees with turnover intentions view their current employer's efforts, and Deloitte supported this notion with an important discovery: by a margin of 29%, employees who rated their company's leadership development programs as excellent or very good were more likely to stay than were those who rated them as fair or poor.¹²⁸ Because of the widely held notion that top colleges and universities wanted students with leadership experience, Millennials have been seeking positions of leadership for their entire lives, and they have grown comfortable in that role. Because Millennials want to be in leadership positions quickly, previous retention incentives such as linking benefits and leadership opportunities to long-term retention may not be as effective as they are with other generations. They want to know that they can move into these positions and benefits based on their merits, not on their age or tenure, and it is this knowledge rather than explicit, tangible rewards that will keep them with an employer for a long career.

Sometimes, though, Millennials do not actually need increased responsibility to increase job satisfaction. Managers have, for a long time, engaged in the practice of bestowing superfluous, and sometimes arbitrary, titles on their employees in an effort to make them feel more special and recognized, but this effect will be even stronger in Millennials because the

¹²⁸ Deloitte, 5

focus is on perception. Just as someone would take more pride in describing himself a “sanitation engineer” than he would as a “janitor,” Millennials will gravitate towards positions that have more impressive titles. While the impact is minor, providing Millennials with euphemistic job designations is actually a relatively simple solution.

These solutions are simple because there is no guarantee of job security, and Millennials often do not expect any different. In the past, employees have sought leadership positions due to the job security that came with them, but job security is not as important to Millennials as it was to past generations in terms of making a career decision. Though they value job security, they also realize that it is rare in today’s work climate.¹²⁹ Because they understand the new dynamics, it is rare that job security will be an integral part of their decision-making process. As previously discussed, Millennials have firsthand evidence of the unpredictability of long-term job security through seeing the Baby Boomers fall victim to layoffs and downsizing, so they are unwilling to put much stock in any promises of long-term job safety. Often, they are satisfied with any job security at all, even if it is short-term.¹³⁰ Millennials view short-term security as positive feedback, but they do not expect to be promised tenures, pensions, and other benefits of long-term loyalty.

While Millennials may not be as motivated by money as past generations have been, they are accustomed to a materialistic lifestyle from their childhoods, and many will hope to maintain this lifestyle throughout their careers. This means that employers still have to maintain competitive pay packages, contrary to what some popular literature has reported. In addition to pay, organizations should provide opportunities for advancement and leadership as well as heightening the prestige of the organization to make it more alluring for Millennials.

¹²⁹ Hauw & De Vos, 294

¹³⁰ Kowske, Rasch, & Wiley, 275

IV. Workplace Culture

Because the Millennials are such a unique generation, they want to work for an employer who understands and shares their values and, if possible, parts of their identity. Just as they have specific desires for the type of work that they want to spend their lives doing, they are also quite particular about the environment that they perform this work in. They want to look forward to going to work not only because they enjoy what they are doing, but they enjoy where they are doing it.

Collegiality of the Workplace

Creating an attractive work culture often begins with recruiting, and employers are often better off finding good matches for what is already in place than changing the perception of the organization to appeal to potential new employees. It is enormously important to think about retention even in the recruiting process, which means that providing accurate job descriptions, describing working conditions, and providing a truthful depiction of office culture are all extremely important.¹³¹ In addition to a transparent depiction of the work, it is also important for employers to communicate the organization's values. In some cases, it can be beneficial to recruit locally, as geographical similarities could lead to shared culture and values, and these employees will already have ties to the community established, strengthening their desire to stay long-term.¹³²

Recruiting matters so much because culture starts with people. Millennials are an extraordinarily social generation, and this is reflected in their need to be constantly stimulated with human interactions. In the workplace, this means that Millennials need to be in a collegial

¹³¹ Gilmore, D.C., & Turner, M. (2010). Improving Executive Recruitment and Retention. *The Psychological Journal*, 13, 125.

¹³² Allen, Bryant, & Vardaman, 56

environment. For employees of any generation, “workgroup cohesion and coworker satisfaction” are related to turnover.¹³³ In the simplest terms, people are more likely to stay with their employers when they like their colleagues, but there are significant forces that cause this relationship. First of all, the longer an employee stays with an organization, the stronger his connections and relationships become.¹³⁴ These connections make one’s employer a greater source of comfort and familiarity. If an employee chooses to leave, he will sacrifice his relationships, leaving him with the daunting task of developing a new network in addition to learning an entirely new job – an unappealing proposition. Furthermore, though, strong coworker relationships lead to greater information flow, which provides more opportunities for feedback and clarity.¹³⁵ If employees have strong relationships with their colleagues, they are more likely to interact with them more often, and this facilitates their learning and growth.

While these effects can be seen in any generation, they are especially apparent in Millennials. Millennials, being the social creatures that they are, place “Good people to work with” and “Good people to report to” as their second and third most important work-related attributes, respectively.¹³⁶ These priorities are emblematic of the seismic shift in attitudes that Millennials have developed in approaching their careers. The job itself becomes a secondary concern behind the external factors that guide the work experience. Millennials are prioritizing their social utility, and for some, their job is simply a means through which they can achieve this. Past generations focused on the job itself, and any social utility derived from it was simply a positive byproduct.

¹³³ Allen, Bryant, & Vardaman, 54

¹³⁴ Allen, Bryant, & Vardaman, 56

¹³⁵ Allen, Bryant, & Vardaman, 58

¹³⁶ Ng & Schweitzer, 289

Social utility is clearly much higher, though, when Millennials are exposed to people with similar qualities to themselves. One of Millennials most defining qualities is their sense of optimism about the world. Whether in regard to the economy¹³⁷ or to their own professional futures,¹³⁸ Millennials are noticeably more optimistic than were past generations, and employers can use this to their advantage; Millennials want to see this optimism reflected in their work environment, and they will be drawn to places where they can. If employers can lead with optimistic, inspirational leadership, and develop an atmosphere of optimism and future goals, Millennials will see a more compatible match.

Diversity

This inherent optimism can also be seen in their assurance that racial relations are a non-issue, and they certainly expect this to be the case in the workplace. Millennials, as a generation, are more diverse than previous generations. Over 39% of them are racial or ethnic minorities, compared to a similar 38% in Generation X, 27% of Baby Boomers, and just 20% of the Silent Generation.¹³⁹ This diverse makeup does not, by itself, explain the entirety of Millennials' views on diversity, as even non-minorities have expectations for a diverse workplace. Though Millennials, by a factor of 2%, are not as likely to consider diversity when choosing an employer as members of Generation X, they are 18% more likely to consider it than Baby Boomers were.¹⁴⁰

That Millennials cite diversity's influence in choosing an employer less than Generation X does is somewhat misleading; Millennials do not necessarily value diversity less. Rather, they have just grown more comfortable with diversity as a normal part of their lives that they simply

¹³⁷ Pew Research Center, 1

¹³⁸ Barnes, 60

¹³⁹ Pew Research Center, 9

¹⁴⁰ Deloitte, 10

think about it less. In 1976, for example, White students were about 91% of the incoming college freshmen in the country, while in 2006, White students constituted on 76% of the incoming freshmen demographic.¹⁴¹ When asked about their views on diversity, replies included “Diversity is accepted as normal” and “It’s not something I’d ever considered. I’d never expect an organization this day and age not to be diverse.”¹⁴² Because Millennials have grown up in diverse schools and played on diverse teams, homogeneity is more striking than diversity. When pressed to evaluate their attitudes toward diversity, though, most rate it as either “fairly important” or “very important.”¹⁴³ They feel that a diverse workplace is more conducive to problem-solving and producing good ideas, as the different backgrounds and life-experiences lead to a wealth of perspectives that, when applied together, can be extraordinarily beneficial in the office.

Teamwork

The best way to harness these perspectives, both diverse and alike, while also increasing employer appeal to Millennials, is to encourage teamwork in as many job functions as possible. Millennials thrive in team-oriented situations, and this has become a huge point of emphasis among them in determining their careers. Millennials not only prefer team projects, but they work better.¹⁴⁴ Millennials need constant communication, and they feel that they are more creative and better at solving problems when they are working collaboratively.¹⁴⁵ In addition to the increase productivity, Millennials simply feel more comfortable when they can work with teams. They have spent a large part of their educations working on group projects and

¹⁴¹ Institutional Research Program

¹⁴² London Business School, 37

¹⁴³ London Business School, 3

¹⁴⁴ Ng & Schweitzer, 31

¹⁴⁵ Barnes, 62

presentations, so independent work may seem more foreign to them.¹⁴⁶ Howe and Strauss (2003) take this notion of comfort even further, claiming that working within teams removes some of the vulnerability of the workplace, providing safety in numbers.¹⁴⁷ In some ways, Howe and Strauss are reflecting the views of many who believe that Millennials have been damaged by their sheltered lives. They have been protected from threats for so long that they lack the confidence to take on foreign challenges without the safety net of a team. If their assertion is true, the Millennials' desire for teamwork would have deep-rooted motivational drivers and should be taken especially seriously. In some cases, this extends beyond simply providing team assignments, as many Millennials have expressed an explicit desire to have workspaces dedicated to group work and collaboration.¹⁴⁸ For an employer, demonstrating a commitment to a collaborative work-environment through investing in these spaces may seem costly, but Millennials want to see tangible evidence that they will be working in teams, as they may struggle to work without extensive human interaction, especially if they are working long hours.¹⁴⁹

Fostering a team-oriented and collaborative environment will also build trust between colleagues – another essential work element for Millennials. Gen Yers are already less trusting of others than the generations that preceded them, but they have a strong need to be in a trusting environment at work.¹⁵⁰ While this applies to all of their coworkers, they feel that it is most important to establish trust between themselves and leadership, as mutual trust promotes

¹⁴⁶ Lowe, D., Levitt, K.J., & Wilson, T. (2008). Solutions for retaining Generation Y employees in the work place. *Business Renaissance Quarterly*, 3, 43-57.

¹⁴⁷ Howe, N., & Strauss, W. (2003). *Millennials go to college: strategies for a new generation on campus : recruiting and admissions, campus life, and the classroom*. Washington, D.C.: American Association of Collegiate Registrars and Admissions Officers.

¹⁴⁸ Gen Y wants different type of workplace. (2010, July). *ASHRAE Journal*, 10.

¹⁴⁹ McClellan, 276

¹⁵⁰ Pew Research Center, 23

respect.¹⁵¹ Employers must be willing to commit to establishing a culture and identity based on mutual trust, or their Millennial workers will quickly become dissatisfied. In a sample of employees who plan to leave their employers, only 23% thought that their leadership inspired trust.¹⁵² This absolutely has to come from the top down, as any uncertainty between management and executives will manifest itself as uncertainty between employees and their management, negatively influencing employees' relationships with their leaders.

Ethics and Values

This need for trust within the workplace is reflective of a larger trend in Millennials to have their ethics and values reflected in employer culture, a growing trend among all age groups. Employees who have “compatible ethical values” to their employers are more likely to fit in at a given employer, leading to higher retention rates. As noted by Coldwell et al. (2008), one possible explanation for the growing emphasis on an employer's ethics could be the increased prominence of these issues in business processes.¹⁵³ Furthermore, as demonstrated by Chatman (1991), people feel that they will “become further socialized to an organization's values” upon joining a given employer, so they want to be conscious of these values before making a commitment.¹⁵⁴ Millennials, though, emphasize this ethics alignment more than past generations have, and they are willing to sacrifice more to get it, evidenced by the more than 78% who said that they would rather “work for an ethical and reputable company than receive a higher salary.”¹⁵⁵

¹⁵¹ Barnes, 60

¹⁵² Deloitte, 5

¹⁵³ Coldwell, Billsberry, van Meurs, & Marsh, 611-613

¹⁵⁴ Chatman, J. (1991). Matching people and organizations: Selection and socialization in public accounting firms. *Administrative Science Quarterly*, 36, 459-484.

¹⁵⁵ Coldwell, Billsberry, van Meurs, & Marsh, 614

In addition to these expected qualities in the workplace, Millennials also place a high premium on rules, fairness, and efficiency. It has been found, for example, that more regulations on rules and procedures lead to statistically higher rates of retention, perhaps going against intuition.¹⁵⁶ Rules provide structure, though, and Millennials thrive with structure. They also prize efficiency, and they cite this as something they expect and desire in a work environment.¹⁵⁷ They will quickly become disenchanted with slow office procedures, long meetings, and inefficient systems, and this could affect their willingness to stay at a given employer. Thus, it is important for employers to “cut the fat,” ensuring that office processes are able and efficient in every possible way.

Millennials want to see their values reflected not only in the office where they work but in the overall direction of their organizations, leading them to gravitate towards socially responsible organizations. Previous literature suggests that there is a positive correlation between engaging in socially responsible corporate practices and employee retention. Coldwell et al. (2008) attribute this shift to a need to feel proud of one’s employer, a motivational driver that caused 43% of their respondents to assert that they would be unwilling to “work for an employer that did not demonstrate ethically responsible conduct.”¹⁵⁸ Millennials, though, have a greater commitment to sustainability and corporate responsibility than previous generations by 50% increases, as measured by Deloitte.¹⁵⁹ With this in mind, an employer has to not only engage in socially responsible behaviors to win Millennials, but it must find ways to advertise this commitment to potential and current employees. While Millennials want to see sustainable and responsible behaviors from the top down, in some cases, engaging in actions as innocuous as

¹⁵⁶ Kyndt, Dochy, and Baert, 46

¹⁵⁷ McClellan, 274

¹⁵⁸ Coldwell, Billsberry, van Meurs, & Marsh 619

¹⁵⁹ Deloitte, 10

installing water saving fixtures and standby modes on electrical equipment, in addition to placing recycling bins around the office, will suffice.¹⁶⁰

In many cases, these office policies and culture have a greater impact on a person's job satisfaction than corporate policy does. For this reason, employers must think about both when trying to attract Millennials. For many Gen Yers, an enjoyable work environment is one of the most important objectives in finding an employer, ranking ahead of work-life balance and diversity.¹⁶¹ In this case, "enjoyable" means that the environment is not only fun, but it is supportive, appreciative, and nurturing.¹⁶²

Office Space

While these intangible factors can certainly influence office culture, the experience is also affected by the physical workspace. When employers add workplace amenities such as fitness centers and lounges, they are supporting work-life balance while keeping their employees in the workplace.¹⁶³ Millennials grew up around the emergence of start-up companies who were created by and recruiting young people because younger people were more familiar with technology – the basis of many of these companies. Because these companies became known for their "playplace" work environments, they normalized amenities that were previously seen as unattainable workplace luxuries. Companies like Google provide spas, high-end cafeterias, hair-cutting services, an on-campus massage therapist, game rooms, and laundry services.¹⁶⁴ Google is not the norm, and even the most ambitious Millennials should not expect such a wide array of services from their employer, but they do take workplace amenities into consideration in

¹⁶⁰ Gen Y wants different type of workplace.

¹⁶¹ Deloitte, 10

¹⁶² Ng & Schweitzer, 282

¹⁶³ Ng & Schweitzer, 289

¹⁶⁴ Strickland, J. (n.d.). Introduction to How the Googleplex Works. *HowStuffWorks*. Retrieved November 28, 2011, from <http://computer.howstuffworks.com/googleplex>

choosing an employer and staying with an employer. More so than break areas, though, Google's primary benefit is in its workspaces. The Googleplex, as it is referred to by employees, is open and filled with glass partitions, encouraging a collaborative environment.¹⁶⁵ Even if an organization lacks the resources to make any large scale investments in the workplace, it is still important to determine how best to utilize the present edifice to convey a sense of openness and teamwork.

Whether the changes are big or small, changes to employer culture will play a large role in Millennial retention. Employers must be transparent in their recruiting and lead employees into a team-oriented, collegial environment. They must also emphasize ethics, fairness, and efficiency so that Millennials can see a clear reflection of their values in the workplace. Finally, employers benefit from offering desirable workplace amenities, as all of these qualities increase employer appeal for Millennials.

¹⁶⁵ Strickland

V. Conclusion

For any employer, implementing seismic shifts in culture and retention strategy to attract and retain a generation that is not even the majority of the workforce yet may seem like a poor use of resources, but many of these shifts will not be instantaneous. By the time the Millennials are an even larger part of the workforce, the companies that capitalize will be the ones that have already put themselves in the position to do so. There is so much information available now, especially with social media, that Millennials will be extremely well-informed as they enter their job search. They will find the organizations that offer strong financial incentives, opportunities for growth and advancement, and work-life balance.

Other employers may feel that chasing Millennials will be a fruitless search, as they are destined to leave anyway. To some extent this is true. Job market dynamics are changing, both from the supply and demand side. Employers are often finding that it is cheaper to hire more short-term, consultant roles, and employees are now broadening their career choices. The notion of one lifelong employer is becoming an obsolete concept.¹⁶⁶ This is also due, in part, to the fact that switching careers is now more socially acceptable and even encouraged in some cases. However, while these forces will affect retention negatively, employers also have more control over how to keep their employees. There is more retention research than ever before, especially specific to Millennials, and if the correct strategies are applied, employees will stay longer. Employers cannot eliminate turnover, but they can effectively reduce it.

In many ways, Millennials desire the same things as any worker would, but that does not mean that standard best practices will be enough to keep this generation's turnover intentions at bay. Just as businesses have to innovate and adapt to survive in their markets, they must apply these principals to their human capital. As Carolyn A. Martin and Bruce Tulgan, authors of

¹⁶⁶ Iles, 107

Managing Generation Y, note, “Organizations that can’t – or won’t – customize training, career paths, incentives and work responsibilities [to Millennials] need a wake-up call.”¹⁶⁷ This is the new reality for businesses. Inaction is no longer an option.

¹⁶⁷ Tulgan, B., & Martin, C. A. (2001). *Managing Generation Y: global citizens born in the late seventies and early eighties*. Amherst, Mass.: HRD Press.

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