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HR PEOPLE + STRATEGY'S WHITE PAPER SERIES

Lead with Millennials

ABSTRACT

About fifteen years ago, four generations (Silents/Traditionalists, Baby Boomers, Generation X, and Millennial's) began working together for the first time. This change stimulated a growing interest in understanding generational differences, including their work preferences and value systems. According to generational cohort theory, individuals within the same generation tend to share similar characteristics because they share the same life experiences in their formative years (Weber, 2015)¹. Therefore, the most effective way to understand a given generation and how it may differ is to examine the major events and societal trends that occurred as they grew up. Before you dive into this white paper, familiarize yourself with Chart 1, which provides an overview of key experiences of each generation and how they were potentially impacted by these experiences.

In recent years, the Millennial generation has received special scrutiny, likely because of perceived novelties in this group but also because of their immense size. Today, Millennials have become the largest generation in the United States Labor Force, totaling 53.5 million (Fry, 2015)². Millennials have not always had the most positive reputation. For example, Tolbize (2008)³ notes the widespread perception that they have a reduced work ethic. Further, Millennials are sometimes perceived as being impatient, demanding, less committed and lacking attention to detail.

These perceptions are problematic for several reasons and we cite two in particular. First, such perceptions are subject to bias and may amount to nothing more than stereotypes. The negative stereotyping of a younger, up-and-coming generation is a common phenomenon that likely has gone on for centuries and can be attributed to our natural inclination to be leery of anything new and different. Secondly, these stereotypes often fail to incorporate "life stage" effects. For example, younger workers may have

lower levels of professional maturity because they have less work experience at this stage of their lives in comparison to older workers.

The debate over the Millennial generation ranges from research that accentuates their perceived differences to studies that indicate no differences exist. In a recent *Harvard Business Review* article, Bruce Pfau cites a series of research studies that provide us with a "growing body of evidence [that] suggests that employees of all ages are much more alike than different in their attitudes and values at work. To the extent that any gaps do exist, they amount to small differences that have always existed between younger and older workers throughout history and have little to do with the Millennial generation per se" (Pfau, 2016).⁴ PwC, the University of Southern California and the London Business School conducted a two year global generation study that debunked many of the stereotypes and myths about Millennials. However, the study also showed some nuances: "[For] non-Millennials transactional needs are more dominant: control over work, de-

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velopment opportunities and pay satisfaction, [whereas] Millennials' social needs are more dominant: team cohesion, supervisor support and appreciation, flexibility." (Finn, Donovan 2013)⁵ Integral Talent Systems studied what makes Millennials change employers and found they are more likely to change just because "something more attractive comes across their radar screen, in the way of career advancement or lifestyle aspirations." (Ware, 2014)⁶

The purpose of this article is not to validate a point of view about Millennials. We recommend that organizations focus on what is effective across generations rather than seeking to apply different practices to different generations. However, an examination of the younger generations' (e.g., Millennials, Generation Z) potential differences may yield insights into future workplace trends (which would ultimately apply to all employees). For example, Chart 1 highlights how the experiences of Generation X may have led to them valuing work/life balance more than previous generations.

Today, organizations commonly employ strategies designed to provide this balance (e.g., work from home arrangements). Further, all generations equally benefit from these work/life balance initiatives and policies, not just Generation X. While work/life balance trends may have been influenced by several factors (such as the technology that allows employees to seamlessly work from home), one can argue that the characteristics associated with Generation X played a key role in these practices emerging and being socially accepted.

In this article, we propose that an examination of Millennials' perceived characteristics can inform much needed shifts in employee development

practices. Millennials experienced tremendous change during their impressionable years and researchers posit Millennials endured arguably the most societal turbulence of all the generations (Tolbize, 2008)³. Examples include the Great Recession, the 9/11 attacks, and the dramatic technological advances that occurred. We argue that the immense change experienced by Millennials makes them prime candidates to spearhead shifts in employee development practices. The next section highlights the urgent need to bring our development models from the 80s into the 21st century.

ACCELERATING THE EVOLUTION OF DEVELOPMENT

The last three decades have provided us with a multitude of transformations in business and organizations, however the framework we use to develop talent has largely remained unchanged. One of our best development models (70 percent Job experiences, 20 percent People, and 10 percent Courses) is based on research conducted on Baby Boomers and Traditionalists in the late 1980's by the Center for Creative Leadership (McCall, Lombardo, and Morrison, 1988)⁹.

The Courses (10 percent) referenced by the participating executives in McCall's study "dealt with general management and business issues or process/self-analysis... [The value to the individual was that] it dealt with a relevant issue, and it occurred at a good time for the manager" (McCall et al., 1988)⁹. These courses were predominately delivered offsite in a university environment. For the first twenty years since this research, organizations invested heavily in internal training programs teaching general management and leadership skills with an assessment component (e.g., 360

CHART 1: GENERATIONS, LIFE EXPECTANCIES, AND OUTCOMES

Generation	Life Experiences	Outcomes
Silents/Traditionalists (Born 1922 – 1946)	<ul style="list-style-type: none"> • Great Depression • World War II 	<ul style="list-style-type: none"> • Conservative and disciplined • Loyal workers, highly dedicated • Sacrifice personal life for work • Respect authority • Less comfortable with risk ambiguity, conflict, and change
Baby Boomers (Born 1946 – 1964)	<ul style="list-style-type: none"> • Vietnam War • Kennedy/King Assassinations • Watergate • Grew up in an era of prosperity, optimism and social change. 	<ul style="list-style-type: none"> • Confident – not afraid to challenge the status quo • Believe work & sacrifice are the price to pay for success • Value company commitment and loyalty • Good interpersonal skills; focus on relationships
Generation X (Born 1965 – 1980)	<ul style="list-style-type: none"> • Both parents worked • Stagnant job markets and corporate downsizings • AIDS epidemic • Increased divorce rates • Beginning era of computers and video games 	<ul style="list-style-type: none"> • Less loyal to companies than previous generations • Prefer flexible schedules • More technologically savvy • Independent and self-reliant • Value continuous learning; seek instant feedback
Millennials (Born 1981 – 1995)	<ul style="list-style-type: none"> • Highly protective, involved parents; excessively spoiled • Arguably endure the most financial & societal turbulence of all the generations (e.g., The Great Recession, 9/11) • Dramatic technological advances 	<ul style="list-style-type: none"> • Committed and loyal when dedicated to an idea, cause, or product • Highly confident • Seek flexibility • Entrepreneurial • Multi-taskers • Seek immediate and continuous feedback

A critical finding... was that the most powerful way to drive development was from job experiences.

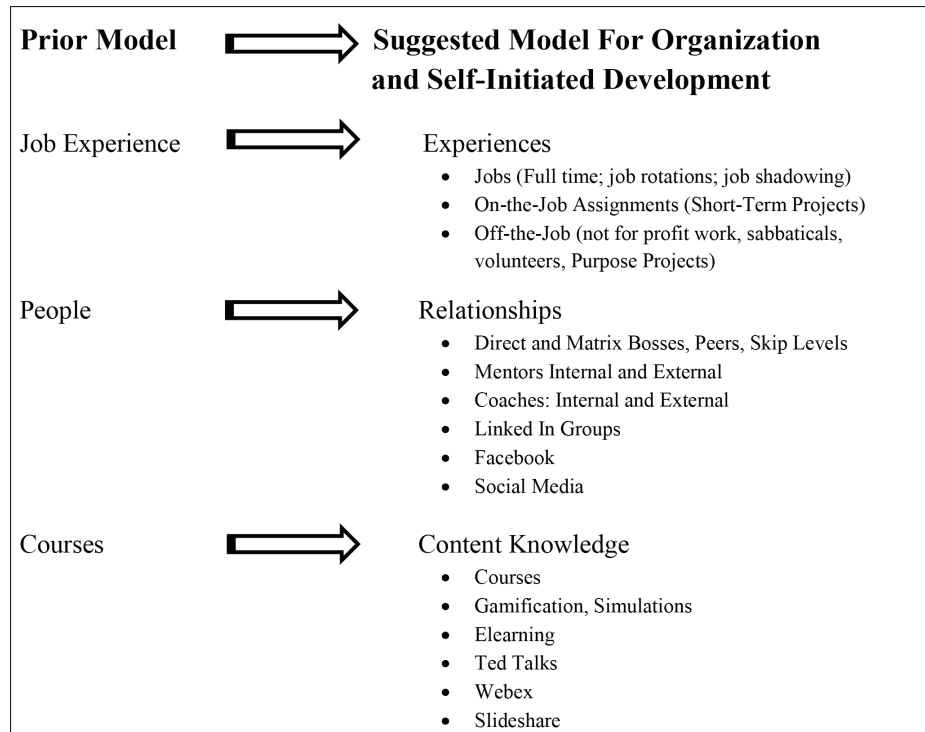
feedback) tossed into the mix. We then expanded to a plethora of topics, such as conflict management, communication skills, and team building. Today, we have integrated technology into the mix and offer e-learning through virtual classrooms and provide online access to a throng of courses from universities across the globe or from training consultants.

In McCall’s study, the “People” factor represented 20 percent of the key events executives referenced as contributing to their success. Interestingly their results found that 90 percent of the people referenced were “organizational superiors.” The four lessons learned from bosses were management values (trust, integrity, and ethics), human values

(sensitivity to how to treat people), what executives are like (variability in style), and politics (the way things work). Today, developmental relationships extend beyond the boss and formal coaches and can include such things as include peer coaches and mentors.

A critical finding in the McCall study was that the most powerful way to drive development was from job experiences. Their list included: early work experience, first supervisory experience, project/task force, line-to-staff switches, starting something from scratch, fix-it/turnaround job, and leap in scope. What is also important to note is they specified what learning occurred from each of these experiences. The researchers discussed the importance of hardships in

CHART 2: AN EXPANDED VIEW OF OUR TRADITIONAL DEVELOPMENT MODEL



Stretch assignments are a common form of development in which employees are placed outside of their comfort zone.

development - though not something we plan for in organizations, it was something common to those who succeed. Through the continued research of Robert Eichinger and Michael Lombardo we have broadened the job experiences list to include: heavy strategic demands, international assignments, cross moves, significant people demands, scale assignment and more. Their work also defined lessons to be learned from existing job assignments: perspective building, teaching others, tough challenges, etc.

Having reviewed one of the more well-known development models, the question we ask is: can we think outside the box such that we are not today just perseverating what we found in the past? A better understanding of the manner in which Millennials learn may help us build a more relevant framework for today's world and the future.

THE DISRUPTION TO DEVELOPMENT HAS ALREADY BEGUN

First we examine how Millennials' learning habits can inform shifts needed for the Courses (10 percent) component of 70:20:10. Millennials often look for ways to accomplish work more efficiently (Zenger & Folkman, 2015)¹⁰. Using the same trial-and-error principles learned from playing with computers/video games, Millennials are adept at finding quick solutions to problems while utilizing minimal resources. Development approaches must evolve to incorporate the "learning-on-the-go" tendencies. Chart 2 shows how the Courses (10 percent) component can expand to include E-books, white papers, "slide-share" presentations, TED talks, etc. It would be interesting to ask Millennials when they want to learn something immediately where do they go? How do they get this information? Through in-

ternal e-learning offerings or on their own (e.g., through web browsing, social media)? Lastly, given how popular the on-demand learning approach is with Millennials, this portion of the model may need to expand to represent more than 10 percent of learning.

Regarding the People (20 percent) component of the 70:20:10 model, the dramatic technological advances during Millennials' upbringing influenced how they "learn from others." For example, they popularized a technique called "crowd sourcing" in which information/input is obtained from a large number of people (e.g., via social media). As Chart 2 shows, the 20 percent People factor can expand to include the use of social media platforms as a way to network with and learn from others. In general, this category can evolve to incorporate the numerous networking opportunities now available through technology. For example, a development relationship can be a newly-appointed CMO networking with other CMOs around the world virtually—broadening concepts like Young Presidents Organization (YPO) into the 21st century.

Looking at Millennials provides an indication of how the "job experiences" category (70 percent) can expand even further. Millennials have been known to be adept learners—they explore, experiment, discover, and quickly apply what they have learned. Therefore, the opportunities for critical learning experiences expand beyond the job (and even the organization) setting. Chart 2 highlights how the model can evolve to include "off the job" experiences, such as not-for-profit work, sabbaticals, volunteer work, etc.

Today's younger generations are often perceived as being eager to feel they are having an impact, regardless of their level. Dan Rosensweig, chief executive officer of Chegg, an online bookstore, quickly made some adjustments after learning that younger employees felt the company had too much bureaucracy, not enough communication, and failed to adequately utilize their talent. He eliminated some middle-management positions to give lower levels more exposure to projects and the result was a 50 percent decrease in annual turnover among Millennials. Rosensweig

"The suggested evolutions to the 70:20:10 models, while influenced by Millennial characteristics, are applicable to all generations"



realized, “If [Millennials] don’t feel like they are making a contribution to a company overall quickly, they don’t stay... if you provide them with the right environment, they’ll work forever, around the clock” (Kwoh, 2012).¹¹

Stretch assignments are a common form of development in which employees are placed out of their comfort zone. We recommend that organizations use these assignments to expose employees at lower levels to traditional leadership tasks, such as strategy formulation and driving organization change. For example, a Millennial can be assigned to a project involving developing a function’s strategic plan for the upcoming year.

Typically such year-end planning is conducted by the more senior employees and the high level strategies are then cascaded down to the lower levels (e.g., Millennials). We are not endorsing the exclusion of senior employees from the strategy sessions as their experience warrants their presence. However, we are advocating that Millennials be added to such task forces for their unique perspectives. For example, who better than a Millennial to help a retailer develop strategies around engaging the ever-growing pool of Millennial consumers?

While stretch assignments are typically employed on an individual basis, organizations can include Millennials at the group level as well. Emerging leader programs have traditionally been used to develop a given group of employees (e.g., high potentials) for future leadership roles. We recommend a nuance in which such programs are designed to accomplish more than development.

That is, they strategically leverage Millennials by having them work on leadership-related tasks. For example, Banana Republic, a division of Gap, has an emerging leader program containing all the classic components (e.g., leadership development, career planning) but in addition gives participants the opportunity to work key initiatives around improving employee engagement and the business’ overall performance (Ware, 2014).⁶

GET ON THE TRAIN OR FACE BEING LEFT BEHIND

The suggested evolutions to the 70:20:10 models, while influenced by Millennial characteristics, are applicable to all generations. The changes represent an opportunity for our development practices to more closely align with advances in technology and the larger business environment. Future demographic shifts also provide an impetus to make development practices more “Millennial” friendly. That is, by 2020 Millennials will represent nearly half of our labor force and those in Generation X may not have the man power to fill the talent gap left by the Baby Boomer generation. Therefore, over the next decade, organizations may have no other choice but to raise up leaders from the Millennial pool, making it critical that the leadership development practices applied to them today are effective. Ultimately, we propose that the vast number of Millennials will force organizations to re-engineer development at an accelerated pace, similar to how the Baby Boomers have forced the redefinition of the “retirement community.” ■■

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