



MILLENNIAL GENERATION

Hearing The Millennial Voice

The Millennial generation has been under a bright spotlight recently, as businesses and nonprofits consider how to leverage this generation's talents while integrating millennials' unique, casual, fast-paced and personalized working styles. Millennials are the largest generation in the US today – 82 million people – the most diverse, and the most educated. They are currently employees, children, parents, and increasingly, emerging leaders in their organizations, even as some Millennials also opt out of traditional work settings.

Recently Blue Star Partners launched a qualitative and quantitative study of millennials to understand how Millennials relate to the workplace. We wanted to hear their voices – not only to repeat the conventional wisdom about Millennials being an “entitled” group. To build their talent pipeline, companies will need to develop Millennials as leaders – so we wanted to understand what that will take. Our study included an

online survey, secondary research and live video interviews of employed Millennials across several industries.

We learned that Millennials seek four key values in the workplace: **communication, people, money and mission.** They view communication as a frequent, content-filled, rich stream of interaction that includes collaboration, real-time feedback and sharing of personal perspectives even at work. Our respondents ranked “People I like working with” highest in what they value at work – and “Earning titles and recognition” last. Millennials also expect to be paid fairly for their work – perhaps following a lean few years when it has been disproportionately hard for young people to find jobs. And without a sense of mission – specifically, a strong and well-communicated program for corporate social responsibility – millennials may not stay long at a given company. These values and insights give us a very different take on what retention and development programs may look like for Millennials.



The Economy: An Uphill Journey for Millennials

The millennial generation is partly defined by the economic challenges they have faced, compared to earlier generations. A Georgetown study on millennials, *Failure to Launch: Structural Shift and the New Lost Generation* illustrated that they are about four years behind previous generations in terms of achieving the median salary. The circumstances in which the millennials have grown up have created a new set of standards for career path. Although millennials are underemployed (about 16% unemployment rate) and living with their parents for longer than previous generations, they are also more educated. According to a recent PEW study, a record one third of 25-29 year olds have completed their bachelor's degree.

Millennials are also known for valuing freedom and entrepreneurship, and this is a generation of true self-made

social entrepreneurs. Some examples: Hugh Evans, a 29 year old social entrepreneur, founded the Global Poverty Project. Josh Sommer, a 24 year old with chordoma (a rare bone cancer), founded the Chordoma Foundation. Rachel Hoat, a 29 year old Chief Digital Officer for the city of New York, has revamped the city's Internet and social media presence so people are more involved with their government. These successful leaders demonstrate what millennials can bring to a talent pipeline: the drive to make a difference, the commitment to doing the right thing and the confidence to start new ventures.

We'd like to help organizations be better at spotting the Hughs and the Rachels, and to adapt business models to make room for the kind of entrepreneurship that truly motivates millennials.



Communication

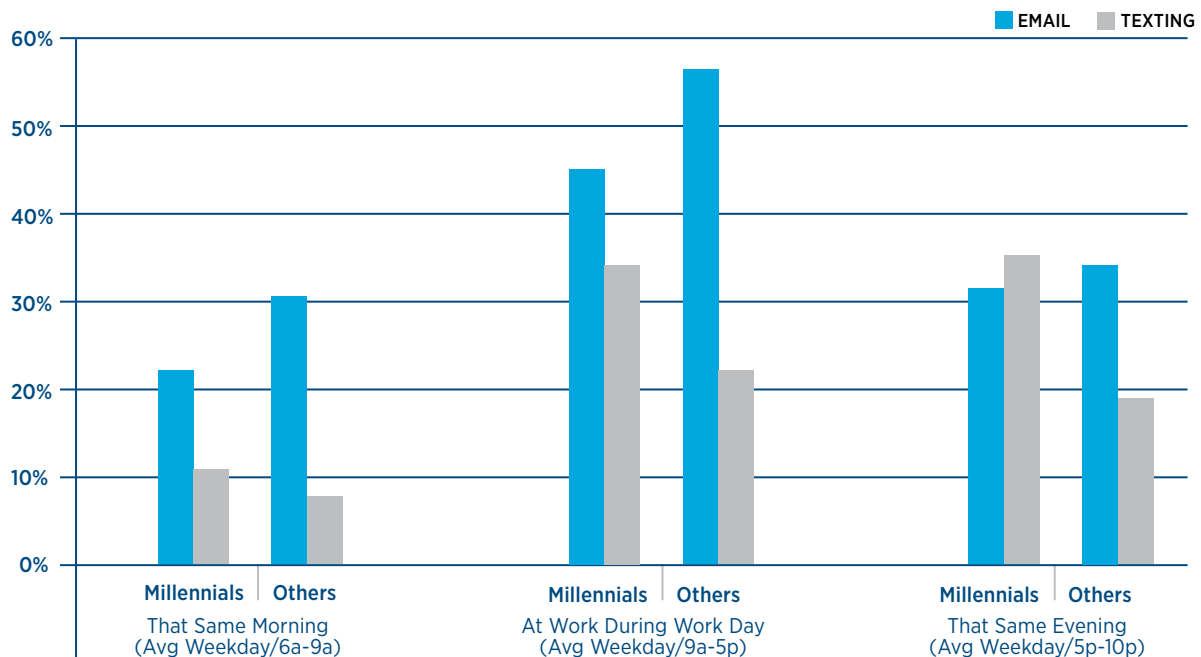
The first core value we noted in our research with Millennials is communication: lots of it, frequently and across many channels – both electronic and in-person. Millennials seek constant interaction and feedback; the days of a formal staff meeting or saving feedback until the year-end review are behind us. Millennials are looking for more frequent communication and feedback, both positive and negative,

so they can adjust in real-time and maximize their chances of success. This sheer volume of communication can be an adjustment for older managers, who entered the workplace at a different time when there was less communication with superiors.

In addition to volume, we see that millennials like to use many different channels of communication in the workplace, including email, instant

messaging, texting and social media. While the volume of text, social media and email communication can feel overwhelming or unproductive, for a millennial this is how their work gets done and how key business relationships are built. The main difference between the generations, according to a Sequent Partners study, is that texting is more popular amongst millennials than older generations, while older generations email more frequently.

EMAIL VS. TEXTING



Research shows that Millennials use almost every channel more often than their Generation X counterparts: instant messaging, texting and social networking sites. They may be baffled by the email-only approach that many 40-something Generation X leaders rely on.

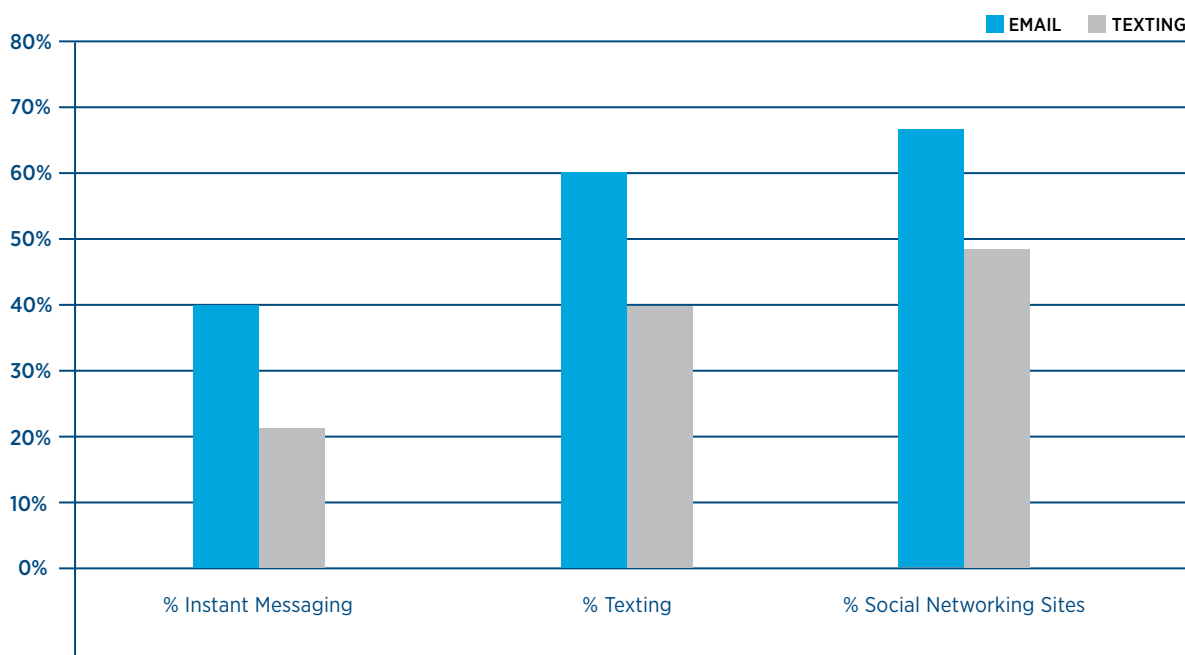
However, we also found that both Generation X and Millennial employees prefer face to face communication for maintaining work relationships – more so than phone, email, instant messaging, video chat and social networking sites. Over 90% of both generations prefer face to face meetings when it comes to performance evaluations, career plans/progress, and discussions about

compensation with supervisors. This data, from USC, illustrates that while millennials favor electronic forms of communication in their day to day lives, when it comes to important work issues, they want to be able to see the other person live. Social media could still be utilized for creating a more enjoyable work environment and encouraging co-workers to interact with each other, but both generations prefer face to face interactions when it relates to their livelihood.

In order to have a positive and trusting relationship with their boss/manager, millennials desire transparency in communicating expectations, extensive feedback/constructive criticism, and proper recognition on a job well done. In

response to our survey question, “Good feedback from my boss or manager means”, the overwhelming majority of responses dealt with constructive criticism, whether praise/affirmation of a job well done or a clear suggestion for change. Data from a nationwide CCL study confirms our finding that millennials want feedback more often than older generations. Maybe older generations have brought this to bear -- since millennials with helicopter parents have come to expect more feedback as their parents were intimately involved in their lives and offered either praise or punishment to all of their actions. A recent Forbes article discussed millennials bringing parents to their job interviews – a level of openness that we would not have even imagined ten years ago.

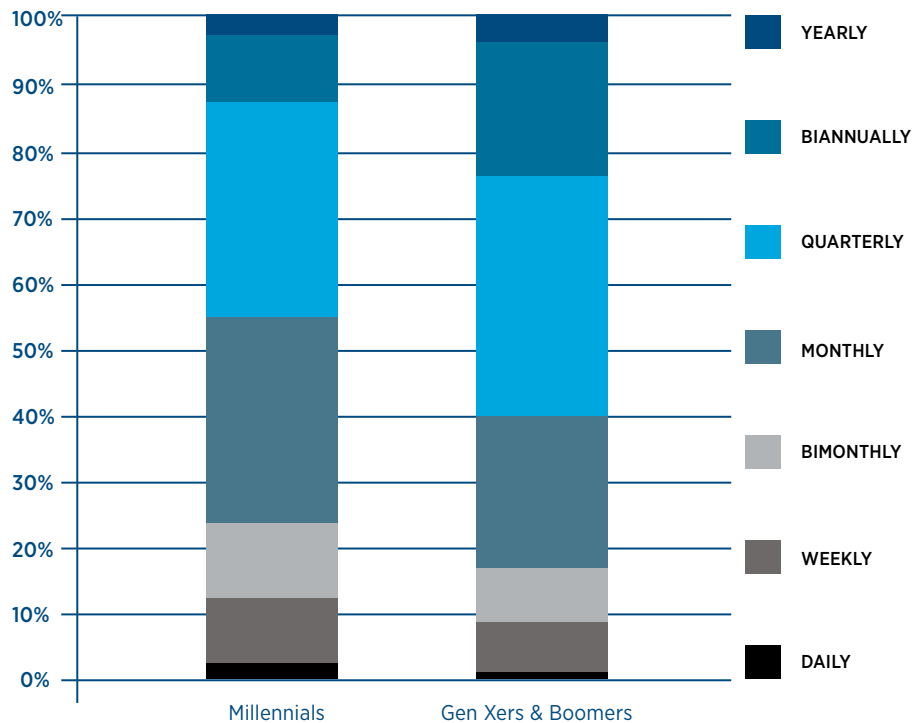
COMMUNICATION METHODS: MILLENNIAL VS. GENERATION X



Millennials are often described as being very bold in the workplace, which can translate into not displaying a proper amount of deference for authority. Yet this data shows they still value their seniors' opinions in terms of feedback. The millennials showed their deference and willingness to learn from superiors with more experience than them. 68% of those who wanted to work for a small or large company favored working for "A company where I will learn proven approaches" over "A company where I can pitch and pursue my own ideas." As long as there are clear open lines of communication and consistent feedback, millennials are more open to taking criticism and learning new approaches than their reputation would suggest.

In response to questions about what their boss/manager has done well and what could they have done differently, open communication and clear responsibilities are appreciated by millennials in the workplace. The quotes from our study in the graphic below illustrate millennials' vision of a good manager".

HOW FREQUENTLY WOULD YOU LIKE FEEDBACK ABOUT YOUR WORK?



MILLENNIAL VOICES: WHAT DO GOOD MANAGERS DO?

"Create clear goals/responsibilities for each staff member depending on their specialized skills and natural tendencies."

"Provide good direction and guidance, listen to my opinions, trust me to get the job done."

"Communicate clearly what they expected and kept open lines of communication; made me feel valued as an employee; demonstrated social consciousness and kindness; created a pleasant working environment."

"Provide more feedback, both positive and negative; give more weight to my suggestions for improving the organization."



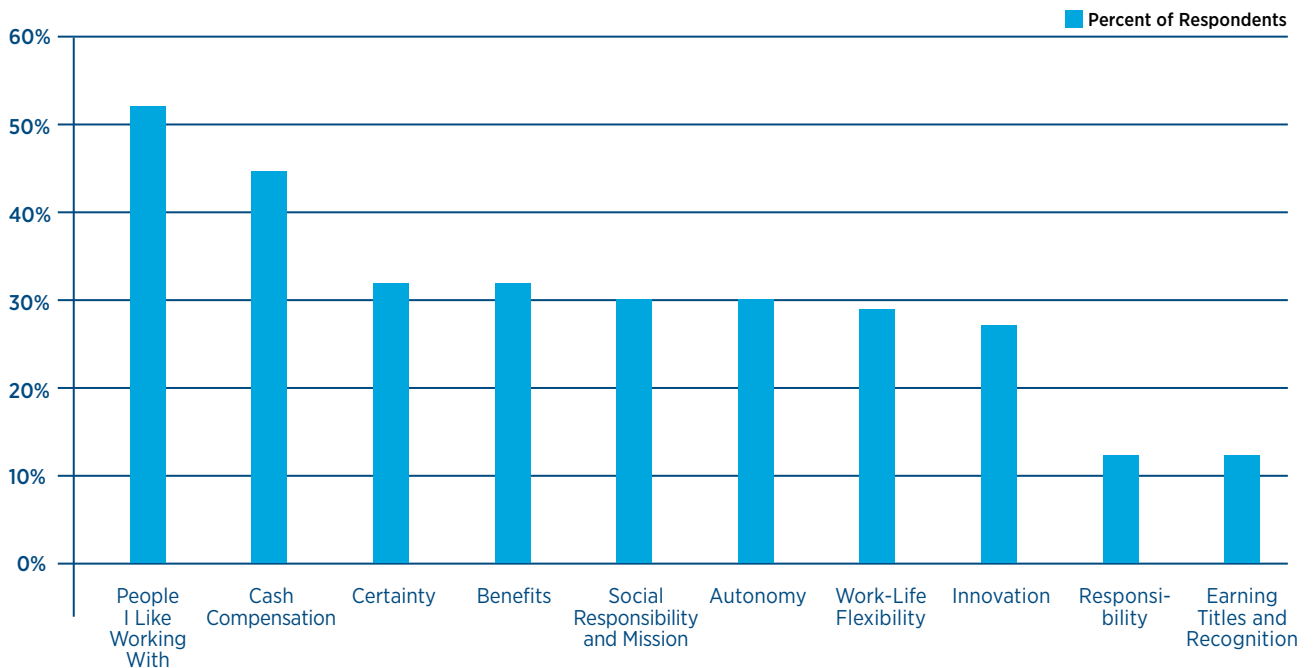
The most striking takeaway from our millennial survey has been that millennials' top value is liking the people they work with. As social media becomes ubiquitous among co-workers and the length of the workday increases, lines between co-workers and friends are blurring. Millennials want their co-workers to act as a second family so that they can have the most enjoyable work experience possible. Data from the CCL study showed that 55% of millennials agreed with the statement that "Developing close ties with co-workers is important to me", while just

40% of Gen Xers and Boomers agreed with the statement.

Extending the theme of enjoying the workplace is the significance that millennials place on an organizational culture which aligns with their beliefs. At an almost 80-20% split, millennials who wanted to work for a small or large company favored "A company where I like the culture" over "A company that is quickly growing" and 55-45% "A company where I like the culture" over "A company that is in my field of expertise." This data shows how millennials are even willing to sacrifice

working in their field of expertise if they like the culture of the company they work for. There are many theories behind this trend: one is that many millennials place less importance on climbing the corporate ladder, and assume that their first few jobs will most likely not end up being their career path. In interviews with working millennials, many felt their 20s are an important time to discover what makes them happy both in the workplace and personally. This mindset represents a shift from previous generations who may have already been married or starting a family and needing to support themselves at a similar age.

WHAT DO I MOST VALUE IN THE WORKPLACE?



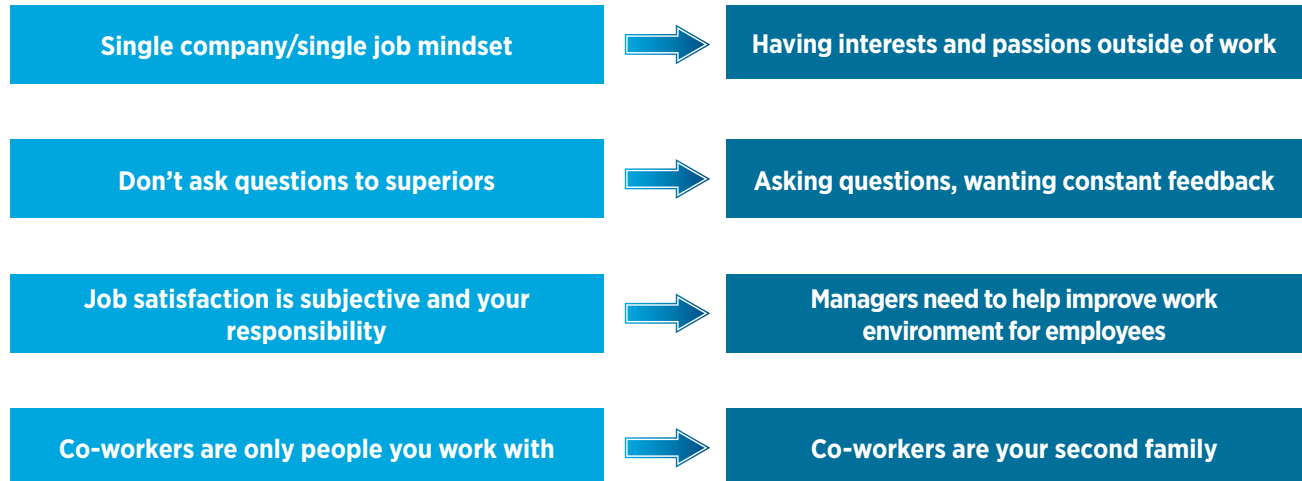
Even with this information, we have noticed that managers may find it challenging to make tangible efforts to improve their own workplace. They may also question the ROI in giving millennials their ideal work environment. Yet there is value in keeping millennials happy because they may stay at your company. As our survey showed, about 60% of millennials planned on moving to a new job in less than three years. This sentiment was summed up by one of the millennials in our study:

“Sometimes people get so caught up in “rules” that they don’t make their employees happy. Your company should want to give employees an enjoyable lifestyle so they will want to stay and do good work for you.” If managers can embrace this concept, then they may be able to retain millennials as future leaders, leveraging millennials’ entrepreneurial skills on behalf of their company.

Managers should use this information to increase feedback and recognition to

all their employees and especially to millennials. By challenging themselves to create a more pleasant working environment, companies can improve the quality of work and boost the morale of all their employees, not just millennials. At the same time managers of a multi-generational teams may need to delicately balance millennials social preferences at work with what older workers need to feel comfortable. This shift in how millennial employees think can be illustrated by the following graphic:

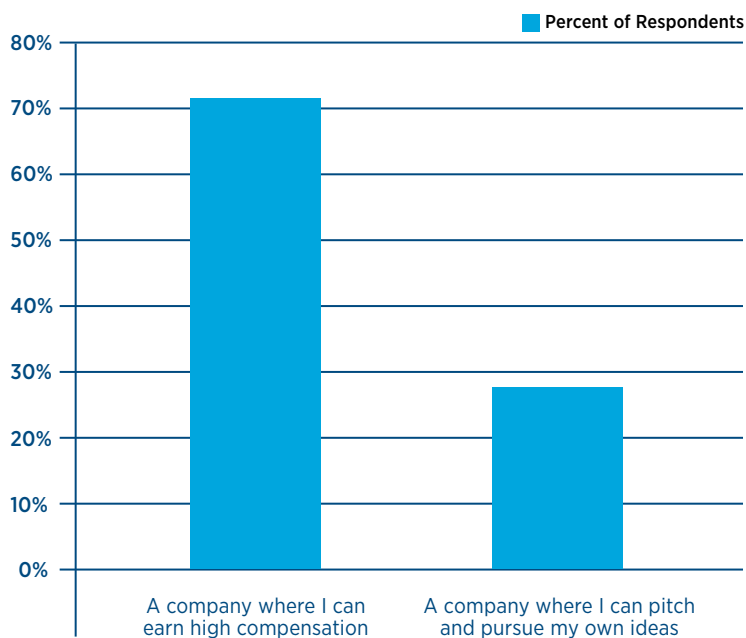
MILLENNIAL SHIFT IN THINKING



Although people have been ranked as the most important factor in the workplace for the majority of millennials, money still remains imperative. Most millennials were going through high school or college during a time of economic uncertainty and the average college graduate has \$35,000 in student debt. The above chart shows that millennials value earning a high compensation over pitching their own ideas at about a 70-30% split. This is not surprising, as the Georgetown study shows millennials earn less than their counterparts thirty years ago.” Presently, young adults do not reach the median wage until they are thirty years old, compared to age twenty six in 1980. Labor force participation for young adults is at its lowest rate since 1972, and wages as well as blue collar jobs are both in decline for young males aged 18-29.

Our video “Millennials Talk: How We Like to Work” reflected several different attitudes towards compensation. A 25 year old teacher argued that her passion for her job was more important than money: “I don’t think anyone ever became a teacher for the money”. A 29 year old lawyer, on the other hand, felt that her salary sent an important message from her company: “I also think that having a job where you are compensated in a way that feels appropriate, makes you feel like you are valued by the enterprise.” Student debt remains a pressing issue for many, including a 23 year old production designer: “I’m pretty sure I will die with student debt.” A 23 year old shopper marketing analyst offers a popular mindset amongst millennials: “Money is important but not if I’m not doing what I love.”

IF GIVEN THE CHOICE, I WOULD RATHER WORK FOR:

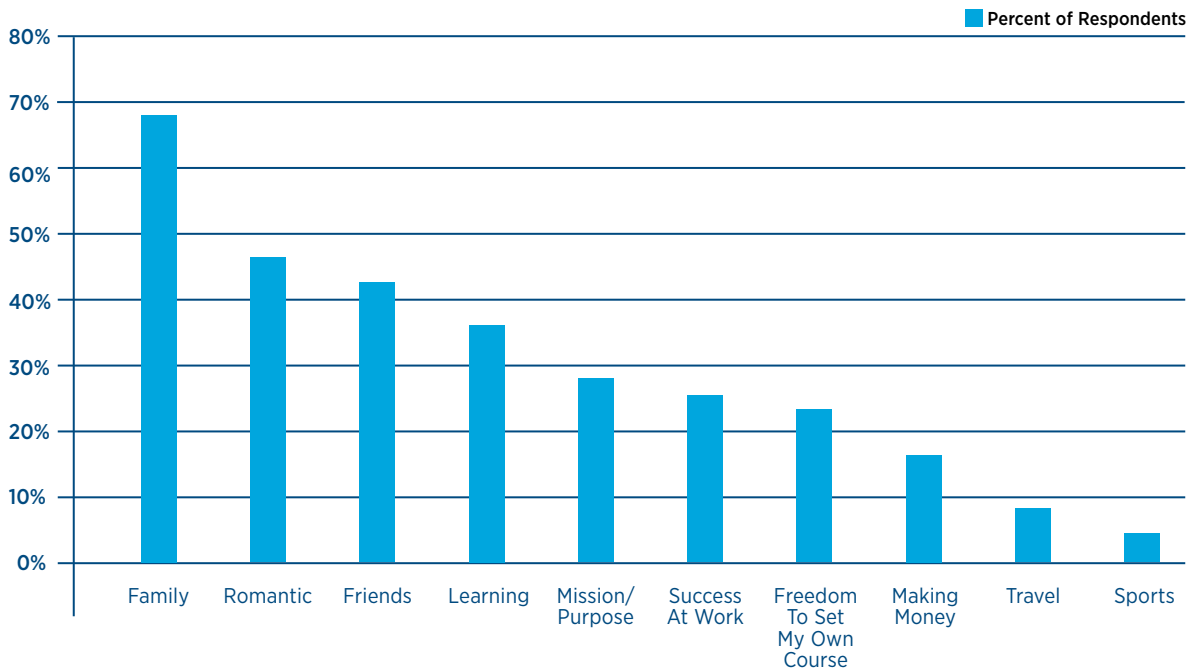


That sentiment was echoed in our survey since making money ranked 8th out of 10 in “What do I prioritize my life around?”

Almost 20% of our survey respondents said they wanted to work for themselves, but our follow up questions showed that they may not know exactly what that might entail. 35% did not have a clear vision of the business they would like to start, almost 40% did not have experience raising money, 45% did not have experience hiring others, and 50% were neutral or didn’t feel comfortable selling themselves. These facts and the economic realities that millennials face show that young people may need to reassess the financial realities and expectations of working for themselves.

“Money is important but not if I’m not doing what I love.”

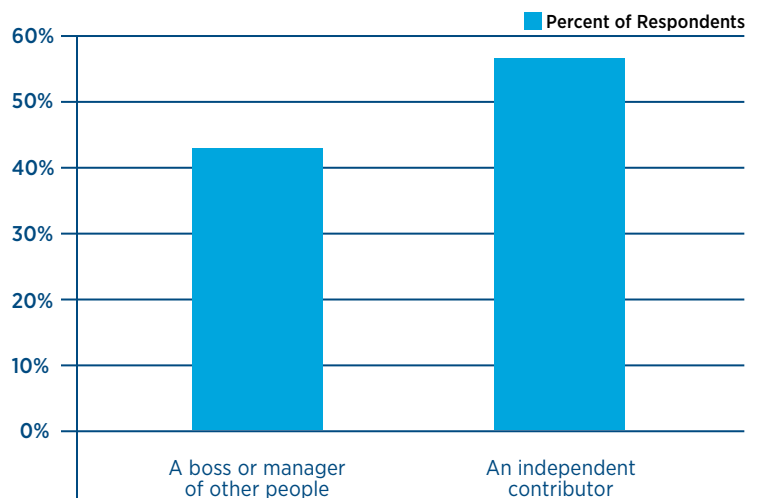
WHAT DO I PRIORITIZE MY LIFE AROUND?



If the economy were to improve, would there be more or fewer millennials trying to work for themselves? Our survey suggested that millennials would rather be an independent contributors than bosses or managers of other people.

With fewer full time jobs available and many unemployed millennials, there is also a shift towards a higher percentage of part time work. Flexibility will still be valued by millennials, but will it be so much so that they choose to work for themselves, or instead receive flexible treatment from an employer? The traditional framework of going to work every day from 9 AM-5 PM is becoming less common as both start-up companies and large organizations use independent contractors or part time workers to satisfy their labor needs.

IF GIVEN THE CHOICE, I WOULD RATHER BE:



A nationwide study by CCL proved that when comparing millennials and older generations in terms of workplace preferences and values, the biggest discrepancy was how much more millennials placed value on perceived Corporate Social Responsibility of companies. This reflects that millennials are a very socially conscious generation and want their organizations to aspire to the same philanthropic ideals. It also could simply be that as a younger generation they are more concerned with improving the world that they and their children may live in, as opposed to the older generation who will not be alive to see it. No matter what the reason is, organizations need to show their employees that they are making a serious effort to be socially responsible. Although people and money will usually be ranked as the top two factors valued

by most millennials, there are those who value mission over all else. Millennials have diverse work interests and many are guided by their mission in the workplace. In our survey 28% wanted to work for a not-for profit, 27% wanted to work for a small company, 19% wanted to work for themselves, 17% wanted to work for a large company, and 9% wanted to work for the government.

The 28% of respondents who said they wanted to work for a not-for-profit best illustrate the power of mission among millennials. They value their own mission very strongly and this is demonstrated by the 70-30% split favoring an organization that “aligns with my philosophy and values” over one that is “well funded and can make an impact.” Even with the importance of philosophy and values, working for “an established agency where I had strong job security” is favored 70-30% over “A startup public

sector effort where I had to create my own role.” Somewhat surprisingly, even though millennials are considered the most globally aware and diverse generation, local change is favored over global change 61-39% in terms of what they would rather devote their efforts to help. Almost 65% of these millennials disagree or strongly disagree that they “trust political parties to take action to help people”, illustrating how their mission is to ostensibly help those who are being neglected by the government. One millennial working for a non profit said, “I’m happiest when I’m able to make an impact in my community. Making an impact in my community helps to bring about global change.” They may feel that if they try and make an impact locally then they can see their results more readily and fulfill their mission instead of relying on government and bigger organizations where they do not know where all of their money is going.

IF GIVEN THE CHOICE, I WOULD RATHER WORK FOR:



About Us

Blue Star Partners (“BSP”) is a management consulting firm focused on change leadership, executive coaching, and project management. Our clients include Fortune 200 firms, as well as leading regional private companies.

We deliver the best talent, advice and tools to help companies increase their performance.

Our core understanding of people, process and technology enables us to help clients realize their vision through a proven, disciplined methodology. Our coaches and consultants have top academic and consulting credentials and bring structured approaches and tools to an engagement.

Most importantly: We know and care about our clients. We help them lead successful change efforts, with great results for their financials and for their people.

Inc. magazine included Blue Star Partners on its 500/5000 list of fastest growing private companies in 2010.



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