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MILLENNIALS: BURDEN, BLESSING, OR BOTH?

Companies often complain about the unrealistic expectations of millennial workers, but heeding their call to action can improve the work environment for everyone.

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We recently came across the following quote about the younger generation:

> Because all the peoples of the world are part of one electronically based, intercommunicating network, young people everywhere share a kind of experience that none of the elders ever had. . . . This break between generations is wholly new: it is planetary and universal.

Cultural anthropologist Margaret Mead wrote these words in 1970. They are an important reminder that older generations often see stark differences between themselves and up-and-coming ones. We're seeing that same pattern play out today: a barrage of articles and commentators has stamped today's youth as "millennials"—workers who are said to be difficult to manage and likely to quit at a moment's notice, and to make needless mistakes as they forge ahead blindly without permission.

The research we've conducted suggests a more complex reality. Yes, the youngest generation differs from the older ones. *But this has always been true*. Can you define everyone born between 1980 and 2000 by a handful of generalized characteristics? You know the answer.

It's time for leaders of organizations to stop debating the millennial problem, hoping that this supposedly exotic flock of sheep will get with the program. Instead, they should see how questions and challenges from their youngest employees can spark action to help their companies change for the better. It's easy to say that young people haven't matured enough to resign themselves to the reality of what's possible. Yet they are asking an important question: "Why does it have to be this way?" In the process of listening, leaders will soon realize that young people want the same things we all do.

This past year, Joanna conducted 200 in-depth interviews with high-potential young professionals and an additional 60 with talent professionals looking for ways to engage younger employees effectively. We'd be the first to acknowledge that this research is qualitative, but it covers 120 companies, including 55 of the Fortune 500, across many industries. The sample primarily draws from millennials in the United States but includes multinational perspectives: more than 40 percent of those sampled were immigrants from over 40 different countries or first-generation Americans. The emerging themes were consistent enough to make us feel comfortable sharing our observations and early conclusions from them.

For starters, these interviews underscore what shapes this generation: even high-performing young professionals acknowledge the harsh economic realities they've seen and the stress they experience. Many in the United States continue to bear the burden of thousands of dollars in student-loan debt. Coming of age amid the global financial crisis, they have also observed firsthand the weakening of the social contract as corporate scandals stripped workers of their pensions and companies cut costs or closed their doors, leaving committed workers and their families financially vulnerable. This has understandably influenced their decisions to join or leave companies and sharpened their desire to find meaning and purpose in the chaos of the world in which they've grown up.

Millennials also speak of themselves as hyperconnected globally—always on—with resulting work behavior that seems peculiar to some of their managers. But this natural affinity for technology provides them with unique skills and insights that managers can use. They're efficient, and they also see patterns not always evident higher up the hierarchy.

We don't want to belabor this familiar ground or the obvious ways in which young employees are important to companies: at a minimum, they're needed to replace aging baby boomers and Gen Xers. Let's focus instead on the actions that companies are taking to adapt. If these seem relevant for most if not all employees, that's because they are. Young professionals don't want to be patronizingly singled out; they just want to create the kind of environment that many older employees have longed for but never found. Any one of these actions would be a significant shift from business as usual. Collectively, they represent a new workplace dynamic spurred by the high expectations of young employees but meeting a larger need for more thoughtful relations between all workers and employers.

- Build bridges with data. People analytics has been gaining momentum in a wide variety of organizations, but few have thoughtfully used research to understand their youngest employees better. P&G has deployed its consumer-marketing expertise to learn more about them and to generate ideas that help middle managers to shift their own mind-sets and adapt their management approach. They're far from alone; some companies are gathering data to understand not only their youngest workers but also the entire workforce—tracking tenure, movement, performance evaluations, and attrition, as well as qualitative data to gauge engagement and find ways of increasing it.

- Put communication on steroids. Many companies have learned that employees are eager to hear from top management. But the young ones in our research expect this to happen at hyperspeed: real-time, two-way communication that accepts input from everyone, followed by fairly immediate action. Here, tech firms are leading the way. HubSpot, a marketing-software company with a recent IPO, conducts surveys of its mostly millennial employee base every 90 days and reports the raw findings, along with analysis, to all employees. In addition, they use anonymous microfeedback platforms to ask questions about specific topics and to engage on follow-up feedback requested by supervisors or senior management. This approach provides unprecedented visibility into issues and solutions—and changes the rhythm of continuous improvement.

- Develop a culture of mentorship. Many young people thrive on collaborative work and support from colleagues, but few companies have figured out how to build a culture that helps existing employees to mentor new ones. Personal relationships are crucial for companies anxious to stem attrition or hang on to their young workers. W.L. Gore's use of this approach is a classic example: all new employees are assigned a sponsor who helps them to navigate the culture; to reach out and form other mentoring relationships, based on work interests and chemistry; and to be successful. More recently, Sodexo began to test mentoring circles of four people to help onboard new employees: three experienced ones each form their own connection with a newcomer.

- Get creative about professional growth. This young generation has grown up watching entrepreneurs reach the height of success before age 30, taking on responsibilities usually reserved for older executives and gaining unprecedented wealth. Many young professionals want a chance to flex their entrepreneurial muscles; they chafe at the lack of advancement opportunity in today's flat structures. Any kind of movement that promotes professional development is a plus. For example, last year Barclays started up a young leaders' resource group called Emerge. Its primary goal is to help the company's most recent hires accelerate their careers through opportunities to develop skills, to network, and to manage projects through "extracurricular" initiatives inside or outside the company.

Temporary projects over and above the day job are nothing new, but for millennials who thrive on challenges they are crucial. For example, Synchrony Financial offers a spot in one of its Innovation Stations—collaborative, cross-functional teams across the United States—to encourage its young high performers to dream up and test bold ideas. Like many tech companies, the teams host one-day Bolt Sessions that rapidly deliver working prototypes of digital solutions to help solve business or customer problems.

Finally, young workers tell us they are energized by rotational programs, an old standby that's fallen by the wayside at many companies. Programs at Synchrony Financial and other businesses have expanded the traditional model to include increased mentoring, exposure to senior leaders, cross-functional work, and community service—elements that millennials value highly.

- Make flexibility more than polite talk. Young employees, more than their older coworkers, value the genuine blending of their work and personal lives. Leaders may be apprehensive at the prospect, but there are simple ways to make flexibility work. Journeys, a leading specialty retailer where young workers make up a large majority of the workforce, has created a core time block when all headquarters employees must be in the office unless they are on the road for work. In return, employees are responsible for their results, regardless of their work hours, which they are otherwise free to choose.

  Flexibility is also important to millennials starting families: many young women, and a growing number of young men, cite their families as a top priority and want more family-friendly policies at work. Netflix has instituted an unlimited parental-leave policy allowing employees to spend more time with their newborns and to choose return dates balancing their responsibilities at home and at work. For many companies, paid parental leave would be a long-overdue first step.

- Shape midlevel managers into leaders. Middle managers are the first line of supervision that young employees meet. That encounter can be disastrous. But it also can be edifying if the managers are prepared to handle pivotal scenarios, such as giving (and receiving) more frequent development feedback, managing difficult situations, and learning to adapt to challenges. It is not enough to create management tools that sit on the shelf.

  For example, Danone has created an innovative internal training program that brings together leaders of different generations so that each can better understand how the others work (and to stamp out stereotypes) in this digital era. Citigroup requires every manager to undergo coaching and training before working with an intern or a participant in a rotation program. You might think training an intern is just a headache, but not so. It's a form of recognition for mentoring ability.

Young employees are part of the solution. They can learn how to broach issues with the empathy that comes from standing in the shoes of their managers, to pose questions that foster solutions rather than more problems, and to pause and thoughtfully engage with their elders before moving on to action. It's crucial to encourage this two-way dialogue between the generations. Given the right attitudes, senior and junior leaders can bridge the cultural gap that divides them.

But that's only the start. We understand that implementing most of our recommendations will be challenging. They change the nature of work, establishing a new standard for the way leaders, managers, and employees interact. Companies will therefore not only more effectively retain young professionals, who may eventually become their leaders, but also increase the engagement of all employees across the organization.

We're also optimistic that young people can help show the way, not because they are so different, but because they are expressing common human needs and raising relevant questions about why more progress hasn't been made already. Leaders who listen, who have long-term horizons and the courage to break new ground, can improve their odds of building a lasting legacy that serves generations to come. Q