



ROBERT WALTERS WHITEPAPER

ATTRACTING AND RETAINING MILLENNIAL PROFESSIONALS

ROBERT WALTERS

INTRODUCTION

ATTRACTING AND RETAINING MILLENNIAL PROFESSIONALS

Children born in the 80s and 90s, the Millennials are today's 20 to early-30-somethings, poised to make up the majority of the workforce by 2025, and already an important part of the working population.

Millennials (also known as 'Generation Y') are the first generation of 'digital natives' – tech savvy and connected, rarely without a mobile phone or tablet. They have more formal education than any generation in history, and have mastered multitasking through early exposure to a wide range of media.

Aside from Millennials (born 1980-1999) the current workforce also includes Generation X (born 1960-1979) and the Baby Boomers (born 1940-1959). Differing attitudes, priorities and habits between these groups are a potential source of conflict but also present exciting opportunities to make the most of the broad range of skills and experience available in such a diverse workforce.

Understanding what motivates Millennials, as well as how they perceive their employers and their colleagues, is essential to attracting them to your organisation and ensuring that you can maximise their effectiveness as employees and potential leaders.

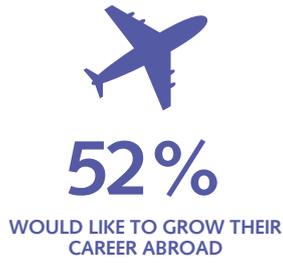
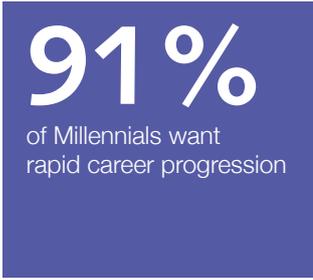
METHODOLOGY

Robert Walters surveyed 302 hiring managers and 228 professionals as well as consulting our recruitment industry experts to complete this research.

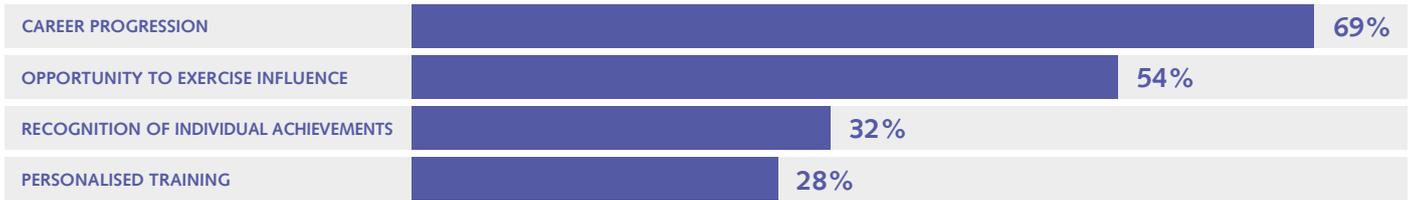
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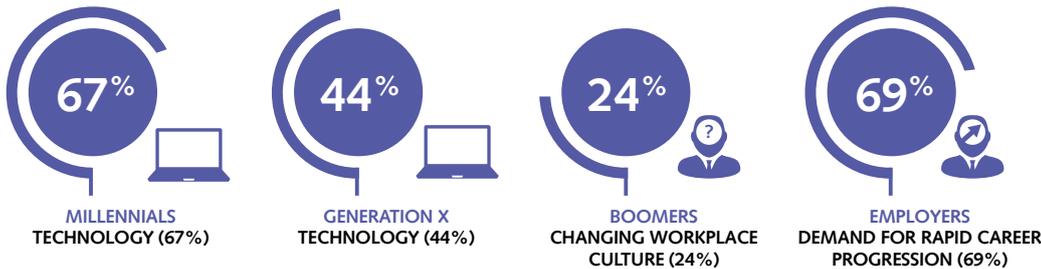
OVERVIEW



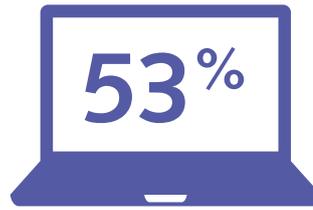
What keeps Millennials engaged at work?



Biggest sources of intergenerational conflict in the workplace



Should employers always adopt the latest technologies, even if the cost is high?

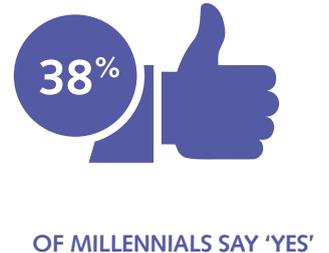
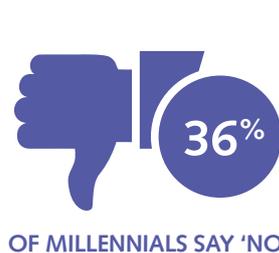


of Millennials would be more likely to accept a job if the employer used the same technologies they do

Top three reasons Millennials change jobs



Should employers actively encourage social media at work?



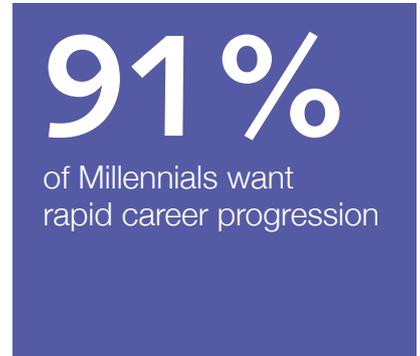


HOW TO ATTRACT MILLENNIAL PROFESSIONALS

Millennials are confident and openly ambitious and this is reflected in what they prioritise when seeking a new role. A clear path for career progression, competitive salary and technology are the key drivers for attracting professionals of this generation.

A CLEAR PATH FOR CAREER PROGRESSION

91% of Millennials consider the opportunity for rapid career progression one of the most important things about their job. To attract Millennial professionals employers need to ensure that they have strategies and policies in place to facilitate career progression for employees, and that they communicate this to potential employees during the recruitment process.



ENSURE YOUR REMUNERATION STRATEGY IS IN LINE WITH MILLENNIAL EXPECTATIONS

A competitive salary is important for all generations, but particularly for ambitious Millennials, where salary reflects their status and success. 96% rate a competitive pay and bonus system as important, and 25% rank salary as the number one reason they would change jobs.

During the downturn, 53% of Millennials took a job with a lower salary than expected, so employers should be mindful that this may be a contributing factor as to why salary and remuneration are so important to Millennials. It also means that as we move out of economic uncertainty they will expect their salaries to catch up to their expectations.

EMBRACE TECHNOLOGY AND INVEST IN THE LATEST SYSTEMS

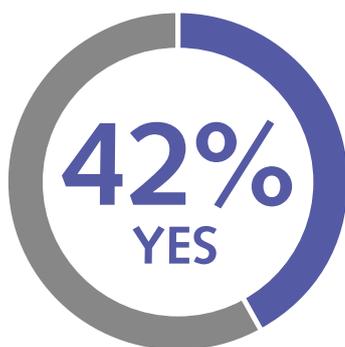
53% of Millennials say that they are more likely to take a job with an employer who uses the same technology as they do. Ensuring that you remain open to integrating popular technologies and platforms into your business can give you a powerful edge over competitors in attracting Millennials.



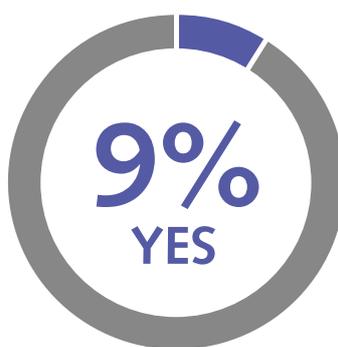
Sam Walters
Director at Robert Walters

“Millennial workers feel more at home in a digital workplace than any generation that has come before them. They are used to adapting to new technologies and expect their employer to do the same. When weighing up the cost and benefits of any new systems for their business, employers should remember the potential that such an investment has to attract Millennial professionals.”

Should employers always adopt the latest technologies, even if the cost is high?



MILLENNIALS



EMPLOYERS

WHAT MATTERS MOST TO MILLENNIALS WHEN STARTING A NEW JOB?

When Millennials start a new job, the things that attracted them in the first place need to become a reality. Gaining valuable experience from the start and knowing that their employer places as much importance on their career progress as they do is essential.

BUILDING THEIR CAREER

43% of Millennials felt shadowing experienced members of staff to see how the business works first hand was the most important part of their induction, and supports their desire to progress their career.

It is also important to get training and development plans in place early, and ensure they are satisfactory for your Millennial professionals. 53% have been disappointed by the lack of a properly implemented personal development plan or training program when starting a new job.

53%

of Millennials have been disappointed by a lack of personal development or training in a new job

POSITIVE WORKPLACE CULTURE

Creating an inclusive, social workplace culture from the start is incredibly important. A third of Millennials felt that meeting their colleagues in a social setting was the most important part of their workplace induction – a marked difference to older generations where just 15% of Generation X felt that a social outing was the most important aspect of their induction, and for Boomers, the figure was less than 1%.

Over half of Millennials reported that poor company culture was a source of disappointment in a new job.

Percentage of professionals that believe meeting colleagues in a social setting is the most important part of their workplace induction

<1%



BABY BOOMERS

15%



GENERATION X

30%



MILLENNIALS



Chris Poole

Managing Director at Robert Walters

“Businesses that neglect the social aspects of their culture risk alienating Millennial employees. For more traditional businesses this may be particularly challenging, but embracing small changes can serve to show Millennial workers that managers are receptive to new ideas.”

WHAT DOES IT TAKE TO RETAIN MILLENNIAL PROFESSIONALS?

To retain Millennial professionals employers need to ensure their employees are engaged and satisfied at work. They need to show commitment to helping their staff grow and develop, providing structured training and opportunities that allow Millennial workers to achieve their career goals.

CAREER PROGRESSION IS KEY

Millennials want more than just a job – they want a career, with 69% citing a clear path for progression in the business as the most important factor in keeping them engaged.

It is perhaps unsurprising that for Millennials at the outset of their careers, a clear path to progression is the most effective motivator. However, this reflects not just the youth but also the ambition of this generation. Millennials have grown up being told they are capable of achieving anything and this confidence means that they crave responsibility early in their careers.



Richard Boyd
Director at Robert Walters

“Millennial workers have much in common with their older colleagues in terms of how they are motivated and what engages them at work. However, employers risk disconnecting with their Millennial workers if they fail to acknowledge the importance Millennials place on career progression.”

PERSONALISED TRAINING

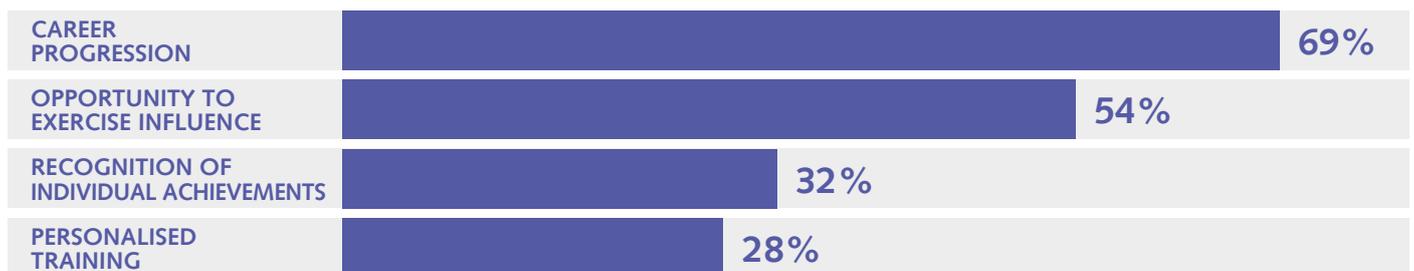
Only 15% of employers believe personalised training programs are a priority for engaging employees, despite the fact that nearly a third of Millennials rank them as one of the most important ways to keep employees engaged.

REGULAR FORMAL FEEDBACK AND RECOGNITION OF ACCOMPLISHMENTS

38% of Millennials report that they only receive formal feedback from their manager once a year, despite the fact that 91% would prefer to receive formal feedback at least every six months, with 60% stating that they would like to receive formal feedback or appraisals every one to three months.

Ambitious Millennials like to know that their hard work is recognised publicly as well. 32% of Millennials rate formal recognition of individual achievements (such as an employee of the month program) as one of the most important ways to keep them engaged.

What keeps Millennials engaged at work?



WHAT MOTIVATES MILLENNIALS TO CHANGE JOBS?

Whether trying to attract new Millennial professionals or to retain existing staff, employers should be aware of what motivates Millennial employees to change jobs. A higher salary (25%) and a more fulfilling role (25%) are the two most important factors when Millennials are considering a new role.

A HIGHER SALARY

Despite the importance they place on a sociable workplace, Millennial professionals are still highly motivated by generous salaries or bonus schemes. Employers must be aware of this and should be cautious of viewing Millennials as a cheaper alternative to more experienced employees, as it is likely that doing so will leave them struggling to recruit the best Millennial talent.

A MORE FULFILLING JOB

During the recession many Millennials struggled to find jobs that met their expectations. 31% reported that they had taken work in a sector that they did not wish to work in. Now, as the economic outlook improves, many are ready to change jobs to find a new role that better suits their ambitions.

Employers looking to retain Millennial employees should consider giving them the option to move around the business to find a position that better suits their desired career path, particularly given that 70% of Millennials consider job rotation within the business one of the most important aspects of their job.

WORK-LIFE BALANCE LESS IMPORTANT

Of all the groups surveyed, Millennials placed the lowest importance on improved work-life balance when considering a new job (15%) compared to other generations. For Millennials, work-life balance is a lower priority than salary, a fulfilling job and good opportunities for career development when considering a new role.

However, this does not mean that Millennials do not value work-life balance. On the contrary, 90% of Millennials surveyed regard policies that encourage a good work-life balance as one of the best things about their job. While good work-life balance is important to ensure job satisfaction among Millennials once they are employed, it is not an effective strategy to recruit them.

PRACTICAL EXPERIENCE OVER MORE EDUCATION

The lowest priority for Millennials was the chance to earn qualifications on the job. Having the most formal education of any generation in history, being likely to hold at least a bachelors degree already, Millennials are more attracted to the opportunity to gain practical work experience over additional qualifications.

TOP THREE REASONS MILLENNIALS CHANGE JOBS



Habiba Khatoon
Associate Director at Robert Walters

“Having had to compromise on salary expectations during the recession, the offer of a more generous compensation package can be an effective motivator for Millennials considering a new role. If employers want to attract and retain Millennial employees then ensuring that they offer competitive compensation must be a priority.”



31%

of Millennials have taken work in a sector they did not wish to work in

25%

of Millennials would be most likely to change jobs to find a more fulfilling role



59%

of Millennials think personality and cultural fit is most important to employers

60%

of Millennials want formal feedback at least every one to three months

DIFFERENCES BETWEEN GENERATIONS IN THE WORKPLACE

Millennials have much in common with their older colleagues but there are still important differences in the kind of workplace they want and the value they place on traits in colleagues.

Millennials favour a more relaxed working environment where technology is seamlessly integrated into their working practices. They place a higher value on personality, communication skills and fit within a team than they do on hard technical skills; potentially a source of disconnection between them and their employers.

VALUE OF TECHNICAL SKILLS

When asked what they believed employers value most in potential workers, 59% of Millennials gave personality fit with the team or company culture as a top priority – the same answer given by employers themselves.

However, Millennials underestimated the importance employers place on hard technical skills, with just 31% considering this a priority. In contrast, 53% of employers felt that hard technical skills were highly important in potential employees.

A SOCIAL WORKPLACE

Millennials may have very different expectations of a working environment than their older colleagues. 30% felt that meeting their colleagues in a social setting was the most important part of their workplace induction, compared to less than 1% of Boomers.

75% of Millennials considered an engaging and fun workplace, including work perks like free food and social events, important or very important, compared to just 58% of Generation X and 45% for Baby Boomers.

TECHNOLOGY

Millennial professionals are also distinct from their older colleagues in their attitudes to technology and social media. 38% of Millennials felt that employers should actively encourage workers to incorporate social media into their work, compared to 24% of Generation X and just 10% of Baby Boomers.



James Murray
Director at Robert Walters

“When investing in new systems employers should consider the secondary benefits up-to-date technology can have in terms of helping to attract Millennial professionals, not only their direct benefit to the business. An employer who is committed to maintaining an up-to-date level of technology can be very appealing to Millennial workers.”

HOW TO DEVELOP MILLENNIALS INTO FUTURE BUSINESS LEADERS

As Boomers approach retirement age, upward mobility within the workforce means that many Millennials are already taking on management roles. Taking these managers and developing them into the senior business leaders of the future will mean making the most of the traits and talents of the Millennial generation.

TRANSPARENT PATHS OF PROGRESSION

Millennials do not shy away from responsibility, and they want to know what needs to be done to earn it. Of all generations surveyed, they placed the highest value on transparency over how they could achieve progress in their career. Every Millennial surveyed agreed or strongly agreed that their employer should provide clear guidelines over earning bonuses or promotions. However, 40% of employers do not do this.

52%
of Millennials consider international career opportunities important to developing their career

71%



71% of Millennials strongly believe their employer should provide clear guidelines for earning bonuses and promotions

40%



40% of employers do not provide clear guidelines for earning bonuses and promotions

Despite a reputation for disloyalty, when surveyed it was Millennials who anticipated having the smallest number of employers over the course of their careers. 41% believed that they would have five employers or less before retirement, compared to just 23% of Generation X and 29% of Boomers. Assuming a career lasting around 45 years this suggests that many Millennials are prepared to spend as much as 10 years with a single employer. With this in mind, investing in training and development of Millennial staff has the potential to yield significant rewards.

INTERNATIONAL CAREER OPPORTUNITIES

One of the side effects of growing up in the digital age is that Millennials often see themselves as 'citizens of the world', having grown up in an environment where access to the internet meant that geographical boundaries were far less important than they had been in the past. 52% of Millennials said that the opportunity to develop their career abroad was important to them compared to just 31% of Generation X and 15% of Boomers. Employers can embrace this enthusiasm by ensuring Millennial employees gain international experience of the business, giving them the breadth of experience necessary for future roles in senior leadership.



Phill Westcott
Director at Robert Walters

"If effectively managed, the desire among Millennials for rapid career progress can be used to turn such employees into well rounded and enthusiastic leaders. Their eagerness for career development abroad gives employers an unprecedented opportunity to cultivate a new generation of managers with international experience."





59%

of workers have experienced intergenerational conflict in the workplace

SOURCES OF INTERGENERATIONAL CONFLICT IN THE WORKPLACE

As Millennials make up a growing part of the workforce, finding a way for members of different generations to work together effectively is an increasingly high priority. Making sure that managers understand what motivates workers from different generations, how they like to communicate and identifying common sources of conflict is essential to creating a strong team of varied generations.



Janine Balcksley
Associate Director at Robert Walters

“Millennial professionals are typically well educated and confident, but it is important to be clear on timelines and criterion including behavioural competencies for promotion, as they can be unrealistic in their ambitions as to the speed with which they can climb the corporate ladder”

TECHNOLOGY

Millennials widely perceive technology to be at the root of workplace conflicts. 34% reported that older workers not understanding new technology was the chief cause of these conflicts, followed by younger workers becoming frustrated at using outdated technology (33%).

EARLY AMBITION

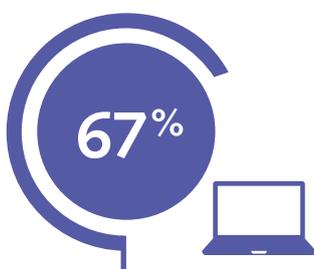
For Boomer and Generation X respondents however, younger workers demanding rapid career progression was a more significant cause of conflict. 34% of Generation X respondents and 24% of Boomer respondents felt demand for rapid career progression by younger generations was the leading cause of intergenerational conflict at work.

Among employers, this sentiment was even more firmly held, with 69% of employers placing a demand for rapid career progression by young workers as the leading cause of conflict between generations.

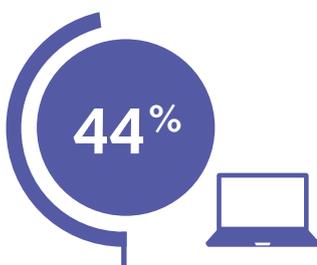
However, Millennials themselves acknowledge that ambition and desire for rapid career progression by young workers was the cause of much conflict at work, with 24% of those surveyed regarding it as a leading cause.

Employers and workers of all generations agreed that different expectations of workplace culture, particularly younger workers wanting a less formal environment, was also a significant factor. Encouragingly however, few respondents from any group felt that older workers were unable or unwilling to engage with younger workers, with Millennials themselves actually being the least likely (10%) to regard this as a source of conflict.

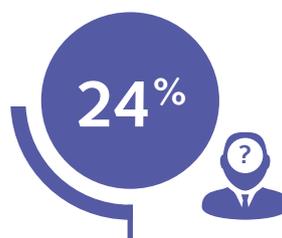
Biggest sources of intergenerational conflict in the workplace



MILLENNIALS
TECHNOLOGY (67%)



GENERATION X
TECHNOLOGY (44%)



BOOMERS
CHANGING WORKPLACE
CULTURE (24%)



EMPLOYERS
DEMAND FOR RAPID CAREER
PROGRESSION (69%)

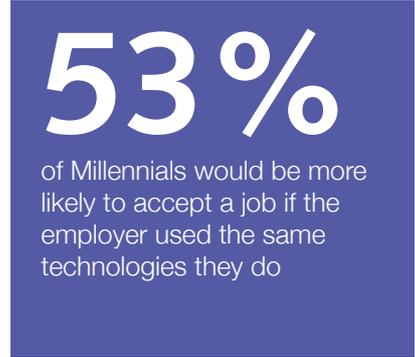
WHAT ROLE DOES TECHNOLOGY PLAY IN ATTRACTING AND RETAINING MILLENNIAL PROFESSIONALS?

As the first people to have grown up in a digital world, Millennials are widely regarded as the most technologically adept generation in the workplace.

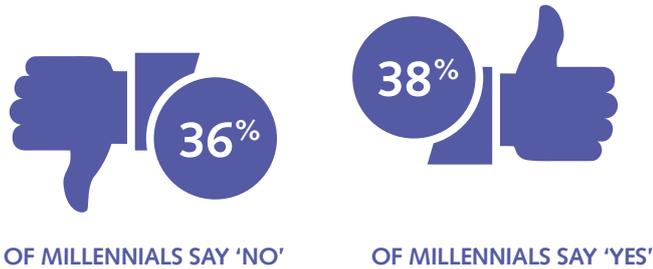
They are proficient at using technology and enthusiastic about making it a growing part of their professional lives. With 53% saying that they would be more likely to accept a job if the employer used the same technologies that they do, businesses can use this to attract Millennial professionals. Ensuring that you remain open to integrating popular technologies and platforms into your business can give you a powerful edge over competitors in attracting these professionals.

Millennials were also by far the most enthusiastic about employers adopting new technologies despite high costs. 42% of Millennials felt that this was a good strategy, reflecting the fact that as a generation that has grown up around constantly evolving technology, staying up-to-date is a priority for them personally, and they believe their employer should do the same.

Millennials show the most enthusiasm for an increasingly digital workplace as well, with 38% believing employers should actively encourage staff to incorporate social media into their work. However, it is worth noting that this is an issue that polarises opinion, with 36% of Millennials feeling that employers should not pursue such a policy.



Should employers actively encourage social media at work?



Marcus Blackburn
Associate Director at Robert Walters

“Millennials are by far the most active users of social media, but they aren’t unanimous in wanting to incorporate it into their professional lives. For many of them, social media is a platform they reserve for their personal lives and compelling them to use these platforms for work should be done with caution.”

ATTRACTING AND RETAINING MILLENNIAL PROFESSIONALS

KEY FINDINGS

ATTRACTING TALENT

Attracting the best Millennial professionals starts with understanding what motivates them. A competitive salary, a clear path for career progression and a modern workplace that embraces new developments in technology are all high priorities for Millennials when searching for a new role.

Making your company's career progression policies clear when advertising a job and during the interview process is an effective strategy to secure the best Millennial talent.

FIRST IMPRESSIONS

Millennials are ambitious but they also place high importance on a sociable workplace. Giving Millennial professionals a chance to meet their new colleagues in a social setting as part of their induction is an effective way to integrate them as part of your team.

RETENTION

To retain Millennial professionals, employers must show an ongoing commitment to their careers. Providing formal feedback at least every six months shows Millennial employees that their performance and development is a priority and prevents them from looking to other employers who can meet this need.

CHANGING JOBS

Millennial employees are just as likely to consider a new role that offers a higher salary as they are to take a more fulfilling job. Many Millennial professionals were forced to take work outside of their desired sector due to the recession and as the economy has recovered, they are ready to pursue their original ambitions.

If possible, giving Millennials the opportunity to move around different functions within the business can help to retain employees who would otherwise move elsewhere.

DEVELOPING FUTURE LEADERS

Millennials are more open to international transfers as part of their career development than any generation that has come before them. This gives employers an unprecedented opportunity to equip a new generation of managers with experience of their business on a global level.

The offer of an international transfer is potentially a powerful motivational tool for Millennials and an opportunity for employers to retain managers with a wide overview of how the business operates.

GENERATIONAL DIFFERENCES

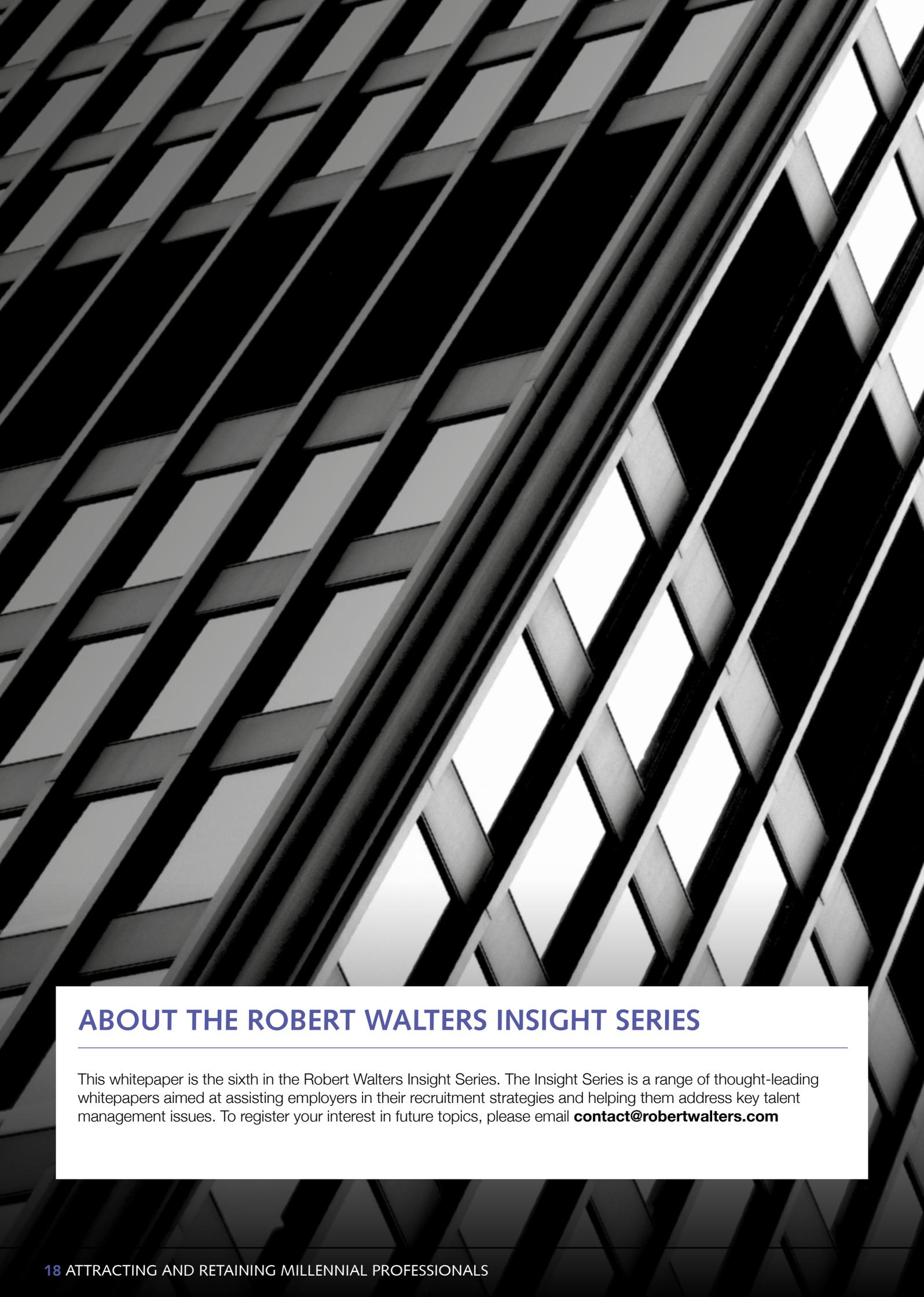
Millennials regard technology as being a key factor in conflict between different generations at work. This can take the form of young employees frustrated by outdated systems or older workers struggling to adapt to new technology.

In either case, ensuring that adequate training is provided to all staff to ensure that they can use all systems to their maximum effect is a key strategy to prevent these conflicts from impacting productivity.

THE ROLE OF TECHNOLOGY

Millennials are enthusiastic about working for employers who embrace up-to-date technology. Millennials have grown up adapting to new technology throughout their lives and relate well to employers who do the same.

While investing in expensive new systems simply to attract Millennial professionals may be impractical, when employers do invest in new technology for other reasons, it is well worth promoting these investments when looking to recruit Millennial professionals.



ABOUT THE ROBERT WALTERS INSIGHT SERIES

This whitepaper is the sixth in the Robert Walters Insight Series. The Insight Series is a range of thought-leading whitepapers aimed at assisting employers in their recruitment strategies and helping them address key talent management issues. To register your interest in future topics, please email contact@robertwalters.com

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London

11 Slingsby Place
St Martin's Courtyard
London
WC2E 9AB
T +44 (0)20 7379 3333

Birmingham

9th Floor
11 Brindley Place
Birmingham
B1 2LP
T +44 (0)121 281 5000

Manchester

9th Floor
3 Hardman Street
Manchester
M3 3HF
T +44 (0)161 214 7400

Guildford

1 Bishops Wharf
Walnut Tree Close
Guildford
GU1 4UP
T +44 (0)1483 510 400

Milton Keynes

Luminous House
300 South Row
Milton Keynes
MK9 2FR
T +44 (0)1908 933 975

St Albans

Fountain Court
2 Victoria Square
St Albans
AL1 3TF
United Kingdom
T +44 (0)1727 617 500

South Africa

19th Floor
World Trade Center Johannesburg
Cnr West Road South and
Lower Road
Morningside, Sandton
Johannesburg
2196
South Africa
T +27 (0)11 881 2400

Middle East

Tower 2, Floor 33
Al Fattan Currency House
Dubai International Financial Centre
DIFC
Dubai
P.O. Box 506851
UAE
T + 971 4 8180 100

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