



TRENDING TOPICS

MANAGING MILLENNIALS

From HR Manager — A New Zealand Handbook

by Richard Rudman

In life, the generation gap takes many forms. At work, at least in recent times, it has stirred the idea that the millennials — people born between 1980 and 1996 — are different. Entitled. Lazy. Ungrateful. Disloyal. Want rewards immediately. These are some of the words used to describe millennials. But they were also used by *Life* magazine back in 1968 to describe the baby boomers. The boomers were Generation X, born between 1965 and 1983, who have now been in the workforce for two or more decades. They grew up before computers and were already adults when digital technology took over. Generation Y — the millennials — had unprecedented access to technology, and seem to be forcing change in every aspect of life. Generation Z (born 1997-2002) is just leaving school and university, to enter a tumultuous world of work, wanting to save the planet, and worrying about how and where their careers might go.¹

The dates and descriptions are fluid. The propositions are more definite. Either the millennials are different from other generations, have different preferences and priorities, and must be treated and managed differently — or they are not.

According to Gallup:²

Like those in every generation before them, millennials strive for a life well-lived. They want good jobs — ones with 30-plus hours of work a week and regular pay checks from employers. They also want to be engaged in those jobs — emotionally and behaviorally connected to them. In addition to finding a steady, engaging job, millennials want to have high levels of well-being, which means more than being physically fit. Yes, millennials want to be healthy, but they also want a purposeful life, active community and social ties, and financial stability. Regarding that financial stability, millennials want to be able to spend money not just on what they need, but also on what they want.

As an aside, it's worth noting that, by 2020, millennials will make up half the global workforce. By 2025, the proportion will be 70%. So the issue is less about managing millennials as a special group than it is about managing all the people in a workforce and workplace.

Gallup's research reaches six conclusions about millennials:

1. They don't just work for pay — **they want a purpose.**
2. They are not pursuing job satisfaction — **they are pursuing development.**
3. They don't want bosses — **they want coaches.**
4. They don't want annual reviews — **they want ongoing conversations.**
5. They don't want to fix their weaknesses — **they want to develop their strengths.**
6. It's not just my job — **it's my life.**

Of course, the obvious response is that these preferences and priorities are not startlingly different from those of other generations. That's supported by other research. For example, a survey of more than 800 working-age adults in the United States found millennials and boomers show similar preferences for most job characteristics (security, achievement, affiliation, power/influence).³

A key difference, according to Gallup, is that only 29% of millennials are engaged — emotionally and behaviourally connected to their jobs and employers. But age does not necessarily improve that picture: Gen Xers (32%), baby boomers (33%) and traditionalists (45%) are not highly engaged either. And while 16% of millennials are actively disengaged, that figure goes up to 18% for Gen Xers and 19% for baby boomers. Again, are millennials so different? Is it possible that people of the ages now labelled millennial have always been a little confused about work and working?

The INSEAD-led research⁴ asks this question. Are Gen Yers truly different from Gen Xers in their expectations and preferences? Or will they begin to behave much like their older peers as they grow older and gain experience? This study shows that, as far as the need to identify with a company's culture and values, there is no perceptible difference between the three generations. In other areas, however, the research showed that organisations should avoid over-generalisations and blanket initiatives. Managing a multi-generational, diverse workforce requires careful study of how HR initiatives will be viewed by different individual employees and employee groups.

Similarly, use of the term millennial might be questioned — especially when it is used as shorthand to describe all young workers. One author describes it as “a limiting and arbitrary term that does not tell you anything about an individual's history, ability, motivation or potential at work”.⁵ Labelling people and their expectations on the basis of age alone is far too simplistic.

In fact, every generation has its expectations of work and the workplace, and has needs and preferences that might be different from those of other generations. They are shaped by their environments and their experiences.

There's a further caveat. With increasing age diversity in the workforce, many HR professionals are conscious of a need to tailor work practices to meet perceived generational differences. But a recent study suggests that, even if the characteristics of an entire generational cohort could be identified accurately, they would most likely change through the course of the workers' careers. The research warns against generalisations for a whole generation, or even about an individual's traits through the course of a career.⁶ This has implications for HR practices aimed at a particular generation; it also raises questions about the applicability over time of results from psychometric tests used in recruitment and development.

What do millennials want?

The TLNT survey report⁷ listed the job characteristics most desired by millennials, in order of preference:

1. **Work-life balance** — having time for activities outside of work
2. **Security** — job security, safety, benefits
3. **Stimulation** — challenging work, task variety, learning opportunities
4. **Achievement** — opportunities for recognition, prestige, and growth
5. **Pay** — high salary/income
6. **Affiliation** — opportunities for friendship and interpersonal connection
7. **Power/influence.**

However, lists like this are not a prescription for action. While millennials and boomers might have similar preferences, the workforce overall is displaying increasing variability in preferred job characteristics. That emphasises how important it is for HR to understand what individual workers want in their particular circumstances and contexts.

What should HR do?

The international research for the INSEAD survey led its authors to make a series of self-explanatory recommendations for organisations managing millennials:

1. **State purpose, early and often.** Employees want to understand how their work contributes to the organisation's vision and goals. If well-articulated and worthwhile, they can rally and motivate employees, even if they are not tied to traditional social causes.
2. **Make 'fit' a strategic priority, not a nice-to-have.** Professionals care about finding work which suits them and matches their personalities. That makes corporate culture a key. People who fit the culture are drawn to the organisation and, over time, reaffirm the culture.

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3. **Make large organisations feel small and nimble.** Bureaucracy, vertical silos, command-and-control are all enemies of what drives the modern workforce – entrepreneurship, agility, flexibility, creativity. Even the largest organisation can behave as if it were a series of small enterprises.
4. **Investigate and root out feelings of fear in the workplace.** Financial stress is a big issue for millennials (especially those with student loans). They also report being overworked, with consequent stress. Organisations can identify and work to support employees with these problems.
7. **See turnover as an opportunity.** Because of the expense, loss of knowledge capital, and other reasons, reducing turnover is a central tenet of effective talent management. But turnover can be an opportunity to rethink a role.
8. **Investigate how to improve training and development.** It has been shown that up to 25% of the money organisations spend on training does not improve employee performance,⁸ and 90% of new skills are lost in a year.⁹ Training should be based on serious needs analysis; internal systems and processes should be checked to ensure they support the training; and the learning should be applicable on the job.
9. **Take steps to support the multi-generational workforce.** An organisation needs to understand what is common amongst the generations, and what is different. It needs to understand shared beliefs, and identify gaps, and use both to make better decisions about training, development, and culture-building.
5. **Evaluate the contingent workforce strategy of your organisation.** Millennials want greater flexibility in their schedules and career progression.
6. **Invest time, resources and energy to listen and stay connected with people.** Millennials want every action the firm takes to represent their values and are more eager than others to be asked for input on important issues.
7. **Recognise that one size does not fit all,** but that all organisations need to engage in change.

Notes

- 1 Bresman, H. and Rao, V. D. (2017). *Brave new workplace: A look at how generations X, Y and Z are reshaping the nature of work*. INSEAD and MIT Leadership Center for Universum. Retrieved from www.universumglobal.com.
- 2 Gallup Inc. (2016). *How millennials want to work and live*. Gallup Inc. Washington DC. Retrieved from www.gallup.com.
- 3 Willard, G. (2015). New data tells some surprising truths about millennials. *Talent Management and HR*. Retrieved from www.ereMEDIA.com/tlnt.
- 4 Bresman, H. and Rao, V. D. op cit.
- 5 Macrae, I. (2017, May 24). The great Millennials myth: The secret to motivating young people. *HR Magazine*. Retrieved from www.hrMagazine.co.uk.
- 6 Harris, M., Brett, C., Johnson, W. and Deary, I. (2016). Personality stability from Age 14 to Age 77 years. *Psychology and Aging*, 31(8), 862-874.
- 7 Willard, G. op cit
- 8 www.forbes.com/sites/groupthink/2015/08/30/why-your-employee-training-is-a-waste-of-time-and-money-and-what-to-do-about-it/#7a1db3f56caa.
- 9 www.wsj.com/articles/SB10001424052970204425904578072950518558328.
- 10 PWC. (2013). *Engaging and empowering millennials*. Retrieved from www.pwc.com.

Another set of strategies is suggested by international consultancy PwC, based on in-depth surveys of its own people and other workers, all over the world.¹⁰ It found that Gen Xers valued control over work, development opportunities, and pay satisfaction. Millennials were driven by the more social needs of flexibility, appreciation and team collaboration. In order to appeal to different generations, and meet their needs, these actions were proposed:

1. **Create a more flexible environment.** Millennials are willing to give up some of their pay and slow the pace of promotion in their careers in exchange for working fewer hours.
2. **Leverage technology.** Millennials are adept at leveraging technological advances.
3. **Create innovative programmes around compensation, rewards and career decisions.** Millennials tend to look for recognition rather than, or in addition to, money; rewards that will benefit them in life or in career-enhancing ways.
4. **Build a sense of community.** Millennials say that creating a strong-cohesive, team-oriented culture at work is important to their workplace happiness.



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