

The Role of HR in Harnessing the Millennial Generation

Ram Charan HR Essay Contest

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Most, if not all, of the papers submitted for this contest have been written by Millennials: emerging leaders who were born between approximately 1980 and 1995 and who will define the business landscape of the 21st century. Our generation brings to the workplace a set of attributes, values, and skills unlike that of our predecessors. We switch jobs and careers frequently. We are more mobile and ethnically diverse. We are perceived as confident, connected, and open to change.¹ We are accustomed to praise and expect to be recognized. We demand personal fulfillment in addition to competitive pay.² We have high expectations for the benefits and growth opportunities employers provide. In fact, many of us may will avoid the traditional corporate path altogether to pursue entrepreneurial ambitions.

Considering these stereotypical attributes, how are winning companies managing this talent pool? This paper contends that companies that have consciously aligned HR strategy, policy, and practices to the Millennial profile are winning the battle for our generation's top talent. Future-oriented HR leaders pay attention to the common desires of Millennials in the workplace and tailor opportunities accordingly. This paper outlines several defining professional characteristics of Millennials and provides examples of ways companies are adapting to win young talent. It also includes recommendations for moving these efforts forward.

The goal of this piece is to promote conversations among top HR leaders about how to effectively mobilize Millennials now in order to prepare us for future global leadership.

¹ Pew Research Center, "Millennials: A Portrait of Generation Next," February 24, 2010. <http://pewresearch.org/pubs/1501/millennials-new-survey-generational-personality-upbeat-open-new-ideas-technology-bound>, accessed June 2011.

² Karyn McCormack, "Careers: The Goods on Generation Y," *Bloomberg Businessweek*, June 25, 2007. http://www.businessweek.com/investor/content/jun2007/pi20070624_294649.htm, accessed June 2011.

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Adapting to the profile of the next generation has already become a business imperative for forward-thinking leaders and needs to become a priority for every leader focused on enhancing organizational performance through engagement, productivity, and retention.

Three HR Strategies for Harnessing the Millennial Generation

Leading companies recognize that harnessing the talents and skills of the Millennial generation is integral to long-term success. The verb “harness” may seem an interesting choice: According to Merriam-Webster.com (which I used because Millennials have rendered physical reference books obsolete), “harness” means to tie together, to attach, or to utilize potential.³ This definition is meaningful for several reasons. On the one hand, our generation holds tremendous potential that employers can utilize to advance business in creative and technologically-advanced ways. On the other, we resist attachment to both companies and careers. Committing long-term to one employer may cause Millennials to feel a loss of individual identity. Moreover, many Millennials have watched stable, one-company careers vanish for their parents and are thus more likely to aspire to “free agent” rather than “company man” (or woman) status.

Given the challenges inherent in winning Millennial talent, HR leaders appeal to this group when they focus on the following objectives for recruitment, onboarding, and retention:

- 1) Leverage technology and social media to connect, collaborate, and enhance brand image
- 2) Deliver individualized career pathways and work-life balance solutions
- 3) Provide frequent recognition and benefits that are aligned to Millennial priorities

³ <http://www.merriam-webster.com/dictionary/harness>, accessed June 2011.

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Effective HR Strategies, Policies, and Practices for the Millennials

1) Leverage technology and social media to connect, collaborate, and enhance brand image

First impressions are critical, and Millennials use the Internet to evaluate brands and form opinions about the desirability of potential employers. According to an Accenture global study on Millennials' technology use, "one in four Millennials globally – and four in five in China and India – use social networking to investigate employers, superiors, clients, and service providers. If senior managers aren't using the same communication vehicles as Millennials, they won't be part of the conversation."⁴ Not surprisingly, nearly all of the companies Millennials ranked highly in a 2011 Top Career Websites survey have a Facebook page devoted to careers.⁵

An inspiring, interactive career portal captures Millennial attention more than giveaways at a career fair ever will. According to *The Wall Street Journal*, recruiting magnet Microsoft Corporation invests heavily in a globally-integrated career site that features Millennial-friendly content, such as employee blogs and videos.⁶ Media powerhouse Bertelsmann has consistently earned top marks from Millennials worldwide for its "Create Your Own Career" portal, which allows users to customize a career path by completing an online self-assessment. The website also includes an interactive video, Twitter feed, Facebook link, tag cloud, and downloadable widget that provides users with real-time updates on job postings and company blogs.⁷

⁴ "Jumping the Boundaries of Corporate IT: Accenture Global Research on Millennials' Use of Technology," 2010. http://www.accenture.com/SiteCollectionDocuments/PDF/global_millennial_generation_research.pdf, accessed June 2011.

⁵ "Top Career Websites 2011," Potentialpark Communications. <http://www.potentialpark.com/teweb-ranking-2011/>, accessed June 2011.

⁶ Joe Walker, "Firms Invest Big in Career Sites," *The Wall Street Journal Online*, June 8, 2010. <http://online.wsj.com/article/SB10001424052748704764404575287254249588026.html>, accessed June 2011.

⁷ Bertelsmann Media Worldwide. <http://createyourowncareer.com/Professionals.html>, accessed June 2011.

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HR innovators also put Millennials at ease during the recruitment process by using familiar tools such as Skype to conduct interviews. Choosing to conduct virtual interviews should not be viewed as a last resort but rather as a strategic choice, as such platforms are not only cheaper than traditional face-to-face contact but also signal that Millennial communication preferences are valued by the company. Cisco Systems is a prime example of a corporation that uses the recruitment process to subtly showcase Millennial-friendly values: the company routinely conducts virtual interviews and delivers corporate presentations that detail workplace technologies, such as advanced teleconferencing abilities and a Facebook-like internal directory.

In a global marketplace, cautious moves to infuse Millennial-friendly technology into the recruitment process – such as hosting Skype interviews – may not be enough. This paper encourages HR leaders to consider a more radical change by shifting to a strategic model based on virtual recruiting. According to the Accenture study noted previously, 37% of Millennials worldwide – and nearly three-quarters in India – consider state-of-the-art technology to be a key factor in selecting an employer. Furthermore, Millennial workers in China spend on average over 33 hours per week on real-time communication tools.⁸ Successful companies have long mastered the game of finding talent wherever it may be. With the emergence of the Millennial workforce, the days of recruiters streaming onto Ivy League campuses to meet potential hires ought to be over. Recruiters can more effectively find traditional talent – and, more importantly, uncover new talent from every corner of the globe – in our virtual world. If the future talent you need is in Boston *and* in Bangalore, then a robust virtual recruitment strategy is critical.

⁸ “Jumping the Boundaries of Corporate IT: Accenture Global Research on Millennials’ Use of Technology,” 2010.

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Of course, experimenting with virtual recruitment forums and platforms is not new. Virtual career fairs abound. Organizations as diverse as Amazon.com and the U.S. Army have recruited on the virtual platform Second Life.⁹ In fact, International Business Machines Corporation encouraged recruits for its Extreme Blue internship to “log on, create avatars to physically represent themselves, and then visit IBM Island.”¹⁰ However, most companies have not fully grasped the power of engaging Millennials online nor moved beyond experimental status with respect to virtual recruiting. There is no better time than the present – with Baby Boomers retiring and Millennials entering the workforce *en masse* – to pursue such changes.

HR leaders should consider, for example, the enormous potential to harness Millennial talent through online business simulations and crowd-sourcing. Proctor & Gamble has utilized online games that invite players to weigh in on the company’s next acquisition, while recruiters such as L’Oréal and Groupe Danone have also developed interactive strategy games “that promote the company and help the employers spot promising talent.”¹¹ To consider another example from IBM, a recent HR ThinkFuture “jam” used the company’s technology to spark a virtual dialogue on the future of HR with thousands of global thought leaders.¹² If there remains any doubt about the power of the virtual collective to solve business problems, consider how innovative HR leaders at General Electric successfully sourced 80 highly-specialized, expert rail-signaling systems engineers within 10 months by launching “a website to inform them about the

⁹ “Amazon Second Life Job Fair.” <http://aws.typepad.com/aws/2009/07/amazon-second-life-job-fair.html>, accessed June 2011.

¹⁰ Ron Alsop, *The Trophy Kids Grow Up: How the Millennial Generation is Shaking Up the Workplace* (Jossey-Bass, 2008).

¹¹ *Ibid.*

¹² Anne Freedman et al., “Best HR Ideas of 2011.” <http://www.hreonline.com/HRE/story.jsp?storyId=533333320>, accessed June 2011.

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company's ambition, including short informational videos from the main business leaders."¹³

GE received approximately 1,200 job applications through this initiative.

Once Millennials are onboard, HR leaders can motivate them by tailoring learning and development opportunities to their technological profile. Virtual classrooms and coaching, educational podcasts, YouTube videos, and webinars all appeal to Millennials and help to bridge the generational gap. Gary Ellis, Senior Vice President of HR at Fox Filmed Entertainment, relates that his company migrated to automated onboarding because "Millennials expect that a potential employer would clearly show it understands their mind-set."¹⁴

HR leaders that are slow to integrate technologies and social networking practices into recruiting and retention programs may find their Millennial new hires making these changes on their behalf. New MBA hires convinced healthcare giant Johnson & Johnson to create an internal social network, which now includes virtual classrooms and a career counseling center.¹⁵ More alarmingly, research shows that Millennials are likely to circumvent corporate security guidelines that interfere with their preferences and to develop their own "creative workarounds" to use favored technologies.¹⁶ The message is clear: HR leaders can improve engagement, productivity, and retention of Millennials by fully embracing the technology and social media we already use. We likely won't settle for anything less.

¹³ *Ibid.*

¹⁴ Tom Starner, "Bringing Them Onboard," *Human Resource Executive Online*, November 1, 2009. <http://www.hreonline.com/HRE/story.jsp?storyId=279966743&query=millennial>, accessed June 2011.

¹⁵ "Jumping the Boundaries of Corporate IT: Accenture Global Research on Millennials' Use of Technology," 2010.

¹⁶ *Ibid.*

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2) Deliver individualized career pathways and work-life balance solutions

Millennials were born into the era of standardized tests and individual development plans. Privileged Millennials may have grown up with tutors, career coaches, psychologists, nannies, and parents who carefully monitored their every move. These same students have pushed colleges to offer an ever-expanding array of majors, minors, and specializations.

It should come as no surprise, then, that Millennials expect to have options when they enter the corporate world. Many of us won't be motivated to learn in an interview about a company's track record of supporting linear, function-specific career growth. We will be much more excited to hear about a rotational program that allows us to test-drive different functional roles and develop new skills. Humana's Infusion Program, which promises recruits "will gain exposure to and learn from Humana's leaders, showcase their talents through cross-functional project work, and be paired with a mentor,"¹⁷ is an example of the type of opportunity Millennials crave. Apple, Inc., retains its Millennial dream company status by pitching its opportunities as "corporate jobs, without the corporate part" and telling Millennials what they want to hear: "We've got an environment where you can make things happen. Fast. There's plenty of open space – and open minds. Collaboration. And of course, innovation."¹⁸ As another example, Sears Holding Corporation has smartly revamped its outdated image by offering "Innovation Internships" that allow interns to report directly to senior management.¹⁹

While HR leaders may not have crafted competency models and individual development plans with Millennials in mind, such tools align well with Millennial expectations for coaching

¹⁷ http://www.humana.com/resources/about/careers/college_programs/graduate_students.aspx#Fulltime

¹⁸ <http://www.apple.com/jobs/us/corporate.html>

¹⁹ <http://www.searsholdings.com/careers/jobs/MBA/internship/MBAInnovation.htm>

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and guidance. As noted in the book *Keeping the Millennials: Why Companies are Losing Billions in Turnover to this Generation – and What to Do About It*, successful companies:

...engage [Millennials] in ‘career pathing’ or ‘career laddering,’ formal processes that show employees what their career progression can look like – not only up, but also sideways... In a similar vein, Millennials relate best to companies that provide opportunities for advancement, interesting work, and regular training. Many progressive companies now offer online career-progression platforms in which employees can map out their own careers.²⁰

This quote reinforces the point that Millennials resist one-size-fits-all developmental tracks. HR leaders need to empower Millennials to control their own career path while also providing the hand-holding that this generation expects, through mentoring, career coaching, and feedback.

Forward-thinking companies are also adapting to the reality that many Millennials will pursue non-traditional paths to the corporate world. Companies as diverse as Goldman Sachs, Google, GE, and McKinsey & Company have shown leadership by offering two-year deferrals to Millennials who are accepted into both their companies and Teach For America.²¹ Other companies have developed short-term global service assignments that meet business objectives while also catering to the restless Millennial spirit. Perhaps a lesson can also be learned from the prestigious law firms, such as Skadden LLP, that paid incoming 2009 associates to pursue public service opportunities when start-dates were postponed. Though such initiatives were developed in response to the global downturn, they fit the Millennial profile perfectly and generated significant press and good will for firms that are frequently disparaged by this generation.²²

²⁰ Joanne Sujansky and Jan Ferri-Reed, *Keeping The Millennials: Why Companies Are Losing Billions in Turnover to This Generation-and What to Do About It* (John Wiley & Sons, 2009).

²¹ Teach For America Employer Partners page, visible to alumni only at www.tfanet.org, accessed June 2011.

²² Lisa Faye Petak, “Young Lawyers Turn to Public Service,” *The New York Times*, August 19, 2010. <http://www.nytimes.com/2010/08/20/us/20defer.html>, accessed June 2011.

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It may seem a sign of professional immaturity that Millennials often demand to work wherever they want, whenever they want. However, it has become common knowledge that HR leaders at Best Buy achieved productivity improvements averaging 35 percent through a Results-Only Work Environment (ROWE) that allows many of its employees to work wherever they want.²³ Another example of Millennial-friendly flexibility can be found at Marriott International, Inc., where teams of employees “can have more flexibility in their work schedules ... if they figure out how to do their jobs faster, a particularly attractive perk to a generation that seems especially opposed to letting work become all-consuming.”²⁴ Such a work-life balance solution is welcome to Millennials who are adept at connecting to others and working virtually. To retain the incoming workforce, companies will find it to be a business imperative to offer such solutions and flexibility.

Ask any Millennial about the ideal corporate culture, and you’re likely to hear Google, Inc. mentioned. While the company has eliminated some of its more elaborate and well-publicized perks, it is still regarded as the work-life standard for many Millennials. Googlers “work in teams, and schedule their work within those teams. Some work early and some work late, but each works at a time that is most productive for that individual.”²⁵ When Googlers are not working, they may be exercising or playing games with friends on-site, eating complimentary snacks in the café, or catching a free ride home on a Google bus or colorful bicycle. Google has done more than most companies to highlight work-life balance for its

²³ “ROWE: The Results-Only Work Environment.” <http://rowe.iambestbuy.com/>

²⁴ Scott Flander, “Millennial Magnets,” *Human Resource Executive Online*, April 1, 2008. <http://www.hreonline.com/HRE/story.jsp?storyId=84159035&query=millennial>, accessed June 2011.

²⁵ Grae Yohe, “The Millennial Mindset,” *Human Resource Executive Online*, November 1, 2007. <http://www.hreonline.com/HRE/story.jsp?storyId=44291612&query=millennial>, accessed June 2011.

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employees and to encourage them to explore their full personal identities in the workplace. This strategy works: The Brookings Institution found that 7.5% of U.S. Millennials named Google their “Most Admired Company,” outranked only by Apple with 14.5% of the votes.²⁶

3) Provide frequent recognition and rewards that are aligned to Millennial priorities

Finally, HR leaders win when they redesign recognition and rewards programs to meet the Millennial profile. The need for this transformation is captured by the KEYGroup’s 2008 survey results: When asked about sources of workplace motivation, Millennials ranked salary “fourth among the 21 choices offered, preceded by health benefits, work-life balance, and promotional opportunities.”²⁷ While Millennials surely care about financial reward, recognition programs that revolve around financial incentives will not be sufficient for the next generation.

A promising solution for companies is to actually *involve* Millennials in choosing the incentives they desire. HR leaders could develop reward portals that allow workers to choose their own incentive from an array of possibilities. While this may sound suspiciously like asking employees to trade in tickets for prizes at a carnival, this strategy would speak to the Millennial desire for self-definition. If this idea sounds too extreme for your HR department, adopting incentives that fit Millennial lifestyles – such as frequent flyer miles, iTunes gift cards, fitness center memberships, telecommuting, or subsidized educational options – would be a good start.

HR leaders should also bear in mind that the incoming workforce expects to be recognized frequently, perhaps as a result of growing up in the “every child, a winner” culture of

²⁶ P.W. Singer, Heather Messera, and Brendan Orino, “D.C.’s New Guard: What Does the Next Generation of American Leaders Think?” Foreign Policy at the Brookings Institution, February 2011. http://www.brookings.edu/~media/Files/rc/reports/2011/02_young_leaders_singer/02_young_leaders_singer.pdf, accessed June 2011.

²⁷ Sujansky and Ferri-Reed, *Keeping The Millennials*.

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modern American schools. (International Millennials who attended university in the U.S. are not immune to this trend.) The companies that keep Millennials will institutionalize frequent recognition practices. They will also enable Millennials to recognize their peers, ideally in ways that are public and just a mouse click away.

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If you have drawn the conclusion that Millennials are demanding fundamental changes in the way companies operate, you are probably correct. Perhaps many Millennials behave in ways that make them appear too confident or too entitled. Perhaps their “profile” and desires should simply be ignored by HR leaders. You may be thinking that this generation will simply adapt to the professional status quo in time, and that they will pay their dues by climbing the corporate ladder as their predecessors have done. However, the data available thus far tell a different story. If the Millennial workforce trends reported here persist, young workers will continue to leave the companies that do not adapt to their needs. Companies will lose billions of dollars to attrition.

The role of HR in harnessing the Millennial generation is critical, and leaders today can improve the performance of their organizations by following the example of innovative peers. These HR leaders are leveraging technology and social media to connect, collaborate, and enhance brand image; they’re delivering individualized career pathways and work-life balance solutions; and they’re providing frequent recognition and benefits that are aligned to Millennial priorities. It is my hope that this paper encourages your companies to do the same.