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THE DISAPPEARING ACT

WHY MILLENNIALS LEAVE COMPANIES -
AND HOW L&D CAN ENTICE THEM TO STAY

by

Grovo

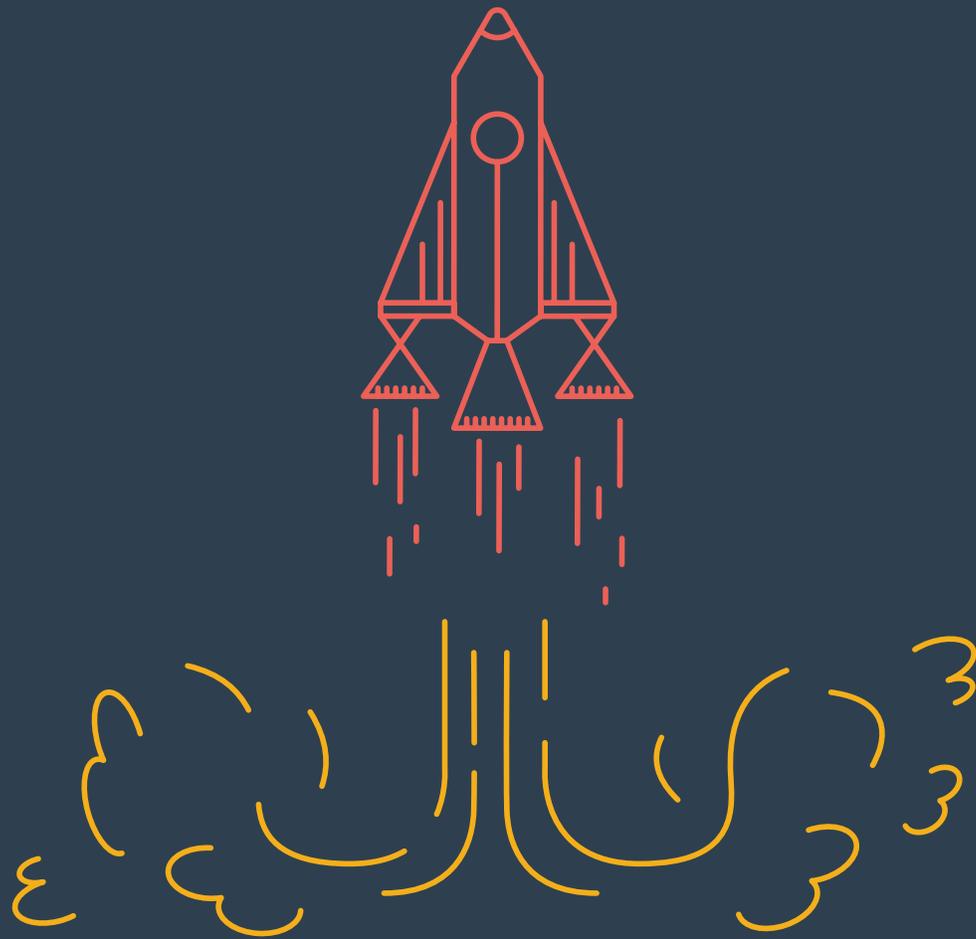
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The Disappearing Act

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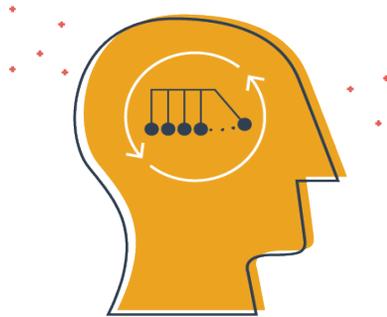
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Introduction

Millennials are flooding the job market. In 2015, they surpassed GenXers as the largest generation in the U.S. workforce¹. They're known to be extremely confident, ambitious, and tech-savvy—all valuable qualities highly sought after by most companies.

But something troubling is happening. As millennials pour into the workforce, companies are seeing drastically higher levels of employee disengagement and turnover. Job hopping is rampant. Clearly, companies are failing to connect with and inspire this new breed of employee—and it's costing a fortune. As millennial talent vanishes in search of greener pastures, companies pay heavily in knowledge loss, decreased productivity, and recruiting expenses.

The good news is, L&D holds the key to solving this millennial “disappearing act,” and in the following pages we'll explain why.



IN THIS WHITE PAPER YOU'LL LEARN:

- The 5 key millennial values that may be underlying the engagement and retention problem today
- Actionable tips on how L&D can make your company more attractive to top millennial talent
- Insights on how to develop millennials to be productive and lasting contributors to your company and culture

An Expensive Revolving Door

First, let's take a look at some numbers behind this problem.

60%

OF MILLENNIALS

leave their company in less than three years

87%

OF COMPANIES

report it costs between \$15-25,000 to replace each millennial employee they lose

40%

OF COMPANIES

currently employ 50 or more millennial workers²

Not only is this a very costly problem for a business's bottom line, but it's also taxing for other employees.

71% of companies say losing millennial employees increases the workload and stress level of their current employees².

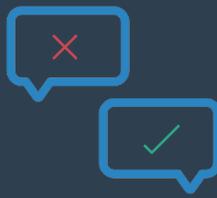
Millennial turnover causes losses in time and productivity: 56% say it takes between 3 and 7 weeks to hire a fully productive millennial in a new role².

So what can L&D do to put a stop to the problem, and better engage and retain millennial talent?



“Job switching is definitely a characteristic of my generation. After two years, many of my friends feel they have to move on.”³

— Lena Licata
Ernst & Young employee & Millennial



What Matters Most To Millennials

At the heart of this engagement and retention issue often lies a misalignment of values. Millennials view work through an entirely different lens than previous generations—and many of today’s companies simply haven’t caught up.

Here are 5 key values millennials look for in an employer:

- **Development.** Millennials are hungry for training, career advancement, and opportunities for growth.
- **Meaning.** Nothing is more important to millennials than doing work that matters.
- **Autonomy.** Millennials have a natural entrepreneurial spirit and want to work on their own terms.
- **Efficiency.** There’s always a better, faster, and easier way to work. Millennials want to find it.
- **Transparency.** Information is essential to millennials—they want to be kept in-the-know on the job.

As we stated in the introduction, L&D is in the perfect position to stop millennial talent from heading for the door.

Read on to find out why each of these values is so important to retaining millennials, and how you can support them through your organization’s learning and development function.



VALUE #1: DEVELOPMENT

Wide-Eyed and Willing To Learn

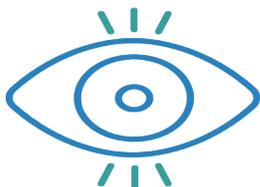
Millennials have a voracious appetite for new skills.

Millennials are characteristically young, hungry, and hopeful. They want career advancement, and they want it now. A recent study showed that training and development was the #1 perk millennials considered when evaluating prospective employers, more than cash bonuses or a 401k program⁴.

Why? Perhaps it's because many millennials entered the workforce squarely in the heart of an economic recession. Job prospects were scarce, and often the only way to stand out was to aggressively develop their professional skillsets. This hyper-awareness led many millennials to recognize the value in continual learning and development.

Not only that, but millennials look around and see their peers achieving massive success at a very young age. Companies like Facebook, Tumblr, Instagram, and countless buzz-worthy startups have all been successfully founded and run by millennials. It's obvious that career achievement isn't a matter of age or loyalty anymore. **It's about skills and hustle.**

Much of this thirst for development may stem from unbridled youth: many millennials don't have mortgages, families, and car payments yet. Their careers are often their focal point, and they're too ambitious to sit back and climb the corporate ladder the long way—they're looking for an elevator. The world moves too fast, and millennials recognize that if they're not moving forward, they're becoming obsolete.



How can L&D support this value?

3 ACTIONABLE STEPS

- 1. Provide daily development opportunities.** Traditional learning is too slow for today's employees. Rather than long videos and periodic lectures, use a microlearning-based approach to weave development into employees' everyday work.
- 2. Personalize your training.** Too many employees get trained on things they don't need, and fail to get the skills that will actually make them more productive. Take a learner-first approach by assessing needs and providing relevant content, instead of blanket one-size-fits-all training.
- 3. Rethink your approach to management.** More than bosses and managers, millennials want coaches and mentors. Adopt this mentality to foster a more learning-driven culture that millennials won't want to leave.

VALUE #2: MEANING

Seeking Profit with a Purpose

Millennials are passionate about doing work that matters.

When you think about it, millennials have come of age during some pretty tumultuous times. September 11th, Columbine, wars in Iraq and Afghanistan, the 2008 financial collapse, and numerous political scandals have all had a heavy hand in shaping this generation's viewpoint. As a result, many millennials feel personally responsible for making this world a better place.

This may be why millennials are so insistent on doing work that has a purpose beyond a paycheck. Studies show that 75% of them believe businesses today are too fixated on their own agenda, and not focused enough on helping to improve society⁵.

These ideals are being reinforced by highly visible companies that are proving it's possible to do good business by doing good in the world. TOMS Shoes donates a pair of shoes to a child in need for every pair purchased. Warby Parker runs a similar "buy a pair, give a pair" program for eyeglasses. Popular companies like these influence millennial expectations and make them want more of the same for themselves.



How can L&D support this value?

3 ACTIONABLE STEPS:

- 1. Teach mission right off the bat.** Instill your company's mission and vision in a clear, uniform, and inspiring way during the onboarding process while new hires are still fresh and excited to be joining your company.
- 2. Celebrate your history.** Use short videos, email newsletters, or informal talks to share stories of past successes and failures. This helps continually rekindle the emotional connection employees have with your company.
- 3. Tell stories.** Learning can be more than a fact dump. Do a video spotlight on one of your better customers, or profile an internal team that truly lives into your company values. By educating employees about the people that make your business tick, you can continually remind them of the purpose you serve.

VALUE #3: AUTONOMY

Harnessing the Entrepreneurial Spirit

Millennials want the freedom to work their own way.

To many, millennials come off as a generation with an overblown sense of entitlement. They want to wear jeans to the office, listen to their iPods on the job, and work remotely when it suits them. A survey conducted by CareerBuilder.com found that 61% of millennials want more flexible work schedules and 50% want more vacation or personal time³. Fail to accommodate these preferences, and your best millennial talent is likely to start looking elsewhere.

Are these the unreasonable demands of trophy kids ruined by helicopter parenting? Maybe. But it's also possible that these demands for autonomy stem from the new ways business is being done in the 21st century.

Technology has put more power in the hands of the individual than ever before. Anyone can broadcast their own show on YouTube. Anyone can publish their ideas on a blog. Anybody can use social media to connect with influential people, build a following, and make things happen. There are no barriers anymore—all it takes is will and skill.

This has resulted in the millennials being a very entrepreneurially-minded generation. They don't want to play by the old rules of business, because the old rules no longer apply. They see that you don't need to be in an office to do amazing work, and that a suit and tie isn't necessarily what a CEO looks like today. Millennials know that anything is possible—it's just a matter of learning how it can be done.



How can L&D support this value?

3 ACTIONABLE STEPS:

- 1. Help employees learn by doing.** The entrepreneurial way is to shoot first, aim later. Make relevant learning content available at the point of need and provide realistic practice so acquiring new skills simply becomes part of doing the job.
- 2. Teach a wide range of skills.** From soft skills like negotiation and collaboration, to hard skills like SEO or digital tools, provide a broad business education to appeal to every millennial's inner entrepreneur.
- 3. Continually update your learning content.** These days, the skills needed to do good work evolve incredibly fast. Make sure your learning materials are continually updated so employees always have relevant knowledge about how business works today.

VALUE #4: EFFICIENCY

Is There a Hack For That?

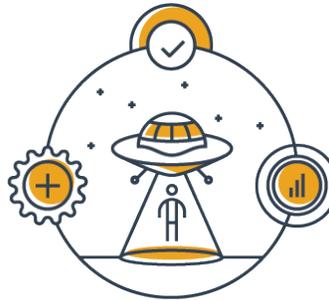
Millennials don't want to play by rules. They want to break them.

For previous generations, there was a relatively clear path to career success. You hopped on the corporate ladder, climbed diligently, and with enough talent and luck, you eventually made your way to the top.

That model is quickly crumbling. Nowadays, millennials are seeing that success is often more likely achieved by breaking the rules, not following them. Today, it's the hackers, the innovators, the people who think differently who are successful. Millennials have seen companies like Netflix, Uber, and Seamless use technology, fast learning, and smart thinking to upend entire industries. And often pretty quickly: in January of 2012, Kodak filed for bankruptcy. In April, Instagram was sold for a billion dollars⁶.

For this reason, millennials are constantly looking to learn or create the next smartcut, the more efficient workaround. They long to innovate, experiment, and try new things—and loathe the glacial pace of more traditional corporate cultures.

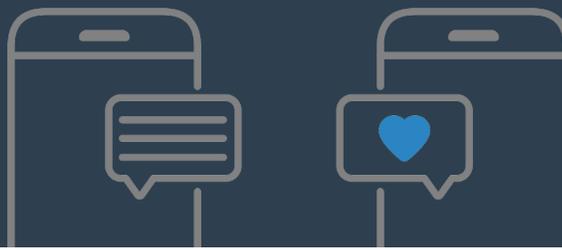
Fueled by shrinking attention spans, an on-demand mentality, and a world that's constantly changing around them, millennials are driven to seek better, faster, and easier. They're itching to synthesize skills, knowledge, and creativity to unearth more efficient ways to do their work—and they don't want to wait around a second longer to do so.



How can L&D support this value?

3 ACTIONABLE STEPS:

- 1. Become part of the hack.** If you're not part of the hack, you're part of the problem. Give employees continual access to high-quality training on digital tools and other practical time-saving skills.
- 2. Put learning in the workflow.** Abandoning the task at hand to go learn a new skill or technique is not efficient. Make learning available whenever and wherever your employees are working—at the office, in the field, at home, and on mobile devices.
- 3. Teach in short bursts.** A lecture scheduled 2 weeks from the point of need, or a 1-hour video lesson won't always help employees achieve more, faster. Use short video clips or other "micro" forms of learning to make content easily searchable, accessible, and consumable.



VALUE #5: TRANSPARENCY

Trust, Knowledge, and the Open Kimono

Too much information? To a millennial, there's no such thing.

Growing up in the face of public scandals like the Enron bankruptcy and the Clinton impeachment showed millennials you can't keep a secret in this world. At least not for very long. For this reason, they're hungry for transparency. They want to be kept in the loop. Where is the company headed? What do the senior leaders think? Tell us, tell us, tell us!

Remember, millennials are the generation of the ultra-connected, the uber-social. They can't get enough communication. A generation of info junkies, the millennials are hooked on how-tos, programmed to seek out answers, and ruthless when it comes to demanding honesty and authenticity.

When Facebook changed its terms and conditions without warning in 2009, many millennials rose up in reaction, quickly forming online coalitions that were astonishingly well-organized and effective in their protest of these changes. The new terms were rescinded and CEO Mark Zuckerberg was extremely transparent as the company worked through an alternative solution. In true millennial form, he continually educated the public, answering questions, building trust, and making it a communal learning process.

This "open kimono" approach is now the new expectation, and something every company needs to adopt if they want to retain millennial talent. Good news for you: L&D can carry the torch in helping make it a reality.

How can L&D support this value?

3 ACTIONABLE STEPS:

- 1. Educate employees about your business.** How does your company make money? What deals are in the works? How are the economics of the organization evolving? The more materials you can provide employees on how your company functions, the more loyal they're likely to be.
- 2. Facilitate brown bags.** "Brown bags" are informal get-togethers where employees can hang out at lunch or after hours and give short talks about what they're working on or problems they're solving. They're powerful way to share knowledge across teams.
- 3. Make real-time announcements and updates.** Employees are incapable of making the best decisions on the job if they lack sufficient information about the status of the company. Keep your employees educated about ongoing business developments to directly improve their engagement and performance.



Conclusion

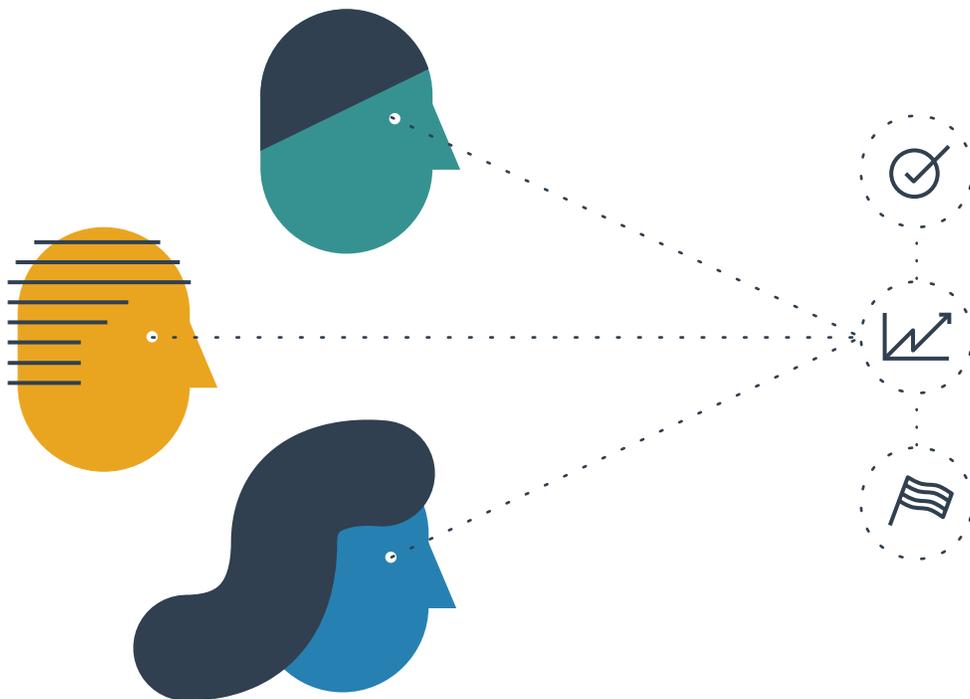
Millennials leave companies for a simple reason: they're not getting what they need.

It's going to take more than job security or paychecks to keep them. This generation is a bit younger, a bit more hopeful. They want to be a part of something bigger than themselves. To contribute to an organization that will nurture them professionally. Most of all, it seems they are hungry to learn and eager to do their best work.

This is a golden opportunity for L&D. All these millennial desires can, in part, be fulfilled by experimenting with the ideas we've discussed in these pages. Try them at your organization, and let us know what works, and what you discover along the way.

We can't wait to hear from you.

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