

Winning the “cat-and-mouse game” of retaining millennial talent

Tony Petrucelli

The day has come. According to the US Census Bureau, millennials have surpassed baby boomers as the nation's largest living generation (Fry, 2016). As the educated and creative millennial generation continues to flood the labor market, new hires today expect more from their employers than ever before. In turn, employers need to recognize that the future of their business relies on the millennial generation and incorporating them into their workforce should be a part of a long-term business plan. Gone are the days when a steady paycheck and a nine-to-five schedule was enough to entice a young worker to join your team. In this day and age, millennials want to know — *what can your company do for me?*

Most of the corporate world has yet to catch up to millennials' budding demands, and as a result, American businesses are having trouble retaining young talent. According to a recent Gallup study, 21 per cent of millennials changed jobs within the past year, which is more than three times the number of non-millennials who report the same (Adkins, 2016). This trend is showing no signs of slowing down. CareerBuilder, a human resources software and service provider, released a study in December 2015

indicating 30 per cent of employees between the ages of 18 and 34 expect to have a new job by the end of 2016, compared to 23 per cent in the previous year (CareerBuilder, 2015).

Employee turnover can be extremely costly considering the expenses involved in recruiting, interviewing, screening and onboarding new hires, not to mention the less tangible costs of lost employee productivity and engagement. The Center for American Progress estimates replacing a lost worker, excluding physicians or those in executive positions, costs approximately 21.4 per cent of that employee's salary on average (Center for American Progress, 2012).

Despite some of the negative buzz surrounding millennials and their approach to the workplace, my experience working with this generation has been overwhelmingly positive. Largely, the millennials participating in the workforce today are determined, eager to learn and receptive to constructive feedback.

As the flashy start-up culture with modern corporate workspaces continues to win the tug of war for millennial talent, there is a clear opportunity for more established businesses to step up their employee retention initiatives. Below are a few strategies to help

Tony Petrucelli is based at Ascensus, Dresher, Pennsylvania, USA.

“As the educated and creative millennial generation continues to flood the labor market, new hires today expect more from their employers than ever before.”

keep your young employees on the payroll.

Adopt a high-touch management style

Millennials are starving for constructive feedback and constantly want to know how they are doing, while older employees are more comfortable being handed a set of goals at the beginning of the year and performance reviews at the end of each evaluation period. Millennials prefer a direct, two-way line of communication with their managers. To combat this, my team schedules one-on-one meetings with each of my millennial employees twice a month to ensure they are getting enough facetime. While this puts a dozen extra staff meetings on the calendar unrelated to other work or clients, it is well worth the time investment in the long run when providing millennial workers with the insight and feedback they crave.

The millennial generation has a lot to say. Give your younger employees a voice by asking, “What more can I do for you?” Provide them with an avenue to share their ideas and pay close attention to their individual needs.

Hire millennials aligned with your corporate values

Like others before them, Generation Y is highly concerned with their work’s impact on society. Simply put, millennials want to feel they are making the world a better place. Whether your company rehabilitates abused animals,

produces fire-resistant clothing or develops cyber security software, ensure your potential new hires fully believe in the corporate mission and have a personal vested interest in the company’s success.

Display a clear path for career growth

Perhaps the most common question potential hires ask during a job interview is about the opportunity for growth within the company. No one wants to be stuck in a dead-end job, especially younger workers brimming with potential. Provide young talent with a clear avenue to advance their careers. Outline a detailed path with incremental steps and specific actions employees can take to move up the ranks. Expose younger workers to upper-level management and mentorship opportunities for help along the way. If possible, incremental pay raises outside of promotions can also boost retention. One of the top motivations prompting millennials to switch jobs is the belief that it is the fastest means of growing their salary – show them they do not have to leave to do so.

Provide student loan assistance

It is no secret millennials are riddled with student debt. The Institute for College Access and Success estimates students with loan obligations graduated from school with approximately US\$28,950 in debt in 2014. To help employees combat these obligations, many companies are creating partnerships with regional

banks that allow their employees to consolidate and refinance their student loans. Not only does this enhance employee retention – which should be a part of your long-term business goals – these arrangements provide education opportunities and an easy way to make payments straight from payroll. This benefit decreases stress and shows employees you understand what challenges they face outside of the workplace.

Considering the heightened levels of millennial turnover relative to other age groups and the elevated costs associated with losing employees, a massive opportunity exists for employers to be more cognizant of what attracts and retains younger talent. While it can be easy to lump the entire millennial generation into one identifiable demographic with shared interests and behaviors, the truth of the matter is that everyone is different. In your effort to retain younger talent and grow your business for the future, I encourage you to place a greater emphasis on listening. Ask questions about their desired work environment, schedule and pace. Above all, happy employees will stick around.

References

- Adkins, A. (2016), “Millennials: the job-hopping generation”, available at: www.gallup.com/businessjournal/191459/millennials-job-hopping-generation.aspx
- CareerBuilder (2015), “According to CareerBuilder survey 1 in 5 employees determined to land a new job in the new year”, available at: www.prnewswire.com/news-releases/1-in-5-employees-determined-to-land-a-new-job-in-the-new-year-according-to-careerbuilder-survey-300196815.html
- Center for American Progress (2012), *There Are Significant Business Costs to*

Replacing Employees, Center for American Progress, p. 2, available at: www.americanprogress.org/wp-content/uploads/2012/11/CostofTurnover.pdf (accessed 24 August 2016).

Fry, R. (2016), "Millennials overtake baby boomers as America's largest generation", available at: www.pewresearch.org/fact-tank/2016/04/25/millennials-overtake-baby-boomers

Corresponding author

Tony Petrucelli can be contacted at: tony.petrucelli@ascensus.com