

Are millennial employees truly different or just younger? 4 truths and 1 myth.

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A lot of people sell books and give presentations that suggest that Millennial employees, those born between 1976 and 1996 (Millennials) are significantly different from employees born between 1965 and 1975 (Generation X), and radically different from people born during the 20 years before 1965 (Baby Boomers). But are millennials truly different, or are they just younger? Having read a fair bit of research on this topic, I'm going to discuss what I believe are 4 key truths and 1 harmful myth about the differences between Millennial employees compared to their older Generation X and Baby Boomer coworkers.

Truth: The career stage you are in impacts your job expectations and interests. Counseling psychologists have long known that what employees want from work changes as they gain career experience¹. Early career employees are usually more interested in development and advancement than tenured employees preparing to transition out of their current career. This is true regardless of how old you are (at least until you reach an age where health becomes a major factor impacting your work – more on this later). The career interests of a 40 year old woman who just finished getting a college degree and is re-entering the labor market after raising her children are likely to be relatively similar to the interests of her 20 something classmates. In fact, this 40 year old woman may have more in common with a 22 year old classmate than she does with a 40 year old co-worker who has 18 years of job tenure. In sum, when it comes to career interests how old you are may not matter nearly as much as what career stage you are in. Millennials tend to be in much earlier career stages than most Generation X and Baby Boomer employees, so naturally they tend to have different career interests.

Truth: Non-work obligations and physical health significantly impact your work interests, expectations, and needs. The old song “you know you’re over the hill when you’re mind makes a promise that your body can’t fill” is sad but true. Anyone in their 50s who says they have the same physical abilities now that they had in their 20s was probably in pretty lousy shape in their 20s. Changes in physical ability and health that accompany age have a very real impact on what we can and want to do at work. The same is true for changes in non-work obligations such as raising children and or paying for home mortgages. Employees’ willingness to do things like take financial risks and switch jobs with little concern for potential loss of healthcare benefits tends to change as they age because health and non-work commitments tend to change significantly with age².

Truth: Labor market conditions influence employee behavior. One of the most profound changes taking place in the world economy is the growing shortage of skilled labor. Simply put, the demand for skilled employees has vastly outstripped the supply. And this shortage is just getting worse. Skilled college graduates entering the labor market since 2010 have far more job opportunities than college graduates entering the labor market had in the 1970s. If you graduate in the 1970s you were competing against a lot of other people for relatively fewer jobs. The employment proposition in the 1970s might

¹ Howard, A. (1995), The changing nature of work, 3-44. San Francisco, CA: Jossey-Bass.

² Schultz, K & Adams, G. (2007). Aging and Work in the 21st Century. Mahwah, NJ: Lawrence Erlbaum Associates.

have been summed up as “companies have money and a lot of candidates need jobs, so if candidates want a salary they will have to do what companies want”. It’s a much different situation for skilled job candidates graduating in 2014, particularly in the fields of science, technology, engineering and math (STEM jobs). The 2014 employment proposition might be summed up as “relatively few candidates have the skills that a lot of companies desperately need, so if companies agree to give candidates what they want then maybe some of these candidates will work for them”. The reason Millennial employees tend to demand more from employers than their older co-workers did is because Millennials know they can often get it in today’s labor market. Baby Boomers couldn’t afford to be so demanding when they were entering the workforce back in the 1970s. It wasn’t that Baby Boomers didn’t want what Millennials want, it just that they couldn’t hope to get it given the labor market.

Truth: The millennial generation have been raised with different expectations around technology and workforce opportunities than their older co-workers. Millennials are the first employees who have had access to communication technology like smart phones and internet sites since they were very young. This has impacted their expectations around how people can and should communicate. Compared to previous generations, they are more likely to expect ready access to information and social connections all the time, regardless of where they are located.³ This includes blurring the lines between work and non-work segments of their lives. Furthermore, the millennial generation is the first generation in history where women tend to be more educated and active in the workforce than men. How these characteristics will influence this generation has yet to be determined. For example, one study found that although millennial employees do not believe you need to work in an office to be effective, many employees wanted to work in an office because they craved the social aspects of office life (somewhat like how people shop in “brick and mortar” stores for the social experience of shopping even though they could purchase everything online). But there are places where these differences have pretty clear implications for companies. For example, traditional work cultures that emphasize control of information or downplay the role of women in the workforce are not likely to fare well when it comes to hiring and retaining millennial employees.

Myth: What millennials want from work is fundamentally different from previous generations.

The more rigorous research on generational differences and employee attitudes clearly suggests that what people fundamentally want from a job has not changed much over the years⁴. And by rigorous research, I mean carefully controlled studies that have analyzed job interest data collected from millions of students and recent graduates over decades. Some of this data reaches all the way back to the World War I generation! What these studies found is that by and large what people want from work does not change much from one generation to the next. Regardless of when they were born, most workers are looking for jobs that provide some sense of challenge and career growth, fair compensation, a reasonable level of work-life balance, and some degree of stability. In sum, when it comes to basic career goals and interests, Millennials are pretty much just like Baby Boomers where when they were young. The big difference is Millennials are entering a labor market where skilled employees can demand a lot more from their employers and get it.

³ Deal, J. (2006). Retiring the generation gap: how employees young and old can find common ground. San Francisco, CA: John Wiley & Sons. Meister, J.C. & Willyerd K. (2010). The 2020 workplace: how innovative companies attract, develop, and keep tomorrow’s employees today. New York, NY: Harper Collins.

⁴ Meyer, K.D. (2012). Do Values Really Differ by Generation? A Multi-Assessment Review. The conference of the Society for Industrial & Organizational Psychology, San Diego, CA.

What does this mean for modern HR practices?

There are a few major messages to take away from these observations.

- **Focus on people, not generations.** When putting together talent management strategies, don't lump employees into broad generational groups and treat them as though they all want the same things from work. Take time to actually ask them! You'll probably learn that what employees want is remarkably similar regardless of their age: a challenging job where they feel appreciated and respected, have a reasonable sense of security and career growth, and believe they are making a difference in the world that they can be proud of. While there are some interesting generational differences in terms of preferred communication styles, when it comes to the basic things that make a job rewarding, employees tend to be more similar than different regardless of the year they were born.
- **Engage everyone regardless of when they were born.** Companies that focus specifically on catering to the needs of millennial employees run the risk of alienating older workers who are just as valuable as their younger co-workers. The world is facing a shortage of experienced, skilled employees at all ages. This will only get worse as more baby boomers leave the workforce. Fortunately, employees are showing more willingness to work into their 60s and 70s due to increases in the overall health and longevity of the population. Really successful companies will seek to engage all employees, not just the ones born after 1976. Remember 10 years is a long time to retain a skilled employee in the modern labor market. Companies that retain these employees will get value from their work regardless of whether they had them from age 25 to 35 or age 55 to 65.
- **If you want a modern workforce, create a modern workplace.** Shifts in social attitudes have created a working population that expects companies to give people equal respect and opportunity regardless of their gender, age or ethnicity. This is particularly important when it comes to treatment of women. If your organization appears to have a bias toward the hiring and promotion of women you will increasingly find yourself struggling to hire and retain 50% or more of all job candidates. Changes in technology have also shifted how people think about workplace flexibility. Traditional work environments that use "time in the office" as a key measure of employee performance will struggle to employ people in the modern workforce. Remember, skilled professionals expect to be paid for what they do, not where they sit.

Are Millennials different from Baby Boomer and Generation X employees? Yes they are, but it is mainly because they are younger. On the other hand, millennials have always lived in the modern world and are less likely to be constrained by ineffective traditions and false assumptions around what work "should be". They're focused on what work could be. Older employees can learn a lot from younger colleagues about what's possible for work in the future. And younger employees will benefit from listening to the lessons and experiences their older colleagues have gained from having worked in the past.