A Millennial Misunderstanding

A growing flood of Millennial employees into the global workforce is under way. There are many assumptions about these young people and the ways companies must cater to their specific wants and needs. For example, Millennials are reputed to value work/life balance and personal meaning in their work over financial compensation. Keeping the new generation engaged is said to be a unique challenge.

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But our study of more than 5,500 executives and employees in 27 nations around the globe tells a different story. Millennials and their older colleagues are not as different as we have been led to believe (at least among those working as professionals in large organizations). While executives struggle to find ways to engage, motivate, and compensate younger workers, the research shows that Millennials and older workers share many of the same workplace preferences and goals.

So while the number of companies giving special attention to this growing demographic (30%) is much lower than the number claiming that Millennials are having an impact on workforce strategies (51%), that might not be a bad thing. The business world must move past mistaken generalizations about the ranks of young workers who have come of age in the internet era. Understanding the real differences between Millennials and older workers—and those differences do exist—should come before making big changes to workforce management.

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What matters most to job satisfaction?

Chart shows share of employees ranking these as "important" or "highly important."

● Millennials   ● Non-Millennials

	Millennials	Non-Millennials
Competitive compensation	68%	64%
Bonus and merit-based rewards	55%	56%
Supplemental training programs to develop new skills	45%	43%
Vacation time	43%	43%
Benefit plans for employees' families	42%	43%
Retirement plans	42%	48%
Flexible work location	41%	46%

Challenging Millennial myths

The ability to attract and retain Millennial workers will go a long way toward determining which companies are most successful over the next decade and beyond. As a result, forward-thinking executives are making it a point to target Millennial prospects.

George Murphy, senior VP of total rewards, HR technology, and operations for financial services firm Lincoln Financial Group, oversees a leadership development program that brings in 40 college students—all performing in the top 20% of their classes—and gives them a taste of multiple experiences within the company. The idea is that they will come back to apply for jobs with the big insurer. "On a conscious basis, we're trying to bring young Millennials into the organization," says Mr. Murphy. "We're giving them exposure to meaningful roles."

But there is a big difference between aggressively recruiting Millennials and making wholesale changes to accommodate them. And the latter approach may be unnecessary, or even detrimental to employee engagement. The extent to which Millennials have been painted as a new type of worker with unusual needs to fulfill has resulted in a long list of myths. Among them:

MYTH: Achieving work/life balance is more important to Millennials than to non-Millennials.

REALITY: The desire for work/life balance is a more universal attribute than commonly believed. In fact, 31% of non-Millennials say work/life balance is important to their job satisfaction, compared with 29% of Millennials.

MYTH: Finding personal meaning in their work is more important to Millennials than non-Millennials.

REALITY: Our findings indicate the balance swings in the opposite direction, albeit narrowly, with 18% of non-Millennials saying personal meaning is an important component of their work, compared with just 14% of Millennials.

MYTH: Millennials care more than non-Millennials about making a positive difference in the world through work.

REALITY: Non-Millennial employees are just as interested in making a positive difference as their Millennial counterparts, with about one-fifth of each group citing this as important to their job satisfaction. And while Millennials have a reputation for being less money-focused than older workers, they are slightly more likely than their older peers to consider competitive compensation to be an important or very important benefit (68%, vs 64%).

MYTH: Meeting income goals is less important to Millennials than it is to non-Millennials.

REALITY: Millennials rank meeting career (35%) and income (32%) goals as the two most important components of job satisfaction. And 41% of Millennials say higher compensation would increase their loyalty and engagement with the company, vs. 38% of non-Millennials.

MYTH: Millennials are more likely than non-Millennials to plan on leaving their jobs in the short term.

REALITY: Employers have long assumed that older employees were less likely to leave than their younger coworkers, but our findings indicate that Millennials (21%) are roughly as likely as non-Millennials (23%) to leave their jobs in the next six months.

MYTH: Millennials are more comfortable with digital workplace technologies, and as a result crave them more.

REALITY: Non-Millennials and Millennials are about even when it comes to believing their employers provide adequate technology, and the two groups are equally likely to say that their employers both make the latest technologies available and allow use of personal devices at work.

The message to HR execs is clear: By separating myth from reality, and creating incentives accordingly, they can greatly increase the odds of building a truly successful 2020 workforce.

"With so many generations working together in one company these days, it's hard to speak in generic terms [about employees' wants and needs]."

**Suzanne Jungjohann, director of performance management, Randstad**

So what is different?

None of this is to say that managers do not need to approach Millennial employees differently in certain ways. There are areas in which Millennials are clearly asking for more, but while their reputation is for having different values, our research shows what they really want is a quicker path to improvement.

Few companies have a better view of this than Dutch recruitment firm Randstad. With more than 28,000 employees working in over 4,500 offices in 39 countries, the company has a worldwide view of what distinguishes Millennial workers. Suzanne Jungjohann, the company's director of performance management, says one way Millennials are upping the ante on developing themselves is by seeking to work on a variety of projects for different departments and locations. But she cautions against jumping to any broad conclusions. "With so many generations working together in one company these days, it's hard to speak in generic terms," she says. "But these are issues that are more important for younger people than for older people. And they are issues we take into consideration as an employer."

Companies may want to consider providing more-frequent feedback to younger employees. While Millennials (32%) and non-Millennials (29%) are almost equally likely to want more feedback on performance than they are currently getting, Millennials want it far more often, presumably to accelerate their development and advancement. Two-thirds of Millennials say they would like informal feedback from their managers at least monthly, while the majority of non-Millennials (51%) say they prefer feedback in quarterly or annual doses.

Ideal frequency of manager feedback

Millennials   Non-Millennials

Weekly

16%   9%

Monthly

50%   39%

Quarterly

29%   39%

Annually

4%   12%
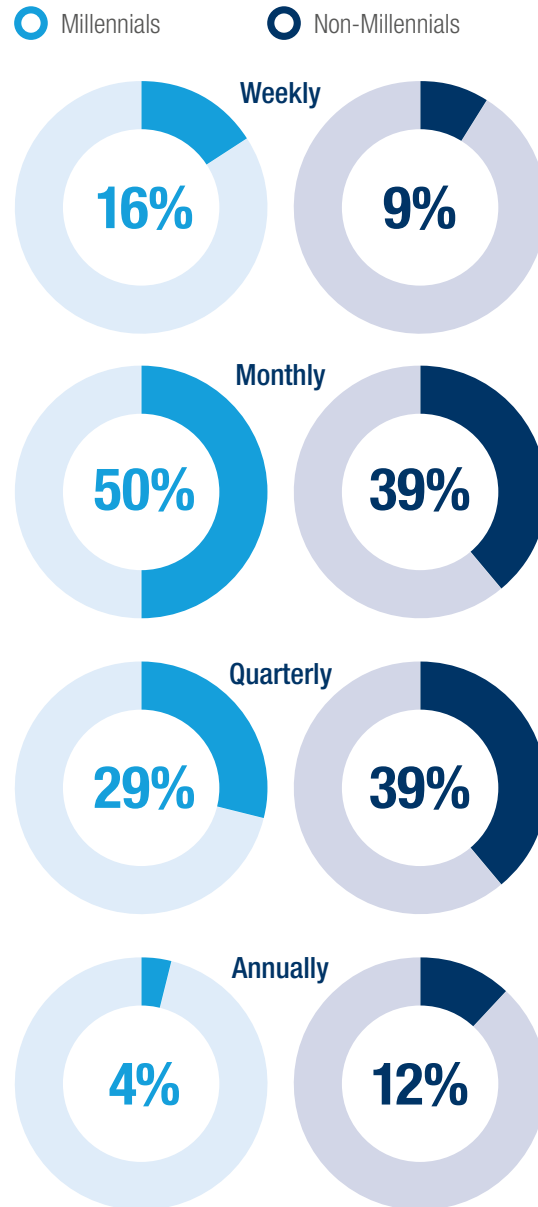
Regional views of Millennials

Our research reveals a clear global story about Millennials in the workplace, but younger employees are seen differently by business leaders in different regions. Put simply, executives in North America and Latin America are much more likely than their peers in the Asia Pacific and Middle East/Africa regions to describe Millennials as having different values and expectations.

For instance, North American (64%) and Latin American (63%) executives are more prone than executives in the Middle East/Africa (43%) or Asia Pacific (37%) regions to seeing Millennials as frustrated with the quality of management. They also are more likely to perceive Millennials as being frustrated with the technology they are provided. Even more dramatically, North American (61%) and Latin American (53%) executives are more than twice as likely as those in Asia Pacific (30%) and the Middle East and Africa (24%) to believe Millennials find business processes too bureaucratic.

On the other hand, executives in Asia Pacific (61%) and the Middle East/Africa (58%) regions are far more likely than those in North America (45%) and Latin America (35%) to believe that Millennials consider quality of life to be a more important work consideration than potential career path. As it does in most of these categories, Europe (53%) falls in the middle.

Contributing to this chasm is the fact that Millennials have not had time to develop the extensive networks of contacts that their older coworkers have (and the nature of networking itself is changing given the sharp increase our survey shows in the number of contingent, intermittent, or consultant employees). Only 7% of Millennials say they have experienced most of their professional development through networking, highlighting their increased reliance on formal training and mentoring. This in turn plays into a workplace need, as 48% of executives report having difficulty finding employees with base-level skills. By focusing on developing these skills in their growing Millennial populations, companies can more effectively address both their employees' needs and their own.

Conclusion

Accounting for Millennials in workforce development strategies is a priority for businesses today, but our research shows that many of the popular generalizations about Millennials are at best partial truths. In fact, they may be applied across generations, indicating that the real misunderstanding is of non-Millennial employees. It is critical that companies take steps to address the needs of Millennials without pandering to them based on mistaken assumptions.

In the end, employees of all ages want fairness and opportunity. Koç Holdings, Turkey's largest conglomerate, puts the generations on equal footing by using its employee portal, called KoçKariyerim, to promote all available positions within the company. Says Damla Tamakan, human resources coordinator, "It is a substantial tool for us to retain our younger employees and support them in their career journey."

While younger workers have needs that are distinct from earlier generations—most notably in the areas of feedback and career development—Millennials are much more like their older coworkers than previously thought. The oft-adopted view of them as either altruistic do-gooders or spoiled whiners is a misinformed perspective that successful companies will avoid.

Naked Retreats and the new Chinese worker

Few countries are experiencing the kind of generational contrast evident in China. Companies looking to expand their workforces in this fast-changing nation are confronted by a population of Millennial workers that have very different needs and skills than their parents and grandparents.

Naked Retreats is one such employer. The seven-year-old Shanghai-based company, which is opening several luxury rural resorts around the country, counts plenty of Millennials among the 450 workers it has hired thus far. Many of these younger employees are from rural villages. The resulting employee profile overturns stereotypes of rural Chinese workers, and also creates some challenges in matching jobs to people with the right skill sets.

"Over the last ten years, largely because of the one-child policy, parents have spent their life savings on sending their kid to the US, to the UK, or to Europe, to the best schools," says Chris Watson, Naked Retreats' chief people officer. "The number of applicants I get is huge and all of them with degrees and masters or double degrees. They've overeducated the population, to be frank."

And all of that education brings with it a keen awareness of what workers get elsewhere—especially at US companies such as Apple, Facebook, and Google. That means applicants come in with expectations that previous generations would not have dreamed of expressing. "They are pretty demanding," says Mr. Watson. "When you interview them, they're interviewing you too." There is much more emphasis, he says, on who leads the company, and their vision, integrity, and longevity. Benefits are another big area of concern, along with modern workplace perks such as flexible schedules. In other words, this is not your grandfather's China.

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