



Employee Engagement White Paper

# **Creating Cultures that Engage and Retain Millennials & Generation Z**

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Multigenerational workplaces are the norm, and can form the foundation of productive, innovative and dynamic teams. At the same time, they can be challenging: with them come risks of miscommunication, misunderstandings and the consequences of acting on generalizations and stereotypes, all with potential for negative consequences to employee engagement and the organization's performance.

Generation gaps are inevitable. We feel this "gap" when working with others who see the world differently than we do, because their formative years were different than ours. Each generation grows up with its own major historical events, technological advances and shifts in social norms that help to shape its characteristics, preferences, and understanding of the world, and also create different expectations for what it can offer. While these differences are real, many of the generalizations and stereotypes that are attributed to "generation gaps" are better explained by a generation's stage in their career lifecycle.

Early in a career, workers are often still exploring various interests and acquiring capabilities; external rewards tend to be particularly important. Next, advancing within a chosen field typically becomes more central. As workers age, the opportunity to lead, and updating their skills to stay relevant often emerge as priorities. Finally, late in a career, leaving a legacy in the workplace, mentoring and retirement planning frequently dominate.

By understanding the impact of each career stage, as well as characteristics and preferences stemming from real generational differences, it is easier to avoid relying on stereotypes that can poison intergenerational workplace relationships.

To begin with, research suggests that younger employees are fully-engaged at about the same level as their older coworkers, around 30% overall, but there are important distinctions to consider.

### Millennials (born ~1977-1995) tend to:

- Value efficiency and the power of technology to deliver it
- Appreciate autonomy, but also being given help or support when needed
- Be more likely to be looking for a new job; technology and social media make it simple to constantly scan for better opportunities
- Rank pay and financial benefits highly when considering job offers
- Value paid time off and good work/life balance

### Millennials expect to:

- Have more jobs in their career than older workers
- Work for more than a paycheck, and for a company whose values and purpose align with their own
- Have the opportunity to interact with leaders beyond their own supervisor, and reject "it's always been done that way" as an acceptable explanation
- Be given flexibility in work arrangements
- Learn and develop beyond their current role
- Be assigned work that is meaningful, interesting and varied
- Have the impact of their personal life respected at work

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### Millennial Generation

*Largest in the workforce, beginning in 2015*

### Generation Z

*Began entering the workforce (after college graduation) in 2017*

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Again, some of this may be explained by where most Millennial workers currently are in the career life cycle, and not all of these characteristics are specific to the Millennial Generation. For instance, even older workers are increasingly expecting flexible work arrangements, as technology is making it possible for more types of work to be performed remotely and outside traditional work schedules.

### Generation Z (born after 1995):

While it's still premature for robust data on Generation Z, early indicators suggest that they will also share the expectation for flexibility and are looking for a work environment where they can feel at home. According to the Center Generational Kinetics, nearly half of Generation Z ranked a "fun work environment" as the number one factor that would make them excited to apply for a job, followed closely by "flexible work schedules".<sup>i</sup>

### Key Drivers of Engagement:

The discussion of drivers that impact engagement has expanded to include the entire employee experience, and while it's true that each touchpoint has the potential to impact engagement in either a positive or negative way, our research suggests three key drivers for engagement, when examining the workforce as a whole.

- **Immediate supervisors** have always had a major role in determining how engaged their direct reports are, and the results from our most recent study reconfirm their importance.
- With growing transparency in the workplace, employees can now access information through various channels in addition to their own manager and have more opportunities to hear directly from **senior leaders**, who are emerging as an increasingly important factor in driving employee engagement.
- Finally, employees are more often engaged when they feel they are a part of something bigger than themselves – when they feel connected to their organization, inspired by its purpose and feel **pride in what they do**.

In these ways, people of all ages are more alike than different. For full-engagement, every generation requires:

- Honest communication
- Having their contributions recognized
- Receiving sincere appreciation
- Being treated with respect
- Having trust in their immediate supervisor, as well as senior leadership

The behaviors leaders exhibit evokes emotions, which are the pathway to engagement. Our research suggests that key emotional drivers of employee engagement include feeling:

- *Valued*
- *Confident*
- *Connected*
- *Empowered*

Beyond those essential requirements, leaders of employees from Millennial and Generation Z must, of course, get to know each employee as an individual, and set the tone for a trusting, productive professional relationship. Recognizing that what motivates a younger employee may differ from what motivates others helps prepare managers to tailor their interactions, as helping Millennials and Generation Z feel *valued*, *confident*, *connected* and *empowered* may require slightly different techniques compared with older employees. Keep in mind:

- To become and remain engaged, younger workers need to feel *empowered* and be allowed to do the work they were hired to do with a reasonable degree of autonomy. Help should be available and ready when they need it. Peer-to-peer mentoring can help make them feel supported and *confident*, without feeling micromanaged.
- Training and new opportunities can help younger workers feel *valued*, *confident* and *connected* to their organization, provide for growth within their current roles and prepare for the advancement they expect to achieve. Our research suggests that Millennials have a significantly higher interest in taking courses on “leadership,” “public speaking,” “building self-confidence” and “team work and team management”. According to The Center for Generational Kinetics, Generation Z believes the two most important skills for succeeding in the workforce will be “communication” and “problem solving” and most often wish they had stronger skills in “public speaking” and “communication”.<sup>ii</sup>
- The technique of cascading goals – where executives define the company goals and every employee then derives his or her goals from these – can help even entry level employees feel *connected* to something bigger than themselves, and foster a sense of pride in their work.

## Summary

For organizations to realize the full potential of a multi-generational workforce requires an awareness of generational differences, combined with a commitment to move beyond them through the development of trusting and productive professional relationships. Leaders, especially, are well-served to stay alert to their own bias, and help others get beyond the stereotypes.

While much of what matters for engagement is consistent across generations, success continues to require getting to know each other as individuals, valuing and appreciating each other’s contributions and helping to guide employees to achieve their specific career goals. The pay-off for successfully integrating workers of all ages is a powerful combination of enthusiasm, innovation, perspectives, approaches and experiences from which any organization can benefit.

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<sup>i, ii</sup> Villa, D., Ph.D., & Dorsey, J. (2017, April). *The State of Gen Z 2017 National Research Study* (Rep.). Retrieved December 17, 2017, from The Center for Generational Kinetics website: <http://genhq.com/gen-z-2017-research-white-paper/>