How and Why Millennials are Shaking Up Organizational Cultures

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Abstract

Much has been written about the Millennial population who will outnumber the Gen-X and Baby Boomer population in the workplace by 2018. This article examines the reliable research and articulates a pragmatic guide for leaders that distinguishes between fact and fiction as they attempt to engage with this demographic and earn their commitment. The typical Millennial worldview was shaped by experiences that were different from previous generations and are impacting organizational cultures and norms. Three generations with very different worldviews are working together in the same workplace, which is forcing the sensemaking process in unusual ways. This article contributes to the current literature by dispelling naïve attributions from mainstream media and by explaining specific work and life style preferences of this demographic impacting the organizations that employ them. This article provides practitioners with root causes of observable behaviors and reliable strategies to attract and retain the Millennial population.

Millennials are shaking up some established work norms and leaders should be ready to change. According to the U.S. Bureau of Labor Statistics, as of 2016, Millennials (75.4 million) surpassed Baby Boomers (74.9 million) and Generation X (74.9 million) as the nation's largest living generation.[1] In addition, immigration trends are expected to add more numbers to the Millennial workforce population than the Gen-X population. By 2018, this generation is expected to comprise 50% or more of the U.S. labor force, where, according to the U.S. Bureau of Labor Statistics, the annual quit rate is 25%. Moreover, 45% of companies report higher turnover rates among

Millennials and research shows this demographic will stay with their employers for an average of 3 three years.[2] These demographic trends have major implications for organizations and the leaders who run them, as they struggle to engage Millennials. Low engagement often leads to high absenteeism and turnover, which impacts revenue and profitability. Given these demographic statistics, and the unique nature of Millennials workplace expectations, organizations must shape and sustain a culture that attracts, engages, and successfully interacts with this population.

Turnover costs have always been a concern for most organizations. Millennials are particularly less inclined to stay in a job or with an organization where they are dissatisfied. According to a Millennial study conducted by Smith and Turner, this demographic wants to work in a culture that encourages voice, work-life balance, and flexibility; develops leadership skills; offers mentoring support; and demonstrates core values aligned with their own.[3] Organizations that can successfully shape and sustain a collaborative, developmental culture of voice will have the highest likelihood of retaining Millennials. This demographic is less encumbered by the trappings of material possessions that appealed to previous generations. For the Millennial, there is less need to remain in an unsatisfactory job just to make a car payment.

A recent Northern Arizona University study showed that Millennials are rejecting some of the work norms established by previous generations such as extreme work hours.[4] According to this study, "anything that they perceive as unfair, unreasonable, or unmanageable will cause them to leave" (p. 70). A 2016 Gallup poll reported $30.5 billion is lost to Millennial turnover costs every year with an estimated loss of up to $500,000 per employee when considering the cost of recruitment, evaluation, interviewing, onboarding, and loss productivity. These costs are unsustainable and leaders must begin to understand how to motivate and interact with this population. A deeper level of understanding begins with knowledge and appreciation for the Millennial mindset, worldview, and satisfaction drivers.

How They Grew Up

Millennials are those typically born between 1980 and before 1995 although this end date is inconsistent among researchers.[5] Growing up with attentive and interactive adults who structured full afterschool lives with sports and/or other activities, this demographic received consistent and frequent encouragement from parents, teachers, and coaches. In addition, many Millennials grew up in a high technology world with access to mobile devices and the Internet at their fingertips giving them instant gratification and connection to the outside world.[6] Millennials, more than any other

demographic, came from two-income households and parents who paid close attention to their health, education, and development. In addition, societal shifts coupled with technology advances made security paramount for the parents. One in four Millennials has at least one parent with a 4-year college degree and they are born into smaller families, which means more parenting time.[7] Affluent grandparents also contributed to the caregiving process, resulting in a highly interactive relationship between Millennials and their family. This interaction norm has organizational implications. Millennials expect the same level of interaction with their immediate supervisors and when they don't get it, engagement and satisfaction levels can decline. Historical events and expectations also play a part in the way this demographic experiences work.

How History Shaped the Millennial Mindset

The Millennial generation is the most educated, technologically sophisticated generation ever tracked. They have seen unprecedented events such as the Oklahoma City bombing, the Columbine High School massacre, and the terrorist attack on September 11, 2001. Being exposed to such fear and lack of security has led Millennials to value job satisfaction, security, quality of life, and opportunity for advancement, as priorities over financial compensation. They are not as concerned about saving money, purchasing a car or a large home as previous generations, as their focus is on experiencing life in the moment.

Millennials do not remember a time without ATMs, video games, mobile devices or high-speed cable access, and the Internet. Additionally, they tend to value confidence, optimism, civic duty, morality, street smarts, diversity, and technology. They grew up with technological devices and are comfortable using multiple types of technology in the workplace. Millennials are also especially good at multi-tasking, listening to music, texting or "whatsapping" on their cell phones, while simultaneously getting their work done. Moreover, they tend to consider emails and electronic communication to be more efficient; therefore, they prefer texting a colleague versus having a verbal or face-to-face conversation with him or her at work. Baby Boomer and Gen X managers tend to prefer verbal and face-to-face interaction to electronic communication, thereby experiencing dissonance with Millennial preferred interaction norms.

What Millennials Expect From Work Today

Millennials' values, as with other generations, shape what they expect from organizations. They want visionary leaders and transparency is essential for them. They want clear expectations for their job responsibilities, duties,

and how their performance is evaluated. Millennials also want to understand how their job fits into the organization's mission and core values; they want a path of progression. Moreover, Millennials want to feel like they are part of something bigger. They want to know how to move forward in the organization, which includes discussing and acquiring the skills, training, experience, and qualification for higher level positions. Millennials want to engage in tasks that provide opportunities to learn advanced skills they may need in the future.

Millennials are very open to learning and are eager for it. They expect to have opportunities for mentorship, coaching, training, and development. Additionally, they want to enjoy what they do so they often look for opportunities to align their work with their interests. Millennials are accustomed to consistent, frequent feedback and praise; they crave it and therefore, most continue to expect it in their jobs. Additionally, Millennials desire being in an environment that fosters teamwork where their ideas have merit and where they have flexibility in how they perform their jobs. They want to understand the "why" of the tasks they perform and how it relates to the bigger picture in the company, as well as, how their work impacts society as a whole.

Cultures of Voice and the Millennial

So far, we reviewed some generalizations of Millennials' values and preferences, but they don't define individuals within the demographic. Human beings are too complex for a one-size-fits-all definition. Individual differences based on personality, educational background, socioeconomic background, national culture, and life experiences are unique. But the research gives us a window to see how we, as practitioners and leaders, can better engage, motivate, and retain Millennials. First, we recommend shaping and sustaining a Culture of Voice that establishes an interactive norm and demonstrates the belief that every voice has merit.[8]

A Culture of Voice is most appropriate for the Millennial population who studies show expect more interaction with their immediate manager and a strong desire to contribute in meaningful ways.[9] Studies show high-interaction leadership influences engagement and lowers turnover intentions.[10] In addition, Cultures of Voice are shown to result in risk mitigation, higher levels of innovation, efficient problem solving, and rapid knowledge transfer across business silos.[11] Leaders must adopt a Learning Mindset that values the views, opinions, and contributions of others versus telling them what to do and how to do it.

Conversely, leaders must watch for signs of silence in the workplace. Cultures of Silence exist when employees willfully withhold important work-

related information that increases operational, fiduciary, reputational risk, slows problem solving and innovation, and reduces knowledge transfer across business silos.[12] Most employees are shown to thrive in Cultures of Voice, and conversely, they reduce discretionary effort when working in Cultures of Silence.[13] A recent national Silence Voice Culture survey showed 45% of middle and first line managers said, "it feels too risky to speak up for ideas to make change" and 32% indicated it is "too threatening to offer ideas that are unique or different."[14] Clearly, we have work to do, if we are to engage Millennials (and others) in the workplace. As we make sense of the Millennial workforce, leaders must use caution before assigning naïve attributions to performance results. Naïve attributions or stereotypes can lead to labeling, which can influence the leader's behavior. Instead, leaders should ask three questions before concluding or assigning blame for an undesirable performance outcome:

1. Is it the employee?
2. Is it the process?
3. Is it the leader/employee relationship?

Common Millennial Stereotypes

Some common and erroneous stereotypes held about Millennials include tendencies for self-interest, entitlement, disloyalty, and overconfidence.[15] You can find employees who are selfish, entitled, disloyal, and overconfident in any generation, so this is not generation specific and may amount to simple naive attribution. To overcome these and other stereotypes, we should shape and sustain an organizational Culture of Voice by:

*   Keeping communication lines open. Ask and learn more than you tell and judge.
*   Encouraging voice and divergent thinking in group settings and one-to-one interactions.
*   Engaging others in dialogue to avoid misunderstandings.
*   Recognizing and questioning stereotypes.
*   Giving the benefit of the doubt.
*   Striving to find the positive. Consider what you like about an idea before you focus on what you do not like.

Outside of being aware of and controlling for naïve attribution and stereotypes, managers must be equipped to motivate Millennials and there are several practices that are important to master very soon.

What Every Manager Must Do

Our advice is to acknowledge and legitimize your Millennial employees' values and priorities. First, you must inquire about and understand their

values and priorities. There is one best way to find out, ASK them! If you are not accustom to this type of interaction, you may want to brush up on your relationship building competencies. As mentioned earlier, more so than previous generations, Millennials grew up with older, more well-educated parents. Their parents frequently interacted with them primarily because of the security risks caused by social media and mobile technology. As a result, Millennials desire development, flexibility, and are not fans of excessive work hours. Research shows they have several distinct characteristics relative to previous generations. Most notably are these three:

- 66% of Millennials agreed, "they expect to have interaction with their supervisors."[16]
- Millennials' parents were older because they waited longer to have children. The parents are also, typically, well-educated, and they interacted with their children more than in previous generations.[17]
- 58% of Millennials are comfortable asking their boss for help when they need it.[18]

Successfully managing Millennials means every leader must be capable of interacting with and providing feedback to them. Frequent feedback will become the norm as organizations move away from the archaic annual performance review. The next generation of performance reviews is off and running. IBM, Adobe, Deloitte, Cargill, and GE are moving from the annual review process to a quarterly preview process focused on opportunity for growth and upgrades, versus a review of what went well and not so well in the past year. A Cornell University study reported Cargill showed a 9% increase in personal value perception among the employee population and Adobe reported a 25% reduction in voluntary turnover.[19] At Cargill, 38% of employees reported improved conversation quality with their managers.

One-on-one meetings should be a regular practice, separate from the typical status update. Millennials want to have a voice at work and they want to know their voice has merit, which means managers must be authentically engaged in dialogue and encouraging voice. Leaders must avoid any practice that discounts ideas and elicits silence. This may sound easy, but today's managers have their work cut out for them in order to satisfy Millennials' expectations. Recent research showed among 3,200 employees surveyed:[20]

- 93% say their immediate boss influences their behavior.
- 23% say they feel comfortable raising important issues with their manager.

Based on these statistics, it would appear managers have an incredible amount of influence on employee behavior while a smaller percentage of employees feel they can speak up with their managers on important issues.

Managers can shape a *Culture of Voice* by encouraging voice and interaction. Here are a few practices that will most likely encourage voice:

1. Build up ideas and never tear them down, even if they seem half-baked.
2. Strengthen your tolerance for divergent thinking. Look for and encourage different viewpoints at every opportunity.

Minimize the silence phenomenon, by doing these few things:

1. Never put down ideas or suggestions in public.
2. Never ignore an employee's ideas or recommendations. They may not seem significant to you but they are most likely important to the employee.
3. Avoid even the slightest non-verbal language that sends the message, *"That is ridiculous."*

Shaping Cultures of Voice is every manager's daily work. It is very easy to create a Culture of Silence and quite difficult to unwind it. The Millennial population is most satisfied when they have a voice and when they know their voice has merit. HR Policies must become flexible and tasks meaningful for the Millennial. The best way to know what your Millennial employee values and finds meaningful is to ask. Get to know your employee and what makes them tick. It's okay to get it wrong, the Millennial population is not shy and they are more likely than previous generations to let you know when they are dissatisfied. Be aware of your every action and inaction because it has consequences not only to the Millennial population but to every employee. Organizations and the leaders who run them must routinely measure overall organizational culture and specifically test for cultures of silence and voice. Leadership development must be based upon a diverse, collaborative, and inclusive framework. The dividend for this investment is employee commitment and satisfaction and for the Millennial population, job satisfaction equates to low quit rates.

Authors

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