

# C H A P T E R

# 1

## THE MILLENNIALS AND YOU

If we don't like a job, we quit, because the worst thing that can happen is that we move back home. There's no stigma, and many of us grew up with both parents working, so our moms would love nothing more than to cook our favorite meatloaf.

—Jason Ryan Dorsey (28 years old)<sup>1</sup>

Have you noticed the change in your workplace? Young people—particularly members of a new generation of workers that we refer to as Millennials—have recently become the largest age cohort in the workforce. Are you ready for them? And have you noticed that they are a little different than you? You might even think they are strange or that they do not quite have “it” together. Maybe they sometimes show up to work wearing flip-flops or they have iPod headphones hanging from their ears. And perhaps they just sit at their desks waiting for someone to give them something to do.

In 2015, Millennials comprised 35 percent of the workforce—nearly 54 million workers.<sup>2</sup> Within the next decade, Millennials

will be *all in*! By 2020, one in three adults will be a Millennial, and when the clock clicks 2025, three of four workers will be from the Millennial generation.<sup>3</sup> Successful managers will be the ones who understand, appreciate, and learn to work with the differences in values, work-life priorities, and expectations they bring.

The Millennial flood has become front-page news—virtually every form of media is talking about it, from the *Saturday Night Live* sketch “The Millennials” to newspapers to niche magazines and journals. *USA Today* had this to say on the topic: “Businesses are struggling to keep pace with a new generation of young people entering the workforce who have starkly different attitudes and desires than employees over the past few decades.” *Human Resource Executive* says, “Millennials, people primarily in their twenties, are entering the workforce bringing with them new promises and challenges for HR, not to mention a whole new way of working.” Clearly, something has changed from previous generations to this newest generation of *twentysomethings*, and management is worried that the change is not all good.

Let us say that you run a corporation—who is going to take over for you when you’re gone? Do you think the next generation is ready to take over? Or perhaps you run a family business—do you think your kids are ready to step into that role? Guess what—*today is the tomorrow you worried about yesterday*. It is here. Now.

The new generation of *twentysomethings* has seen the help-wanted signs in our windows. They know we really need them—and guess what? They need us just as much as we need them. So the thing to do is to reach out and get to know them. What motivates them? What do they think? How do they learn? What do they expect? Why reach out? Because we each have what the other really wants and needs, and because our success—and the success of our organizations—depends on it.

## THE GENERATIONS AT WORK

But aren’t all youth the same? The answer to that is yes and no. There are some common characteristics of all youth, whether they

were born a hundred years ago or just a decade ago. Before we address whether all youth are the same, let's briefly outline the four generations currently in the workplace.

In our training sessions, we do an exercise where we break into groups and have the participants talk about the clothing they wore, the music they listened to, the sociopolitical events they remember, and the technology they used in their adolescence and young adulthood. You can imagine how quickly people start to compare their experiences. In one of our sessions, a Builder, a person born from 1925 through the end of World War II to 1945, told of how her family shared a telephone with other families in the area. Few people today remember that sharing a phone line was referred to as a "party line." A Millennial pulled a smartphone out of his pocket and said, "This is my party line. I can connect to five people at once."

### **The Builders**

There were 56 million Builders. The Great Depression, Roosevelt's New Deal, the Korean War, World War II, the GI Bill—all left an indelible stamp on the members of this generation. As a result of the GI Bill, 49 percent of those admitted into college in 1947 were veterans. By 1956, nearly 8 million World War II veterans had taken advantage of the opportunity to further their education.<sup>4</sup> Authority was important as was hard work, honor, and delayed gratification. People were willing to work 30 years or more before they got their gold watch and could retire. It was not uncommon to spend one's entire career at one company.

### **The Baby Boomers**

Then along came the next generation—the Baby Boomers—born from 1946 to 1964, numbering 80 million or so men and women. Vietnam, the Cold War, the Civil Rights Movement, the Women's Liberation Movement, television, and rock and roll all made an indelible impression on this generation. The Baby Boomers protested in favor of equality for everybody, and they discovered

the charms of credit cards (which drove their Builder parents crazy—Builders learned from the Depression not to buy on credit). The Kennedy and King assassinations robbed them of their innocence, while the moon landing showed the world they could do anything they set their minds to. For the Baby Boomers, values such as professional identity, health and wellness, and material wealth are all very important. Boomers are forever young—run fast, jump long, and throw hard. They wanted free drugs in the 1960s and now they want free drugs again, this time from Medicare. Because they find much of their identity in their work, it is no surprise that Baby Boomers have added one month per year to the workweek. When it comes to technology, they use it to do *more* work—not less.

### Generation X

Then along came another group—Generation X—born from 1965 to 1979, which numbers 61 million.<sup>5</sup> Gen X(ers) were influenced by more recent events, such as the Persian Gulf War, the Challenger explosion, AIDS, corporate downsizing, a tripling of the divorce rate, both parents working (latchkey kids), video games, MTV, computers—all made their mark on this generation. They were suspicious of their parents. They say, “Wait a minute. You mean you can land a man on the moon, and yet you can’t even get a rocket off the launch pad?” They witnessed environmental disasters such as Chernobyl and Three Mile Island. Gen X was coming of age during the Watergate scandal that led to the impeachment of President Richard M. Nixon.

Some of the values that emerged from their experience include mobility and autonomy. They need to be independent. Their greatest value is to have balance in their lives. Technology came of age, and the members of this generation use it for work-life balance. They don’t perceive a need to be in the office—they could sit on the beach and do their work.

## The Millennials

Today, there's a new generation known as Millennials (aka Gen Y). Demographers place their birth years between 1980 and 2000. There are 92 million *Millennials*.<sup>6</sup> They have been shaped by 9/11 and terrorism, Columbine (which took the King and Kennedy assassinations to a new and more personal level), environmentalism, cell phones, text messaging, technology-based social networking, and a strong emphasis on social responsibility.

Technology isn't a tool to just do more work or to achieve work-life blending—it is an integral part of the members of this group, and working with it has become second nature. The members of this new generation want and need constant feedback. Why? Because they were raised in democratic and praise-based families that proudly displayed “My kid made the honor roll” bumper stickers. They grew up in an era where the focus of parenting was nurturing. They have grown up working on teams in school and on academic projects. When they get into the workforce, they expect to work in teams. Diversity is important to them. If they walk into the workplace and don't see diversity, they think something is wrong.

Millennials are the most-educated and technologically savvy generation ever and arguably a highly sheltered and structured generation. One in three is not Caucasian. One in four comes from a single-parent home. Three in four have working mothers; and in two-parent homes, children get more time with parents than they did 25 years ago.<sup>7</sup>

## The Next Generation

The next generation clock started in 2001 and will continue through the second decade of the twenty-first century. The future will determine how they will be referred to, but for now, some refer to them as Gen Z, iY, and Homeland. In our first edition, we named the next generation Generation O after President Obama.

We soon discovered we were the only ones using the term. The forerunners in the group turn 15 years old in 2016. Their cohort will be smaller than that of the Millennials. Here are some of the things that may impact their values and attitudes: Mortgage Crisis, Corporate Bailouts, “Sully” and US Airways Flight 1549, “Captain Phillips” thwarts Somalian Pirates, and ISIS.

### WHAT IN THE WORLD IS HAPPENING?

Much to our amazement, after *Managing the Millennials* was originally released, the first companies that invited us to help them were multinationals experiencing generational tension throughout their worldwide operations. The first invitations to keynote were from places such as China, India, Mexico, Brazil, Philippines, and the United Kingdom.

Although our initial research was conducted in North American organizations, our findings struck accord around the world. It could be argued that in countries experiencing great sociological and economic shifts, such as China and India, disconnects between manager and Millennial can be even greater. China started the move toward economic liberalization in 1978, and India followed suit in 1991 (when the first wave of Millennials were being born). Think about it—managers who grew up under Communism or Socialism—their career expectations at age twenty-something were very different from those of the Millennials they encounter today. The managers have little or no context for relating to the optimism and career expectations of the Millennials they manage. One multinational client based in the United States claims the biggest challenge they have with respect to generational issues is in its Mexico operations.

Our point is further illustrated in the following story by Jane Bird in the *Financial Times International* about a Moscow University student and what he desires from work.<sup>8</sup>

Five years ago, when Denis Baranov was studying computer science at university in Moscow, he began working part-time

for DataArt, a US-based technology consulting company. After graduating, he continued working remotely for the company for two years while traveling. He is now a full-time employee in DataArt's London office and is able to persuade his employer to send him to conferences that also help with his PhD studies. This freedom and flexibility is a big attraction of the job, he says. "I also value being able to collaborate with colleagues based in locations such as New York and Argentina," says Mr Baranov. "And I like being able to learn something new every day. For example, I am currently adapting our mobile technology for wearable devices." At 26, Mr. Baranov is a typical "Millennial"—those whose birth dates range from the 1980s to the early 2000s. Members of this generation expect their jobs to be challenging, creative, and dynamic, says Maggie Stilwell, UK and Ireland managing partner for talent at the consultancy EY, which published a global generational survey this year. Millennials are a confident bunch who want to develop their own skills and passions outside work, says Ms. Stilwell. Organizations that are not flexible will lose employees.

The *African Journal of Business Management* published an article by Tay Angeline entitled *Managing Generational Diversity at the Workplace: Expectations and Perceptions of Different Generational Employees*.<sup>9</sup> Angeline argues the lack of a mutual understanding of expectations and the unawareness of unintentional perceptions cause intergenerational conflict. Sound familiar? How about Alastair Ross's work in the United Kingdom, "There were difficulties in communication with older generations . . . and many young people described their generation as having different values to those of their parents and grandparents."<sup>10</sup> Millennials are truly a worldwide phenomenon.

Almost half of the works citing our book are international publications. Here is a brief list of titles:

"Generational Cohorts' Expectations in the Workplace: A Study of New Zealanders"

By Kristin Murray and Paul Toulson

“Perceptions of Age Generations Regarding Employee Satisfaction in a South African Organisation” (University of South Africa Institutional Repository)

By Nico Martins and Ellen Martins

“Managing ‘Generation Y’ Occupational Therapists: Optimising Their Potential” (*Australian Occupational Therapy Journal*)

By Caroline Hills, Susan Ryan, Helen Warren-Forward, and Derek Smith

“The Impact of a Performance Management System on Service Delivery in the City of Johannesburg Metropolitan Municipality”

By Patrick Qena Radebe

“Creating Generation Y Sources of Motivation for Enhanced Performance” (Turun yliopisto University of Turku, Finland)

By Suvi Lähteenmäki

“The Effect of a Multi-generational Workforce on Employee Productivity: A Case Study of Kenya Electricity Generating Company”

By Joan Mwangi Wangechi

“Generation Gap Management in Restructured Metallurgical Enterprises in Poland”

By Bożena Gajdzik and Jan Szymshal

“The Embryonic Challenge from Gen Y Calling for S.O.S. in Banking Industry: A Call for Action for HR Practitioner in Indonesia”

By Irving Luntungan, Aida Vitayala Hubeis, Euis Sunarti, and Agus Maulana

“Retaining the Millennial Generation within the Canadian Public Sector”

By Natasha Melnychuk



Millennials are more alike around the world than any generation that has preceded them. If you pick up an organizational textbook, globalization and technological advancement are presented as two of the top challenges for companies in the twenty first century. Ironically, Millennials have also been called Globals and Digital Natives.

Let's revisit Karl Mannheim's theory that generations are a sociological construct. He suggested that a generational worldview could be shaped when people of a similar age (primarily adolescence) and geographical location experience sociopolitical events together. Mannheim offered his theory almost 100 years ago. Because of globalization and technology, in many ways the world is much smaller today. If Mannheim were writing in this era, he might be minimizing the geographical and emphasizing the technological context of generation. Perhaps worldview is no longer limited by geography—technology is the new context for shaping a generation. We have made the point that because of technology Millennials are the first generation that has not needed an authority figure to access information, and therefore, the dynamics of relationship to power have shifted—now we see it worldwide.

We would like to point out a celebrated body of research that has to do with understanding the differences between cultures. One of the more noted sociologists of the twentieth century (although he did not want to be pigeonholed as such), Geert Hofstede conducted research he referred to as dimensions of culture. He sought to identify the cultural differences among countries. One of the dimensions in his work is *power distance*. People in societies exhibiting a large degree of power distance accept a hierarchical order in which everybody has a place and which needs no further justification.<sup>11</sup> In a low power distance environment, it is more acceptable for a subordinate to challenge a superior. In a high power distance culture, it is less acceptable for a subordinate to disagree with a superior. Companies in countries that have long been considered high power distance are finding their young employees challenging management about time off, promotions, and the need for flexibility. As stated earlier, one

multinational company is experiencing more tension between management and Millennials in Mexico (a high power distance country) than in the United States (a low power distance country).

Japan, another high power distance country, is seeing its Millennials (referred to as the Yutori generation) decline when their supervisor asks them to go out for dinner or golfing. Previous generations would never dream of doing such a thing. The Yutori generation prefers to build strong relationships with their peers, such as friends and coworkers, and not with their supervisors.<sup>12</sup>

We are not arguing that there are no differences between Millennials around the world. Just as we would not argue that every Millennial in the United States is the same. For instance, the Yutori generation is smaller than the Baby Boomer and Gen X age cohorts in Japan. The label Yutori comes from an educational philosophy implemented in 1998. Yutori originally means, “not to hurry,” “go slowly,” or “take your time,” so the Yutori teaching method is *do not educate too much and give children more latitude*. The Yutori movement was a response to a system that emphasized discipline, rote learning, and inflexibility in instruction. Many Japanese people have the distinct impression that the Yutori generation is too quiet and passive. The Yutori generation does not have a memory of a strong Japanese economy and did not experience the high economic growth era. They have grown up seeing and listening to negative information about their country, such as “the Japanese economy cannot grow anymore,” “Japan will be overtaken by other Asian countries,” and “Japan is the fastest aging country in the world.”<sup>13</sup> Yuturis do not share the optimism of other Millennials around the world, but their managers share similar frustrations to those of managers from across the globe.

### THE COMING JOB GAP

There is another global phenomenon taking place. It is called global aging, and its impact is growing more and more evident. Domestic supplies of labor will decline in many developed countries or will grow at a markedly reduced rate compared with

previous generations. Large numbers of the most experienced workers will exit the labor force due to retirement and mortality. The battle for talent will intensify within regions. Countries will battle for dwindling supplies of indigenous, high-skilled labor. The European Union alone is currently experiencing a 25 percent decline in population.<sup>14</sup> The Great Recession of 2008 to 2009 temporarily slowed the exit of Baby Boomers from the workforce, but the exodus is speeding up as a result of economic and savings recovery.

At least 50 percent of executives in the United States are currently eligible to retire,<sup>15</sup> roughly 10,000 Baby Boomers each day, and will continue to for the next 14 years.<sup>16</sup> You might think, “Well, that’s okay. We’ll just let the people in the next positions take their place.” The problem is that the people in the second, third, and fourth positions are also Baby Boomers, and they’re going to be retiring, too. Long story short, an organization’s future vitality is dependent on its ability to attract, retain, motivate, and develop Millennials.

### YOU’RE SO SPECIAL

There are six major value-shaping influences that impact every generation as its members move through their formative years: family, education, morality, peers, spirituality, and culture. Let us examine how a few of these influences have shaped Millennials—in forming their value system, their worldview, and their aspirations in life.

Although Baby Boomers live to work and Gen X strives for work-life balance, Millennials simply work to live. It is not uncommon for a Millennial to work for a year and then take a year off to hike the Himalayas or a like adventure. They are not wired to wait for retirement to do their bucket list. Baby Boomers secretly admire that about them (unless they are the parents). For Baby Boomers, authority and hierarchy are important. For Millennials, not so much. They don’t care what your title is—they want to know if you have the goods. When it comes to salary and wealth, Baby Boomers

are convinced they need to work hard to earn it. Millennials are not against hard work but believe it is possible to work smarter not harder. Baby Boomers believe in position, performance, and individual reward. Millennials? Again, not so much.

From an early age, Millennials were taught that they were special. The self-esteem movement caught hold in the 1980s. Its aim was to build self-confidence in children by taking a more nurturing approach to early education. Researchers who study the rise of narcissism in the United States, such as Jean Twenge of San Diego State University, believe the self-esteem movement may have gone too far.<sup>17</sup> One of the examples Twenge cites is a song commonly sung in preschools. The words "I am special, I am special. Look at me" are sung to the tune of "Frere Jacques." Catalogs of books and other media for teachers are filled with titles that include the phrases "I am special," "all about me," "celebrate me," "the poem of me," and so on.

But just how special are these young men and women? Consider these direct, unedited quotes from people who manage Millennials.

- "They do not care about customers."
- "If you correct them, they quit."
- "They think there is always an excuse that can make being late okay."
- "They want a trophy for just showing up."
- "Yelling and screaming is the only thing they understand."
- "They pick up computer and cash register skills quickly, but if it breaks they cannot count back change from a \$10 bill."
- "She asked for an extended lunch hour to go shopping with friends after her third day on the job."
- "They assume it is okay to call me by my first name like we are buddies. I am their boss."
- "Anything extra nice I do, they act as if I owed it to them."

But what about Millennials' perceptions of themselves? As you see in the following direct quotes, their perceptions of themselves are not inconsistent with the perceptions of others.

- "We are not defined by our job."
- "We want to have a say about when we work."
- "We want to have a say about how we do our work."
- "We do not expect you to be our best friend, but when you evaluate or critique us, we want you to do it in a friendly way (just like their parents did)."
- "We want you to give us direction and then get out of our way."

Millennials have high perceptions of themselves. They think that they work better and faster than other workers. They have high expectations of their employers, and they want direct and fair input from managers. They want managers to be involved in their professional development, because it is all about them in many ways—it is not just about the company. They seek out creative challenges and view peers as vast resources from whom to gain knowledge. They want to be recognized and valued the first day on the job. They want small goals with tight deadlines so they can see their own development as they slowly take ownership of a new role. In summary, Millennials are high performance (with a lot of potential) and high maintenance. For many managers, the maintenance clouds the potential. Instead of opportunity and promise, they see a headache.

### **BRIDGING THE GAP**

Here's the rub. More than 60 percent of employers say that they are experiencing tension between employees from different generations—more than 70 percent of older employees are dismissive of younger workers' abilities. If this were not bad enough, 50 percent of younger employees are dismissive of the

abilities of their older coworkers.<sup>18</sup> The tension is so thick in some organizations that it has become debilitating.

An organization's future vitality is dependent on its ability to work with Millennials. Many managerial leaders are beginning to recognize this fact, and they are taking action now to bridge the gap between the generations. The emphasis on recruiting, employee engagement, and talent pipeline is resounding throughout conference rooms across the country. According to Scott Pollack at PricewaterhouseCoopers, the story does not end with recruiting. Says Pollack, "The war for talent has shifted. You still want to recruit, but the new challenge is, how do you keep the best people?"

Today, retaining the best people is key to competitive advantage. Millennial employees are going to have almost unlimited opportunities for work—from sea to shining sea. What are you going to do to attract them, keep them, and unleash their creativity and energy? Okay, Millennials have a different set of attitudes, values, and beliefs than do the men and women who preceded them into the workplace. You have a choice: You can *villainize* them and say, "They just aren't the way we used to be." Or you can *tolerate* them and say, "We have no choice. We have to let them work here." Or you can *engage* them, and benefit from the contribution they will make through innovation and a fresh perspective.

So the ultimate question is this: How are we going to manage differently? In the chapters that follow, we explore this question—and the answers to it—in great detail.