What the Under 30 Generation Wants in the Workforce:
What Employers Need to Know to Retain Them

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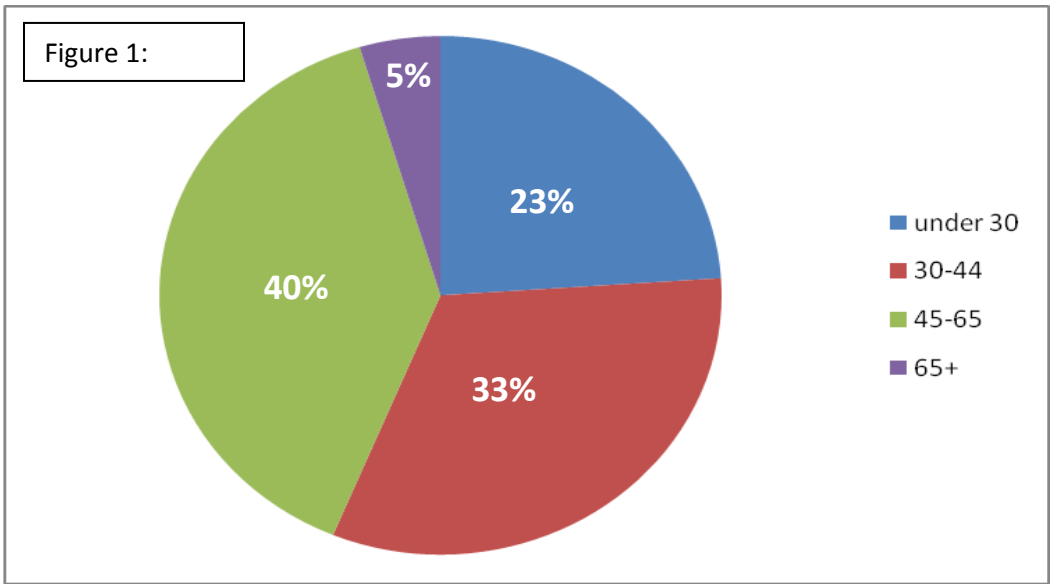
Introduction

Today's workforce consists of four generations working side by side. While all members of a generation are not the same, they do have different values and expectations based on the economic conditions, societal norms, political and world events that occur during their childhood and young adulthood. But managing and motivating the various generations represented in the workforce can be challenging.

This paper will reference current studies and publications about generational differences in the workforce but will also reference original research done by the author, Bobbie Frye and Cheryl Roberts in 2004. The research study conducted by the Center for Applied Research (CFAR) was funded by the Charlotte-Mecklenburg Workforce Development Board and consisted of 863 college students (community college, regional university and HBC) who completed surveys about what they wanted out of life and expected as they completed college and entered the workforce (Manning, 2004). This research will be referred to at the CFAR Study.

Who Is Working Today?

According to the US Department of Labor, Bureau of Labor Statistics, in June 2011, there were 138,576,000 people aged 18 and over in the workforce in the United States (Household Data June 2011). Their breakdown based on age can be seen in Figure 1 below.



Baby-Boomers (those approximately 46-65 years of age) still represent the largest segment of the workforce (55 million) but younger generations are catching up. Millennial workers (18-29 years of age) represent 32 million workers and Gen X (approximately 30-45 years of age) represents 45 million.

Changing Demographic Trends

Among the under 30s entering the workforce, they are more racially and ethnically diverse than ever before and women are gaining ground. Racial and ethnic minorities represent 40% of the entire population and 43% among those under 20 (Roberts, 2008). Approximately 20% of this generation has at least one parent that is an immigrant meaning they most likely speak a language other than English in their home (Children of Immigrants: Facts and Figures, 2006).

Of all students in college in 2008, 57% were women and 35% were minority students, quite a change from 1976 when women represented 48% and minorities 18%. In 2007-8, 62% of associate degrees, 57% of bachelor's degrees and 60% of masters degrees were awarded to women (Fact Book on Higher Education, 2010). Women represent 47% of those employed in the workforce and 45% of the unemployed (Household Data June 2011).

Millennials: Some Ambitious yet Aimless

For the majority of generations in the past, they reached age 18 and either enrolled in and completed college or went straight from high school into career-related jobs. At the age of 18-25, one was considered an adult by society's standards. This transition to adulthood was marked by completing school, entering full-time work, marriage and parenthood (Arnett, 2000). Over the last several decades, young people have taken a different path. They are staying in school and at home longer, getting married later and have no strong motivation or desire to work fulltime. They also know they will have to work well into their 70s and that social security may not be around when they retire - so why start now? Many complete college, work a while to save money (while living with mom and dad), quit their job and travel. Others decide to take a year or two off after college and live in a foreign location to see the world and experience life. Developmental psychologists who have been observing the behaviors of young adults say they have created a new developmental stage for ages 18-25 called "emerging adult" (Arnett, 2000). They see adults who are overworked, divorced and generally stressed out and see marriage, home and children as "perils to be avoided" at this time in their life (Whitehead). Many of the most talented college graduates don't enter the workforce for several years. Instead, they are surfing in Hawaii or working on a sheep farm in Australia.

This is why it was not surprising that only 44% of students surveyed in the CFAR study indicated that they planned to go to work immediately upon graduating from college. Others planned to continue their education and do other things.

Table 1: What Are You Likely To Do After Graduating From College (CFAR Study)

Plans	#/%
Immediately Enter the Workforce	368 (44%)
Continue My Education	270 (32%
Not Sure	98 (12%)
Marry or Start a Family	98 (12%)
Take Some Time Off	38 (5%)
Something Else	21 (3%)
Missing	24

Differences in Generations at Work

Cam Marston (2007), in his book titled *Motivating the "What's in it for Me?" Workforce*, states that the standards and daily routines of institutions in America were created by a heavy military focused generation who is no longer working (World War I generation). Older generations make assumptions that:

- younger generations will measure success in the same way as older generations,
- young worker must pay their dues and follow the same paths to success as previous generations,
- the company ladder will remain intact, and
- workers will go where the jobs are.

Younger workers are not particularly interesting in doing things the way they have always been done, time-honored traditions, paying their dues (for a vague reward), how their managers got to where they are (rank), a work ethic that requires a 10 hour day or unquestioning loyalty to a company (Marston, 2007).

Many plan to move around, try out different jobs, companies and locations before they settle in one location for the long haul. While previous generations had the philosophy "you go where the jobs are," the younger generation has the philosophy "you go where you want to live and hope to get a job." When students in the CFAR study were asked about the number of jobs they expected to have in their lifetime and the salary expectations they had, their salary expectations were modest (65% expected to earn $40K or less with a college degree) and they expected to move around (66% felt they would have 4 or more jobs in their lifetime) (Manning, 2004).

Table 2: Job Expectations (CFAR Study)

Annual Salary Expectation	#/%		Number of Jobs in Lifetime	#/%
$15-20,000	61 (7%)		1-3 jobs	282 (34%)
$21-30,000	254 (30%)		4-6 jobs	353 (43%)
$31-40,000	226 (27%)		7-10 jobs	138 (17%)
$41-50,000	135 (16%)		Over 10 jobs	58 (7%)
$50,000 +	61 (7%)		Missing	32
Not Sure	97 (12%)			
Missing	29			

Attracting the Younger Generation

Because 56% of the current workforce consists of the Millennial Generation and Generation X and because Baby Boomers are quickly aging out, employers want to know what they can do to attract and retain talented young people. The following have been suggested:

1. **Do a Better Job of Recruiting**
   When looking for a job, millennials think they are not having the right conversations. Instead of talking about roles and job titles, they want to talk about values and skills. The best job ads describe what the potential hire should value and what skills they should have (Yang, 2009).

2. **Offer Stable Benefits**
   Because millennials were teenagers and young adults in 2001 when 9/11 occurred, they saw their parents lose all their money (including their college funds) in the volatile financial market. Since that time, many families have lost their homes and livelihood and millennials have come to realize that stability is important. When asked in the CFAR study about the importance of the various benefits packages offered through employment, they were far more interested in stable investments such as health/life insurance and 401K plans than in stock options and profit-sharing (Manning, 2004). See Table 3 below.

Table 3: Importance of Benefits (CFAR Study)

Benefit	#/% Extremely Important
Health Insurance	751 (90%)
Salary Growth	744 (90%)
Life Insurance	642 (77%)
Plans Like 401K	629 (76%)
Bonuses	564 (68%)
Employer-paid Retirement	479 (58%)
Stock Options	298 (36%)
Profit Sharing	199 (24%)

3. **Characteristics of the job itself**
   Millennials are family and lifestyle focused. They think their parents did a great job, are close to expended family, enjoy time with friends and are as invested in their leisure activities as they are in their career activities. This is a dramatic change from their work-addicted Baby Boomer parents who worked 60-80 hours week and "live to work" rather than "work to live." When asked about characteristics of a job that they believed to be important, their responses were somewhat interesting (Manning, 2004) (see Table 4).

Table 4: Characteristics of a Job Thought To Be Important (CFAR Study)		
Importance	**Job Characteristic**	**#/% extremely Important**
Items Thought To Be Very Important	Respected on the Job	729 (87%)
	Opportunity for Professional Development	647 (77%)
	Ability to Have an Impact on the World	511 (61%)
Items Thought To Be Somewhat Important	Having Access to Information and Expression of Personal Opinion	460 (55%)
	Having High Job Prestige	424 (51%)
	Working with Inspiring Colleagues	407 (49%)
	Geographical Location of Job	408 (49%)
	Receive Guidance and Direction from Supervisor	389 (47%)
	Using Creativity on the Job	382 (46%)
	Participating in Company Decisions	373 (45%)
	Independence/Professional Autonomy	337 (40%)
Items Thought To Not Be Important	Flexible Work Hours	252 (30%)
	Lots of Responsibility	241 (29%)
	Dress Code Appropriate to Work Environment	240 (29%)

Millennials want to be respected for the contribution they can make to the job and feel they should not be treated poorly because they are young or less experienced than others. They also want the opportunities to grow professionally (including being mentored) and develop new skills. They will expect help with this from their supervisors. They are also most interested in jobs that make a difference in society and are interested in somehow making an impact through their work.

The characteristics of a job that would most attract millennials are flexibility (time and location), variation on the job (skills and activities), continual feedback from supervisors (mentoring), opportunities to learn (retool and reinvent themselves), challenge (new problems to solve) and to be in charge of their lives and future (Marston, 2007).

4. Realize that Personal and Professional Lives Blends Today

Family and friends have always been important to all generations but this generation has not been told to "leave your personal life at home." Millennials typically (41%) have only a cell phone and no land line so their personal calls go with them to work (Millennials: A Portrait of Generation Next. Confident. Connected. Open to Change., 2010). They check their social networking sites occasionally from their office computer. Their friends and family are a major piece of their lives and with the advent of technology; they are in regular daily contact with them. When millennials were asked about what contributes to a good quality of life, family related characteristics rated as the three highest variables. Behind that was a good job and good friends. Less than 50% rated plenty of money and plenty of time as major contributors to a good quality of life.

Table 5: What Contributes to a Good Quality of Life (CFAR Study)	
Characteristic of Good Quality of Life	**#/% Rating in Top 3 on a Scale of 1-8**
Having a Secure Future for My Family	595 (72%)
Having Time to Enjoy My Family and Children	575 (70%)
Having a Family and Children	525 (63%)
Having a Great Job	494 (60%)
Having Good Friends	448 (54%)
Have Plenty of Money	377 (46%)
Having Plenty of Free Time	335 (41%)

Employers need to realize that family related activities will be important to millennials. Giving them flex time to deal with family issues will go a long way toward retaining them.

5. **Work to Retain them by Being a Good Manager (and Someone They can Respect)**

   Managers must realize that young people today define success differently and their time is equal in value to them as money. They will pursue other rewards for their work. They view their predecessor's experience (long hours and over-commitment) as a warning, not a road map of how to succeed. They don't value the rules of management, motivation and reward and have been given ample reason to question authority. They have learned that their leaders don't always tell the truth. They have grown up in the internet age and will make up their own mind what they believe and determine is "true." They question the motives and truthfulness of institutions across the board and will invest their loyalty and trust in individuals (rather than companies) and therefore, the right boss is critical (Marston, 2007).

Heathfield (2011) listed 11 tips for managing the millennial employee. They are:

1. **Provide structure –** reports, deadlines, clear goals, expectations. Provide frequent communication about the rules and structured career path
2. **Provide leadership and guidance** – they want to look up to and admire their boss. They want in on the "whole" picture. Teach, coach and give them the best investment of time. They expect a relationship with their boss and are more trusting of authority figures.
3. **Encourage the millennials' self-assuredness, "can-do" attitude, and positive personal self-image** – encourage them, don't squash or contain them. They want to express their opinion.
4. **Take advantage of their comfort with teams. Encourage them to join –** they believe teams can accomplish more and better things. Mentor, coach and train them as a team – and use multi-generational teams (they get along well with all generations.)
5. **Listen to the millennial employee –** they had loving parents who listened to them and don't like being ignored. They expect mentoring and want to feel like they matter.
6. **Millennial employees are up for a challenge and change –** boring is bad. They seek change and challenge; they are looking for the next thing. They want to know how their work is going to help the company.
7. **Millennials are multi-taskers –** want different tasks and goals to pursue weekly – if not they get bored.
8. **Take advantage of their computer, cell phone and electronic literacy** – the world is wide but not too deep for millennials.

9. **Capitalize on their affinity for networking** – they like to network around the world electronically. Use their skills to move your business forward.
10. **Provide a life-work balance in the workplace – they** work hard but are not into 60 hour work weeks. Home, family, children and friends are their life. Get them involved in community service.
11. **Provide a fun, employee-centered workplace –** they want to enjoy their work, make friends at work. Help long-term employees make room for them. Worry if they are not laughing, planning office events, going out to lunch with workmates, etc.

Marston (2007) describes what it will take for all generations to work together. Employers must understand:

- what employees want from their jobs, their bosses and the workplace experience
- the new definition of loyalty and how to develop it (not through pay, promotions and benefits)
- the new definition of self – young employees define themselves by what they do outside the job, not what they do for a living
- there must be new behavior from leaders who realize younger workers enter the workforce seeking self-fulfillment and aren't interested in "paying their dues" for an unspecified amount of time for a vague reward
- because young people are doing everything later (e.g. staying in school, living at home, getting married, having kids) they have a different level of commitment to work and this must be developed.

Because 10,000 Baby Boomers turn 65 every day and will until approximately 2020 (The Baby Boomers Start to Turn 65, 2011), hiring and retaining the millennial generation is critical. With approximately 80 million born between the early 1980s and the early 2000s, they will soon constitute the majority of the American workforce.

Future Expectations

Because the millennial generation is optimistic, they expect to not only make an impact on society but to eventually be successful. The difference between them and the generation before them is that they don't expect it to happen right away. In the CFAR study, 56% of millennial students expected to eventually open their own business and be entrepreneurs and 96% expect to someday have the lifestyle they grew up with.

Table 6: Likelihood of Future Success (CFAR Study)

Future Plans	#/% Somewhat to Very Likely
You Will Work For Yourself (be an entrepreneur)	468 (56%)
Eventually Be Able to Afford the Lifestyle You Grew Up With	800 (96%)

However, the millennial student appears to be realistic as well. When asked about how their generation would improve the various characteristics of society, technology and race relations were the only two areas they felt strongly that they could improve.

Table 7: When My Generation is Raising Kids, Running Corporations and Occupying High Political Office, the Following Will Be BETTER (CFAR Study):	
Aspect of Life	**#/% It Will Be Better**
Technology	764 (92.2%)
Race Relations	458 (55.2%)
The Economy	351 (42.2%)
Schools	318 (38.5%)
Foreign Affairs	244 (29.6%)
Arts and Culture	220 (26.8%)
The Government	202 (24.3%)
Family Life	171 (20.7%)
Religion	140 (17.1%)
Crime and Public Order	120 (14.5%)

Conclusions

The millennial employee is sociable, optimistic, talented, well-educated, collaborative, open-minded, influential, and achievement-oriented. They expect to perform well and reach their career and life goals. They are connected and networked and can communicate with thousands of their friends in an instant.

Considering the fluctuating and unstable economy and business environment, companies that want to emerge as winners will design specific techniques for recruiting, managing, motivating, and retaining the country's youngest workers.

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