MILLENNIALS + WORK
Executive Summary

**Key Findings:**

**Expectations vs. Outcome**

- In addition to their $1.5 trillion in student loan debt, millennials’ first jobs out of school fell far short of their expectations.

- While daily life is increasingly convenient, the future is more uncertain than ever.

- Because millennials plan for the short-term, staying in a role for longer than a year or two feels daunting.

- Millennials have been conditioned to require external factors to spur their motivation; they need to see that they’re making a tangible impact.

- Companies would benefit from taking a proactive approach to managing millennials’ expectations when it comes to their role and future within the organization.
Empowered Entrepreneurs

- Millennials rank “being in a role I’m passionate about” above salary and other benefits, and when asked what they value most, “freedom” is often mentioned.
- For millennials to feel empowered, they must be treated like the entrepreneurs they imagine themselves to be.
- Millennials are less likely to actually be entrepreneurs, in part due to debt and consequent risk aversion.
- Give millennials the ownership they crave, but with guidance and support.

Where Are We Going?

- Transparency is the millennial standard for businesses, in addition to having a clear vision for the future.
- Despite their reputation for flakiness, millennials tend to stay at a job for more than a few years.
- Millennials have access to more information than ever before, so the need for businesses to achieve clarity and integrity in their messaging is paramount.
- Millennials crave an inspiring work culture; companies who retain them will effectively communicate future plans that align with their core values.

CONCLUSION

Millennials are taking over the workforce as we know it, and they bring with them a unique set of challenges, expectations, and values. Enrolling younger employees means quieting their anxieties by providing transparency and a well-honed vision of what's next. Communication from leadership that clarifies the future will strengthen the company's ability to attract & retain millennials.
Overview

Entitled, unmotivated, flaky: there’s no shortage of negative stereotypes to describe a millennial in the workforce. The generation indicted for receiving participation trophies is an easy target for such flack, and there’s plenty of anecdotal evidence to back it up.

Renowned leadership expert Simon Sinek gave a speech on millennials in the workplace that’s received millions of views on YouTube. In it, he expounds the thesis that millennials have been trained to expect instant gratification; thus, they struggle in a world where deep meaning and satisfaction can only be cultivated through patience and perseverance.¹

There’s a heavy reality to Sinek’s theory. Young people can readily escape their troubles through the dopamine-inducing validation circus of social media—relief from the normal anxieties of life is just an Instagram like or a Tinder swipe away.

Still, this same demographic stands to comprise 50% of the labor market.

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by 2020. It’s no wonder solving the conundrum of attracting and retaining millennials is top of mind for so many employers and HR managers.

A quick Google search will prove this is a yet unsolved quandary. Most reports rely on big data and traditional market research to inform their findings. While those tools are useful, what often gets missed is the real human motivation that powers decision-making and the understanding that what people say isn’t exactly how they feel inside. Combine this truism with the generally ‘disruptive’ nature of the largest generation in American history, and the output is fertile ground for valuable insights to answer questions like:

• What do millennials prioritize in considering a new job?
• How do millennials frame their expectations in a work context?
• What core values underscore millennials’ potential to thrive in the workplace?

To investigate, Department26 conducted 26 depth interviews and several informal discussion groups with a range of millennials ages 21–35 in the nationally representative markets of Cincinnati, Columbus, and Los Angeles. From there, we leveraged observational techniques as well as our Sub\Verbal technology to analyze vocal recordings. This technology allows us to see the underlying human emotions behind a person’s words that drive their everyday choices. While data quantifies the explicit, Sub\Verbal reveals the implicit. In addition to this qualitative research, we conducted an online survey of 1,000 millennials across the United States.

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Through our adjacent Millennials + Money report, we found this generation values wealth—defined as experiences—over money itself. While money is important as a means to achieving wealth, it’s secondary to the central principles that undergird the millennial psyche. The primary factors that impact this cohort are broken down into three sections:

- **Expectations vs. Outcome:** Combat now-ism through managing expectations.
- **Empowered Entrepreneurs:** Ownership, trust, and flexibility—with guidance.
- **Where Are We Going?** Mission and vision at macro and micro levels.

Ultimately, what will attract and retain millennials is a company that knows where it’s going and effectively enrolls its people in that effort.
**Expectations vs. Outcome**

It’s hard to argue that millennials aren’t fickle, although there are many factors conspiring to that end. Their temperamental nature is, in fact, paradoxical: the same generation that has the world at their fingertips also weathered the black swan that was The Great Recession.

**While daily life is increasingly convenient and on-demand, millennials have found the future is progressively uncertain.**
How far in advance do you plan or set goals for yourself?

- 1 year or less: 26%
- 1–5 years: 50%
- 5–10 years: 14%
- 10–15 years: 4%
- 15–20 years: 2%
- 20 years or more: 5%
Sure, they’ve got romantic exploits at their disposal, but many of them are also enduring the deep and lasting implications of burgeoning adulthood under the weight of $1.5 trillion in student loan debt. Adding insult to injury, millennials’ first jobs out of school fell far short of their expectations, and our SubVerbal analysis revealed a sense of unfulfillment, regret, and anxiety when talking about that initial experience. Millennials have found the future is progressively uncertain. This undercurrent of anxiety for both the present and future is thematic for millennials, and it’s reflected in their relatively abbreviated time horizons. According to our survey, over 75% of our respondents set goals within a five-year window, and a third of those only plan a year or less in advance. This sense of now-ism that pervades millennials makes the idea of staying in a role for much longer than a year or two incredibly daunting. When asked why they leave one job for another, several of our millennial interviewees responded in similar ways:

“I know it’s time to go if I feel like I’m not making an impact.”
– 28-year-old financial manager

“When there’s not a clear career path in sight”
– 29-year-old marketing professional

“I’ve left a job when I was given a promotion and increased workload without a raise”
– 26-year-old graphic designer and retail manager

In our interviews we found a clash between expectation and outcome, and it isn’t altogether surprising. The generation that received participation trophies has been conditioned to require external factors to spur their motivation. When they can’t see a tangible impact, when there’s no path in sight, or when more is expected without some sort of reward, the millennial paradigm is threatened—and they find no qualms in cutting their losses. Our SubVerbal analysis revealed a consistent underlying conviction when our millennials talked about justification for leaving a job, even before they found a new one.
Manage Our Expectations

In psychology, self-affirmation theory explains how people reduce the threat to their self-concept by focusing on and affirming their competence in some other area. It’s no wonder, then, that millennials are more likely to go on the job hunt when their vision of their role doesn’t match reality.

To combat this widespread mentality, recruiters and managers alike should make every effort to manage millennials’ expectations. If your org chart requires a five-year gap between promotions, be ready to explain what it takes to move up. Managers should take an active role with their direct reports, providing regular feedback that accounts for the bigger picture. Millennials care about leaving a positive mark, and your perspective can help them see the forest for the trees.

For millennials to feel fully empowered in their roles, they must be treated like the entrepreneurs they imagine themselves to be.
Empowered Entrepreneurs

Ask a millennial what they value most, and you’re sure to hear “freedom” in some form. In asking a group of millennials about their least favorite aspects of their jobs, an IT manager for a large bank talked at length about the simple pleasures of life she felt she was missing out on due to the strict nature of her company’s corporate culture.

She resented the fact that, despite her relatively high productivity and excellent standing among her peers, she wasn’t afforded the flexibility to leave work early on a Friday. Her peers echoed her sentiment; one even scoffed in response and said, “I’d DIE before I’d work there.” When it comes to their priorities, millennials rank “being in a role I’m passionate about” above salary and other benefits, according to our survey. While the specific context of a role is integral in that understanding of “passion,” what supersedes it is the notion of ownership and trust. For millennials to feel fully empowered in their roles, they must be treated like the entrepreneurs they imagine themselves to be.
Ironically, the reality is that the segment of people under 30 who own a business of their own has fallen by 65 percent since the 1980s. A central factor is debt—the number of student borrowers rose 89 percent between 2004 and 2014, which in turn means less risk taking. Coupled with the aforementioned uncertainty millennials experience, it makes sense that the decision to go it alone would be even more fraught with potential failure. Yet, despite their baggage, the entrepreneurial mindset is alive and well among this generation.

Ownership with Guidance

For this demographic, trust is expected, not earned. The thought of not being granted flexibility in exchange for hitting performance metrics is absurd to millennials, and it’s a concept that’s diametrically opposed to the freedom they crave.

On the other hand, millennials aren’t proving themselves to be real-life entrepreneurs as of yet, so they need guidance. Setting them up for success means regular check-ins (annual reviews aren’t enough), both positive and constructive feedback as a rule, and structured mentorship. Once these pieces are in place and expectations are set, it’s critical that performers who own their roles are rewarded for their hard work. Millennials want to be treated like adults—they don’t want something for nothing, but they believe that proven responsibility should afford some autonomy.
Where Are We Going?

Popular-with-millennials clothing brand Everlane cashed in on the philosophy of “radical transparency.” On its website, you can view the itemized cost of any piece of clothing you’re interested in, so there’s no guessing about their markup. On Snapchat, the company’s employees celebrate “Transparency Tuesday” by asking sometimes fun, sometimes tough questions direct from their followers.

By making a point of being real about what they’re selling and why they’re selling it, Everlane has captured the trust, respect, and patronage of many millennials.

For any company that struggles with enrolling their people, finding and communicating a unifying vision will increase the odds of keeping younger talent around for the long haul.

Certainly, the motivation to buy from a company is distinct from the motivation to work there, but transparency is the new millennial standard for businesses. When it comes to scoring top talent, companies are charged with full integrity both in the product or service they’re providing, as well as their vision for the future. In millennial expert Scott Hess’ Ted Talk titled “Millennials: Who We Are and Why We Hate Them,” he refers to this millennial-led phenomenon as “commerce lubricated by conscience.”

Despite their reputation as job hoppers, millennials don’t intend to be unreliable. Both in our interviews and survey results, a wide swath of them state they plan on staying at a company for more than just a few years. However, our SublVerbal analytics indicate that the topic of tenure induces stressful emotions like frustration, loneliness, and longing. A culture that understands the dynamics behind millennials’ apparent fear of commitment can work to ameliorate it by making goals and metrics crystal clear.
When it comes to winning millennial employees' loyalty, it's necessary to understand that they can't be duped, so there's no use in trying. They've got all the information they could ever need a Google search away, and technology is second nature. Businesses and brands are well served by meeting this demand to hone in on what they stand for and what kind of impact they want to have on the world.
Millennials are hungry for a work culture that inspires them. At a macro level, companies should communicate clear plans for the future that reflect their core values. Once that’s achieved, enrolling the workforce is critical. Continuous communication about the company’s mission and the progress that’s being made will keep this generation engaged. Managers who can connect their team’s actions to the company’s mission will gain additional trust and loyalty.

Without a roadmap, team members inevitably lose steam. But when the vision and the people are upheld in equal regard, possibilities are energized. In addition to solidifying the company vision, encourage individual team members to cultivate their own goals, both within and outside work. Cultivating an energized, firing-on-all-cylinders labor pool is the stuff millennial career dreams are made of.
Conclusion

As millennials find their foothold in the workplace, the companies that stand to benefit most from this generation will be those that both acknowledge and embrace their unique challenges, expectations, and values. Retaining younger employees means taking a look in the mirror in order to understand the real meaning behind the business. Thoughtful transparency and a well-articulated vision of the future will not only quiet millennial anxiety, but also ensure they’re aligned and enrolled in the work at hand. If anything’s certain, it’s that for all their shortcomings, millennials’ relentless drive for transparency will force more communication from leaders to the workforce, clarifying the future and strengthening the company’s position.

Betsy Wecker studies human behavior and decision-making to help companies adapt and grow. She is the Insights Director at Department26, a strategy firm based in greater Cincinnati, Ohio. Department26 uses their expertise in intelligence gathering and behavioral science to deliver insights, strategy, and strategic communication to help the world’s most respected companies take action, grow, and thrive. Department26.com