ATTRACTING, RETAINING AND DEVELOPING MILLENNIAL PROFESSIONALS

ROBERT WALTERS

FOREWORD

It has been well documented that over the next decade we will see a significant shift in workplace demographics, with Millennials set to make up the majority of the workforce by 2025. So it's only natural that one of the most topical issues for employers is how to attract, retain and develop Millennial professionals.

Millennials (also known as Generation Y, born between the 1980's to the early 1990's) are the first generation of 'digital natives'. They have more formal education than any generation in history, and have mastered multitasking through early exposure to a wide range of media. Having grown up in a largely borderless-world created by the internet and more accessible overseas travel, Millennials also have ambitious career goals and high expectations of rapid career progression and international opportunities.

It is tempting, therefore, to assume that Millennials work very differently to other generations, and in particular, that they place high importance on keeping up with emerging technology and embracing social media platforms. In turn, employers worry that such a different working style will cause conflict with other generations in the workforce, and that the unique needs of Millennials will make it harder for employers to keep them happy.

This whitepaper seeks to examine these issues more closely, and will equip employers with a stronger understanding of what motivates Millennials and their expectations from employers and co-workers. I hope the research findings and key learnings provide valuable insight to your organisation.

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METHODOLOGY

This whitepaper is based on the findings of research undertaken by Robert Walters. To conduct this research, Robert Walters surveyed over 1,000 professionals and more than 400 hiring managers across Australia and New Zealand.

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INTRODUCTION

The purpose of this whitepaper is to examine the motivations and workplace habits of Millennial professionals in order to better attract and retain this key demographic.

Specifically, this whitepaper explores:

- Career motivations of Millennials and personal characteristics most valued in the workplace
- Millennials' job search habits and use of technology
- Sources of inter-generational conflict in the workplace
- Preferred training and development for Millennials

CAREER MOTIVATIONS OF MILLENNIALS AND PERSONAL CHARACTERISTICS MOST VALUED IN THE WORKPLACE

Most Millennials specified that they work because they want to earn money to support their lifestyle (35%), or because they want to fulfil their potential (35%). When asked how long they intended to stay in their current jobs, the majority of Millennials indicated that it would depend on how their career develops (32%), or that they would stay as long as they are kept happy (28%).

The most important factors to Millennials when choosing a new employer were 'Salary and benefits meet expectations' (74%), 'Clear opportunities for career progression' (67%) and 'Organisation has a strong culture and good reputation' (50%). Interestingly, both the Baby Boomer and Generation X respondents valued flexible working arrangements more than their Millennial colleagues (47% of Baby Boomers and 46% of Generation X, compared to 37% of Millennials).

Chart 1 - Most important factors to Millennials when choosing a new employer

74%
SALARY AND BENEFITS PACKAGE

67%
CLEAR OPPORTUNITIES FOR CAREER PROGRESSION

50%
ORGANISATION HAS A STRONG CULTURE AND GOOD REPUTATION

When assessing the personal characteristics that are most important in a manager, Millennials rated 'Recognising performance' (70%), 'Being open to ideas and feedback' (69%) and 'Being accessible and easily available' (54%) most highly. The co-worker characteristics most valued by Millennials were 'Having a positive attitude to work' (82%), 'Performing their job functions well' (71%) and 'Being a good communicator' (53%).

70%

of Millennials agree that the most important quality in a manager is the ability to recognise performance

Key learning #1 – When seeking to attract Millennial professionals, organisations should continue to offer and highlight traditional inducements

While it can be easy to assume that Millennials prefer more innovative incentives from potential employers, organisations must recognise that traditional inducements are still most strongly valued by this demographic. Therefore to attract the best Millennials, employers must offer competitive salary packages and highlight the company culture and potential career pathways throughout the recruitment process. It is vital, however, that employers are capable of honouring any statements made during the recruitment process.

Key learning #2 – Managers must recognise performance and encourage open communication

The atmosphere of a working environment is vitally important to Millennials, who want their employers to demonstrate an ongoing commitment to their careers. To facilitate this, managers must establish both formal and informal methods to recognise and reward their employees' contributions, on a regular basis. Similarly, managers need to have an 'open-door' policy with their employees, and seek to create a working environment that promotes two-way communication and free exchange of ideas.

MILLENNIALS' JOB SEARCH HABITS AND USE OF TECHNOLOGY

The job search channels most frequently used by Millennials are Career websites (88%), Employer websites (61%), Recruitment company websites (58%) and LinkedIn (55%). Hiring managers surveyed agreed that Millennials would most likely use Career websites (83%), however they also believed that Millennials would use LinkedIn (69%) and Personal contacts (58%) more than traditional channels such as employer websites, which is inconsistent with the Millennials' results.

Hiring managers were also more concerned with the impact of emerging technology than Millennials, with the vast majority of employers (87%) saying they believed that Millennials would leave their organisation if they did not invest in emerging technologies, and 62% of employers saying they have plans for significant investment in technology in the near future. In contrast, while 94% of Millennials indicated that technology was extremely important or somewhat important to their work, only 51% said they would consider leaving their employer if the company did not invest in emerging technologies.

Chart 2 - Would Millennials leave their organisation if they did not invest in emerging technologies?

51% OF MILLENNIALS SAY **YES**

49% OF MILLENNIALS SAY **NO**

87% OF EMPLOYERS SAY **YES**

13% OF EMPLOYERS SAY **NO**

Key learning #3 – Employers should continue to embrace traditional job search channels when seeking to attract Millennials

Technology plays an important role in the workplace for Millennials, and employers have signified that they understand the importance of investing in emerging technology in the workplace. However when looking for a new job, Millennials are yet to fully embrace social media at the expense of the more established platforms. So when seeking to attract Millennial professionals, employers should continue to utilise more traditional job search channels and resist placing too much emphasis on emerging platforms at this time.

Key learning #4 – Organisations must invest in the career sections of their websites

Millennials frequently peruse the career sections of employers' websites when looking for a new role, particularly the highly motivated and ambitious Millennials. Therefore it is vital that employers review their online careers section and ensure it is up-to-date and easy to use for job-seekers. All current available roles should be visible, and any unavailable roles should be removed as soon as they become obsolete. Importantly, the job descriptions must feature detailed information about the role, salary package and opportunities for career progression. The careers website should also prominently feature a section that promotes the organisation's culture and competitive difference.

94%

of Millennials indicated that technology was important to their work

SOURCES OF INTER-GENERATIONAL CONFLICT IN THE WORKPLACE

The majority of Millennials surveyed (53%) indicated that they had experienced or witnessed conflict between different generations in the workplace. Millennials were most likely to experience conflict with Baby Boomers (51%), while Baby Boomer and Generation X respondents experienced most conflict with Millennials (59% and 46% respectively).

All three generations (Millennials, Generation X and Baby Boomers) agreed that the main source of inter-generational conflict was 'Differences in expectations of organisational values and culture' (37%, 37% and 42% respectively). The next biggest source of conflict for Millennials was 'Reluctance to engage with or use new technologies' (24%). Generation X (29%) and Baby Boomer (40%) respondents agreed that the second biggest source of conflict in the workplace was 'Younger generations' expectations of rapid career progression'.

Chart 3 - Percentage of respondents who agree the biggest cause of inter-generational conflict is 'Differences in expectations of organisational values and culture

37%	37%	42%	60%
MILLENNIALS	**GENERATION X**	**BABY BOOMERS**	**EMPLOYERS**
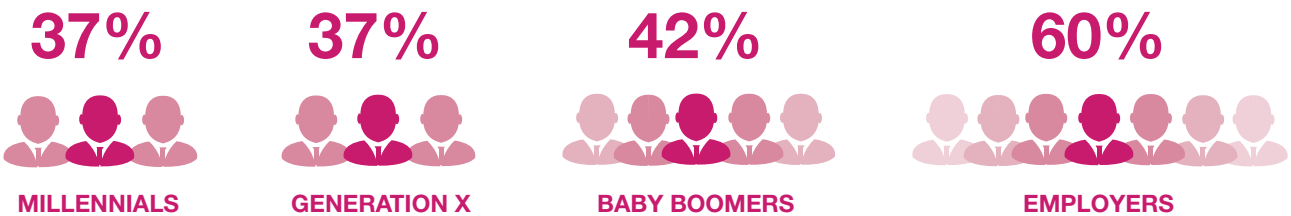
Of the employers surveyed, 41% indicated they had witnessed inter-generational conflict, yet only 24% stated that managing inter-generational conflict was the biggest issue facing managers today. Employers believed that the main sources of inter-generational conflict were 'Younger generations' expectations of rapid career progression' (79%), 'Differences in expectations of organisational values and culture' (60%) and 'Differences in expectations of salary and benefits' (34%).

Chart 4 - Next biggest cause of inter-generational conflict according to professionals and hiring managers

24%	29%	40%	79%
MILLENNIALS	**GENERATION X**	**BABY BOOMERS**	**EMPLOYERS**
RELUCTANCE OF OTHER GENERATIONS TO EMBRACE TECHNOLOGY	MILLENNIALS EXPECTATIONS OF RAPID CAREER PROGRESSION	MILLENNIALS EXPECTATIONS OF RAPID CAREER PROGRESSION	MILLENNIALS EXPECTATIONS OF RAPID CAREER PROGRESSION
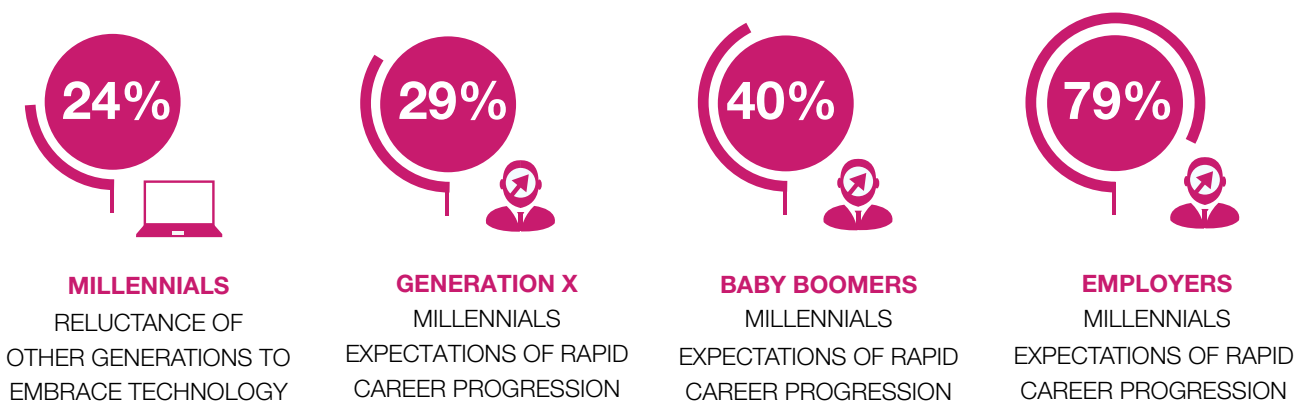
48%

of professionals have experienced or witnessed conflict between generations in the workplace

Key learning #5 – Employers must be more alert to inter-generational conflict in the workplace

To keep their Millennial workforce happy, organisations must increase their watchfulness for tension between generations. Where use of technology is a potential source of conflict, managers should provide adequate training and support to all staff to ensure a consistent level of skill and utilisation. In addition, employers must clearly promote and enforce organisational guidelines around acceptable methods of interaction and communication in the workplace; for example the use of social media and SMS to communicate with colleagues.

Key learning #6 – Building an inclusive organisational culture is vital to workplace harmony

It is imperative that employers build an inclusive organisational culture that will motivate and unite all generations, and that the leaders of the organisation live and breathe their culture. To assist with building an inclusive culture, employers should consider conducting annual employee surveys to identify the preferred values and norms of different generations. The survey should review issues such as rewards and social activities offered to ensure appropriateness and desirability for all generations. The results should then be used to inform the ground rules and policies that underpin organisational culture, and set as a benchmark against which future results are measured.

24%

of Millennials agree that reluctance to engage with or use new technologies is a major source of inter-generational conflict in the workplace

PREFERRED TRAINING AND DEVELOPMENT FOR MILLENNIALS

Exactly half the Millennials surveyed felt that their employer has an adequate plan for their career progression. And encouragingly, the majority of Millennials (58%) said that their employer provides adequate training and development opportunities. Millennials chose 'On-the-job learning' as their preferred method of training and development (78%), followed by 'Mentoring by internal professional contacts' (54%) and 'Regular attendance of short courses' (46%).

Chart 5 - Millennials' preferred methods of training and development

On-the-job learning		78%
Mentoring by internal professional contacts		54%
Regular attendance of short courses		46%
Formal education		38%
Mentoring by external professional contacts		27%
Self directed study		9%

An overwhelming majority of Millennials (87%) thought that employers should offer international career opportunities as part of their training and development programs, and 88% of Millennials said they would value being offered such opportunities. In contrast, only 25% of hiring managers said that they currently offered international career opportunities as part of employees' training and development programs.

Key learning #7 – Millennials value practical and face-to-face learning over formal training

When creating training and development plans for Millennials, employers must predominantly provide face-to-face, practice-driven methods of learning. To facilitate on-the-job learning, Millennials should be given the opportunity to execute more complex projects and work with or shadow more senior professionals within different business functions. This will equip them with complementary skill sets and enhance their experience, confidence and personal satisfaction. In addition, regular attendance of relevant face-to-face short courses will provide additional motivation and satisfaction to Millennials, rather than online training modules.

Key learning #8 – Offering international career opportunities is a powerful motivator for Millennials

Millennials strongly value the offer of an international transfer as part of their career development, which also gives employers the opportunity to equip their future leaders with experience of how the business operates globally. Where possible, organisations should identify the core group of Millennials they wish to retain and incorporate international transfers into their personal career development plan.

It is obviously difficult for organisations that do not operate overseas to offer international career opportunities. To overcome this hurdle, employers could potentially explore the option to approach business partners and establish a mutually beneficial agreement that allows some international transfers for top performing employees.

87%

of Millennials think employers should offer international opportunities as part of training and development programs

CONCLUSION

The Millennial workforce is a dynamic group of professionals whose influence on — and contribution to — the workplace will grow ever stronger in the coming years. Attracting, retaining and developing the best of the Millennials will therefore be vital to organisations who wish to grow and thrive in the next few decades, and the following factors will ensure their best chance of success.

Understanding what motivates Millennials

When assessing employment options, Millennials value a competitive salary package, opportunities for career progression and an organisation with a strong culture above all other factors. Once in the role, Millennials appreciate managers who recognise and reward their performance, and who are receptive and communicative.

Targeting the right job search channels

Millennials predominantly use job search websites, employer websites, recruitment company websites and LinkedIn to research job opportunities. Employers must focus their time and resources on utilising these channels.

Building a strong, inclusive organisational culture

Having a positive and social working environment is vital to keeping Millennials happy in the workplace. Organisations must strive to build and reinforce a culture that not only reflects the desires of Millennials, but that will also minimise conflict between Millennials and older generations.

Offering practical training and international opportunities

Millennials derive greater satisfaction and expertise from practically-driven, face-to-face training such as on-the-job learning and mentoring, as well as international career opportunities. Where possible, employers should incorporate these pathways into their employees' training and development programs.

CONTACT US

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