# MILLENNIALS IN THE WORKPLACE

Understanding Millennial Learner Needs to Increase Engagement & Retention

**Victoria Hoffman**
Content Specialist, Docebo

docebo®

# Contents

docebo®

# Millennials in the Workplace

In 2015, millennials surpassed Gen X to make up the largest share of the US workforce. The millennial generation is no longer a growing dot on the horizon – the future generation has fully arrived in the workforce, rising past entry-level roles, and actively changing the way employees are managed and organizations are run.

**U.S Labor Force by Generation, 1995-2015**

*In millions*
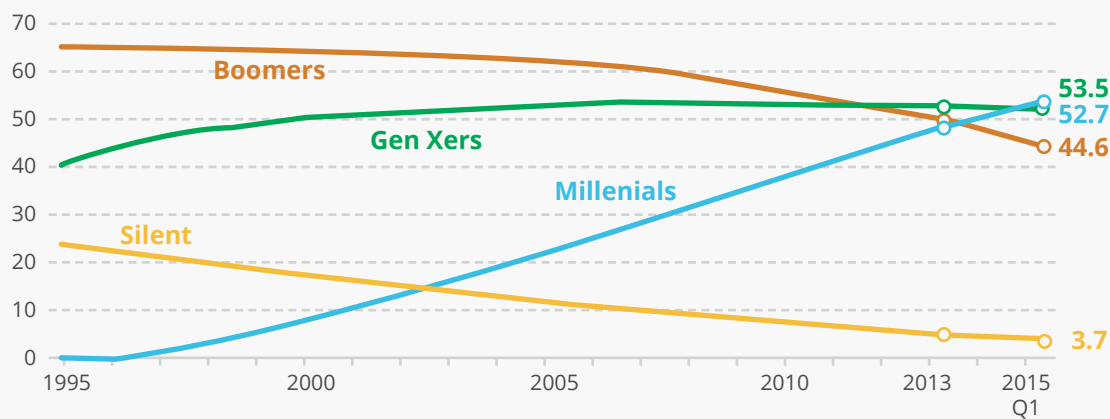


*Fonte: Pew Research Center*

Note: Annual averages plotted 1995-2014. For 2015, the first quarter average of 2015 is shown. Due to data limitations, Silent generation is overestimated from 2008-2015.
Source: Pew Research Center tabulations of monthly 1995-2015 Current Population Surveys, Integrated Public Use Microdata Series (IPUMS).
**PEW RESEARCH CENTER**

Millennials, also known as Generation Y, are defined here as the generation born between the early 1980s and mid-1990s to early 2000s. Millennials were raised in a vastly different world than preceding generations. As a result of their experience coming of age in the early 2000s, they have proven to have a very different set of motivations and workplace expectations than previous generations. Clearing the fog to better define these needs has led to much discussion and debate among learning and development (L&D) professionals.

This paper aims to provide L&D professionals with a number of data-driven insights about millennial workers, with a special focus on how to meet millennial learning needs to increase engagement and retention among millennial employees.

**docebo**®

# Unravelling the millennial mystery

A stagnant and untailored L&D program won't yield positive business outcomes. It's important for L&D departments to understand Gen Y's seemingly mysterious needs in order to evolve and improve the effectiveness of their learning programs.

But what exactly are those needs? Why do millennials seem to be the most discussed and debated generation of all time? Are their values misaligned with other generations? Are they actually lazy and entitled, as they are often characterized?

A number of recent studies and surveys have found that there are no simple answers to these questions, but have collected data that can provide better insight into the difficulties of catering to a multigenerational audience and why millennials seem to lack engagement.

## THE DISRUPTIVE GENERATION
**The problem: Millennials do things differently.**

The Canadian Human Resources Professionals Association recently surveyed its members to see if they believe that the average millennial worker has a different set of values or motivations than employees from other generations. 90% of those surveyed responded that they felt that millennials did tend to have different values and motivations. Similarly, data from Qualtrics and Accel shows that 62% of millennials themselves think that they are a "fundamentally different" generation.

This perception is entirely justified – after all, motivations and priorities are going to change with every generation, thanks to developments in technology, the socio-political climate, the economy, and a number of other factors that evolve as the world inevitably moves forward.

Millennials differ for a number of reasons, including the fact that they are currently the largest living generation. Many millennials grew up as "digital natives". A large portion of them started or graduated college during the 2008 financial crisis, the largest recession since the Great Depression (usually referred to as the "Great Recession").

As a result, Gen Y is disrupting a number of industries, including communication, transportation, banking, real estate, and so on. As early adopters of new technology, they're usually considered to be more influential than other generations. Many are experiencing crippling student debt. They're getting married and "settling down" later than previous generations. Despite these challenges (as we'll explore later in this paper), the needs of millennials can hardly be classified as "outrageous" – they're simply different compared to those of other generations.

docebo®

## THE MULTIGENERATIONAL WORKFORCE

**The problem: Knowledge gaps in organizations are growing as Baby Boomers retire and millennials continue to enter the workforce.**

An organization's employees are likely to span across a number of generations (especially at large enterprises). From an L&D perspective, this presents a number of challenges related to meeting the learning needs of all learners – after all, millennials do things differently than Gen X, and Gen X does things differently than Baby Boomers.

While the millennial population is on the rise in the workplace, it's important to note that older generations (most notably, Baby Boomers) are on their way into retirement, causing knowledge gaps to form. If no effort is made to fill these gaps, companies are at risk of experiencing the negative effects of organizational knowledge decay (e.g., a decrease in employee productivity and poor employee performance).

One obstacle that can prevent the resolution of knowledge gaps is that different generations may have different preferences towards training. CIPD's _Tapping into Talent_ report suggests that Baby Boomers tend to prefer classroom or paper-based training. On the other hand, Generations X and Y place a greater emphasis on development and prefer self-paced, online training.

Similarly, PwC's _Millennials at Work: Reshaping the Workplace_ survey found that _tension exists_ in multigenerational workplaces. 38% of millennials responded that older senior management doesn't seem to relate to younger workers, and 34% responded that their personal drive was intimidating to other generations.

The chart below indicates some additional generational differences pertaining to each working generation's assets, liabilities, motivations, and preferred methods of communication.

| | **BABY BOOMERS** | **GENERATION X** | **MILLENNIALS** |
|---|---|---|---|
| **BIRTH YEARS** | 1946-1964 | 1965-1980 | 1980-2000 |
| **Assets** | • Service-oriented<br>• Dedication<br>• Team perspective<br>• Experience | • Adaptability<br>• Techno-literacy<br>• Independence<br>• Willing to buck the system | • Collective action<br>• Optimism<br>• Ability to multi-task<br>• Techno-savvy |
| **Liabiities** | • Not necessarily budget-minded<br>• Uncomfortable with conflict | • Skeptical<br>• Distrustful of authority | • Need for supervision and structure<br>• Inexperience |
| **Motivations** | • Leaders who get them involved and show them how to make a difference | • Permission to work on their own schedule | • Connecting their actions to their personal career goals |
| **Preferred Methods of Communication** | • Verbal<br>• Personal interaction | • Voicemail<br>• Email | • Instant messages<br>• Text messages<br>• Email |

*Source: HRPA, "HR & Millennial Insights Into Your New Human Capital" and AARP, "Leading a Multigenerational Workforce".*

docebo®

## THE ENGAGEMENT ISSUE

**The problem: Millennials appear to be less loyal to employers and less engaged in the workplace.**

According to research from Gallup, only 29% of millennials are engaged in their jobs, meaning they are "emotionally and behaviorally connected to their job and company". This doesn't necessarily mean they are entitled, however. It would appear that millennials desire more than basic employment in the sense that they're seeking meaning and fulfillment from their careers.

An interesting study by Qualtrics and Accel found that "millennials refer to working for a company as 'doing a tour' as if they were just blowing through town to earn a badge". Backing up this claim is the fact that 20% of millennials say the number one reason to bail on a job is to be more fulfilled.

As we'll explore later in this paper, Qualtrics and Accel also report that millennials seek "multifaceted work experiences", "entrepreneurial environments", and "friends at work". If this type of environment and culture doesn't exist at an organization, then they'll seek it somewhere else.

docebo®

# What do millennials want?

This is a big question, no doubt, with no easy answer. Generalizing an entire generation can be problematic; however, taking a look at survey data to distinguish behavioral trends can help to gauge an understanding and guide your L&D efforts.

Work/life balance is often cited as one of the top desires of the millennial generation. PwC's report, *Millennials at Work: Reshaping the Workplace*, found that 95% of millennial respondents felt that work/life balance was important to them. However, the report also found that employers appear to be failing on this front, with 28% of survey respondents saying that their work/life balance was worse than they expected before joining their current organization. Similarly, only 20% of millennials would agree to a promotion if it would negatively impact their personal lives.

Moreover, offering flexibility in the workplace has proven to be beneficial for organizations. The *2017 Deloitte Millennial Survey* found that "flexible working continues to encourage loyalty and make a significant contribution to business performance" among millennials. In fact, the report also shows that highly flexible workplaces are two-and-a-half times more likely than those in more restrictive organizations to say that flexible working practices have a positive impact on financial performance. In other words, flexibility with regard to work/life balance is a win-win: desired by millennials and highly beneficial to organizations.

**95**%
**OF MILLENNIALS**
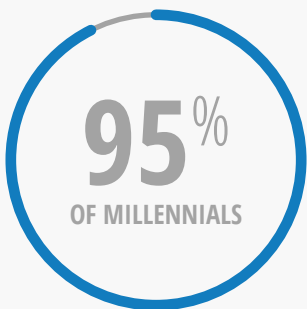
*say that work/life balance is important to them.*

*Source: PwC, Millennials at Work: Reshaping the Workplace*

## THE BIGGER PICTURE: MILLENNIALS OUTSIDE OF THE WORKPLACE

Since work/life balance is largely sought after by the majority of working millennials (and has proven to be beneficial to organizations), understanding millennial behavior and trends outside of the workplace will also help to provide clarity on their motivations and what they seek in an employer.

As we alluded to near the beginning of this paper, millennials are disrupting a lot of industries. Let's take a closer look at this behavior and how it can help to characterize millennials outside of the workplace.

docebo®

**MILLENNIALS ARE "SETTLING DOWN" LATER.**
The average ages at which typical "settling down" milestones occur (i.e., marriage, first-time parenthood, home ownership) have been steadily trending upward over the years. As of 2015, the estimated median age of marriage for Americans was 29.2 for men and 27.1 for women – this us up from 27.1 and 25.3, respectively, in 2005. Similarly, the average age of first-time motherhood in the United States increased to 26 years old in 2014, and recent data collected by Qualtrics and Accel found that 44% of American millennials say they don't want children or haven't decided yet.

**MILLENNIALS WANT OWNERSHIP *AND* EXPERIENCE.**
A common misconception about millennials is that they're more inclined to spend money on experiences over material things like houses and cars. In fact, data from Qualtrics and Accel shows that 88% of millennials who currently don't own a home would like to own a home someday. Overall, 47% of millennials choose to purchase "stuff" over experiences, while 53% choose experiences over "stuff" – only a slight majority.

**MILLENNIALS DEMONSTRATE BRAND LOYALTY.**
Research from Adroit Digital found that 64% of millennials are more brand-loyal or as brand-loyal as their parents. The study also found that a brand's ethics matter more to this generation – 38% of millennials will switch brands if a company is found to have bad business practices. Outside of personal financial factors, bad business practices is the number one reason that millennials will switch brands.

**MILLENNIALS ARE MOBILE-DEPENDENT.**
92% of Americans aged 18-29 own a smartphone. KPCB reports that 87% of millennials claim their smartphone never leaves their side, night or day. 42% of millennials haven't gone more than five hours without checking social media. Millennials are plugged in, digitally-enabled, and mobile-dependent.

**MILLENNIALS ARE OPTIMISTIC ABOUT THE FUTURE.**
Despite crippling student debt, an unsettled economy, and a polarized political climate, 70% of millennials report that they are optimistic about their futures. Comparatively, 60% of Gen Xers are optimistic about their futures and only 45% of Baby Boomers maintain a positive outlook for their future.

**docebo**®

## UNDERSTANDING WHAT MILLENNIALS LOOK FOR IN AN EMPLOYER

**Which of the following things do you believe make an organization an attractive employer?**

| | |
|---|---|
| Opportunities for career progression | 52% |
| Competitive wages/other financial incentives | 44% |
| Excellent training/development programs | 35% |
| Good benefits packages | 31% |
| Flexible working arrangements | 21% |
| International opportunities | 20% |
| Good reputation for ethical practices | 15% |
| Corporate values that match your own | 15% |
| A reputation as an employer of the best and brightest people | 15% |
| The employer brand | 10% |
| Diversity/equal opportunities record | 8% |
| The sector in which the organization operates | 8% |
| Other | 1% |

*Source: PwC, Millennials at Work: Reshaping the Workplace*

Now that we've examined some of the millennial behavior trends that fall under the latter half of "work/life" balance, it's time to break down the "work" half.

As mentioned earlier in this paper, a high number of millennials are not engaged in their current role, likely due to a lack of fulfillment. But aside from purpose, what do millennials seek in an employer?

**PROFESSIONAL DEVELOPMENT**
35% of millennials say that "excellent training and development programs" make an organization an attractive employer. However, the HRPA reports that 63% of millennials feel their "leadership skills are not being fully developed by their employers". As such, it's more important than ever to provide engaging learning programs for your millennial workers. These programs should span formal and informal learning, providing the opportunity for millennials to seek mentorship within your organization.

docebo®

### OPPORTUNITIES FOR PROMOTION

Research by Qualtrics and Accel found that 51% of millennials are concerned about having the right skills to succeed. Providing opportunities for promotion goes hand-in-hand with providing professional development opportunities. Determining the skills an employee needs in order to be promoted and offering training for the employee to develop those skills can help to resolve this issue.

### COMPETITIVE SALARY

44% of millennials say "competitive wages and other financial incentives" make an organization an attractive employer. Similarly, 37% of millennials decide to change jobs because they "can make more elsewhere". Prevent millennial employee churn by investing in younger workers and providing them with opportunities to develop their skills so they can be promoted (and reach a higher level of pay).

### FLEXIBLE WORKING ARRANGEMENTS

As we've stressed in this paper, flexibility and the ability to manage work and life responsibilities is hugely important to Gen Y. However, only 39% of millennials say they work in organizations that offer a highly flexible work environment. With growing developments in technology that can securely facilitate flexible work environments, organizations have no choice but to start considering these solutions to better meet millennial worker needs.

### CORPORATE SOCIAL RESPONSIBILITY

Like flexibility, participating in organization-led corporate social responsibility (CSR) initiatives yields benefits for both employees and the employer. Millennials are more likely to seek an employer who gives back to the community in order to gain a greater sense of satisfaction in their day-to-day work. According to Deloitte's survey, when charitable opportunities are provided at an organization, millennial employees "show a greater level of loyalty, have a more positive opinion of business behavior, and are less pessimistic about the general social situation".

### BENEFITS

31% of millennials agree that "good benefits packages" make an organization a more attractive employer. As with salaries, offering competitive benefits packages (and some degree of flexibility within these packages) can help to better retain millennial employees.

### COLLABORATION AND COMMUNITY

A key learning from *Next Gen: A Global Generational Study* by PwC was that "millennials place a high priority on workplace culture and desire a work environment that emphasizes teamwork and a sense of community". Similarly, a reported 36% of older millennials claim that they meet new friends and develop friendships primarily at work. When promoting learning culture, be sure that employees are encouraged to ask questions and learn from peer collaboration as part of the learning process.

docebo®

## THE COST OF IGNORING MILLENNIAL NEEDS

Aside from the fact that millennials are the largest generation in the workforce, why should organizations focus on meeting this generation's specific learning needs?

**EMPLOYEE TURNOVER**

Although Deloitte's 2017 survey found that loyalty among millennials seems to be increasing, millennials have historically held a reputation for job hopping. Gallup reports that 21% of millennials have changed jobs within the past year and 60% are open to different job opportunities.

**60**<sup>%</sup>
**OF MILLENNIALS**
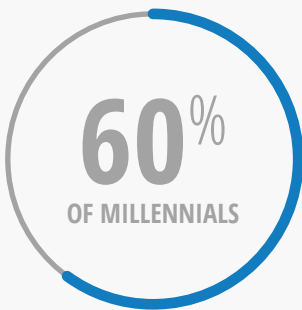
*are open to different job opportunities.*

*Source: Gallup*

This is a generation that will seek employment and jump at opportunities elsewhere if their needs are not met. Considering the high cost of employee turnover, organizations can't afford to lose millennial talent so frequently.

**THE LEADERSHIP TALENT SHORTAGE**

The *Stanton Chase Fourth Annual Global Industrial Survey* identifies the top three challenges impeding corporate growth as 1) global competition, 2) government regulatory issues, and 3) a shortage of leadership talent. This makes sense, considering 77% of organizations indicated that their leadership strategy was only somewhat, or not at all, aligned with their business strategy.

**TOP 3 CHALLENGES IMPEDING CORPORATE GROWTH:**

**1 - Global Competition**

**2 - Government Regulatory Issues**

**3 - Shortage of Leadership Talent**

*Source: Stanton Chase Fourth Annual Global Industrial Survey*

Whether you're prepared or not, millennials will be leading organizations one day – and that day is approaching quickly. 33% of the US workforce became eligible for retirement in 2015, and half of them held leadership roles.  Organizations who wish to outperform and outlast the competition can't afford any leaks in their leadership talent pipeline.

docebo®

# Meeting millennial needs with learning technology

Fortunately, new developments in learning technology are making it easier to meet the needs of a multigenerational learning audience and, more importantly, to continue to meet those needs as they inevitably evolve.

## SUPPORT MULTIPLE LEARNING FORMATS AND TYPES
**Meet the learning needs of multigenerational audiences**

As we explored at the beginning of this paper, digitally engaged millennials prefer learning methods that differ from the learning methods preferred by Baby Boomers. The beauty of investing in the latest learning technology – specifically, a state-of-the-art learning management system – is that you don't need to prioritize the learning needs of one generation over another. Rather, you can accommodate them all by using a system that supports both formal learning methods (e.g. classroom training) and informal learning (e.g., forums, user-generated content, etc.).

## ASSESS SKILLS AND COMPETENCIES
**Improve professional development by analyzing skill gaps**

Professional development and opportunities for career progression top the list of what millennials seek in an employer. Using learning technology to evaluate an employee's skills and competencies and provide a tailored learning plan can provide more visibility into what millennial learners need to do to get to the next step in their career.

For example, Docebo Perform (Docebo's skills and competencies module) allows organizations to perform a skill gap analysis, then assign both formal and informal learning assets to help fill the gaps determined by the results of this analysis.

## ENABLE MOBILE LEARNING
**Provide greater flexibility with mobile learning**

Millennials also desire greater flexibility in order to achieve a healthy work/life balance. Enabling learning on-the-go (i.e., via an LMS mobile app), millennials will be empowered to access learning materials anytime, anywhere, at the point of need. This will encourage self-paced learning and provide greater flexibility in the workplace.

## FACILITATE SOCIAL LEARNING
**Promote mentorship through social learning**

A recent HRPA survey found that 60% of Canadian companies do not have a mentorship program. One way to introduce this is by facilitating social learning using your LMS. Allowing your learners to easily access subject matter experts, ask and answer questions, and curate knowledge capital will help to increase collaboration and facilitate organizational knowledge sharing.

**docebo**®

# Conclusion

Only 31% of employers are focusing on better supporting education, skills, and training among their millennial employees. There is still plenty of opportunity for companies to better understand and accommodate the learning needs of millennial employees.

Of course, the needs of your millennial workers (as well as the needs of the other generations in your workforce) will continue to evolve as new technologies are introduced. Adopting a strategy that can nimbly adapt to these needs will be key to increasing the results from your L&D programs.

Fulfilling the needs of your learners will build a stronger workforce, which in turn will lead to positive business outcomes. Millennials are the future – invest in them today to experience greater success tomorrow.

**docebo**®

# Meet the needs of your millennial learners with the Docebo LMS. Start your 14-day free trial today!

**START YOUR FREE TRIAL**

## ABOUT DOCEBO

Docebo is a global SaaS enterprise learning management system (LMS) used in more than 80 countries and offered in over 30 languages. Established in 2005, Docebo offers a learning ecosystem for companies and their employees, partners, and customers that is designed to increase performance and learning engagement. Docebo is a learner-centric technology, embraced for its ease of use, elegance, and ability to blend coaching with social and formal learning. It's no wonder that Docebo has been heralded by PCMag.com as "the best online learning platform for business on the market." Visit docebo.com to learn more.

For more information, visit **www.docebo.com**

www.facebook.com/Docebo

twitter.com/docebo

www.linkedin.com/company/docebo-srl

docebo®