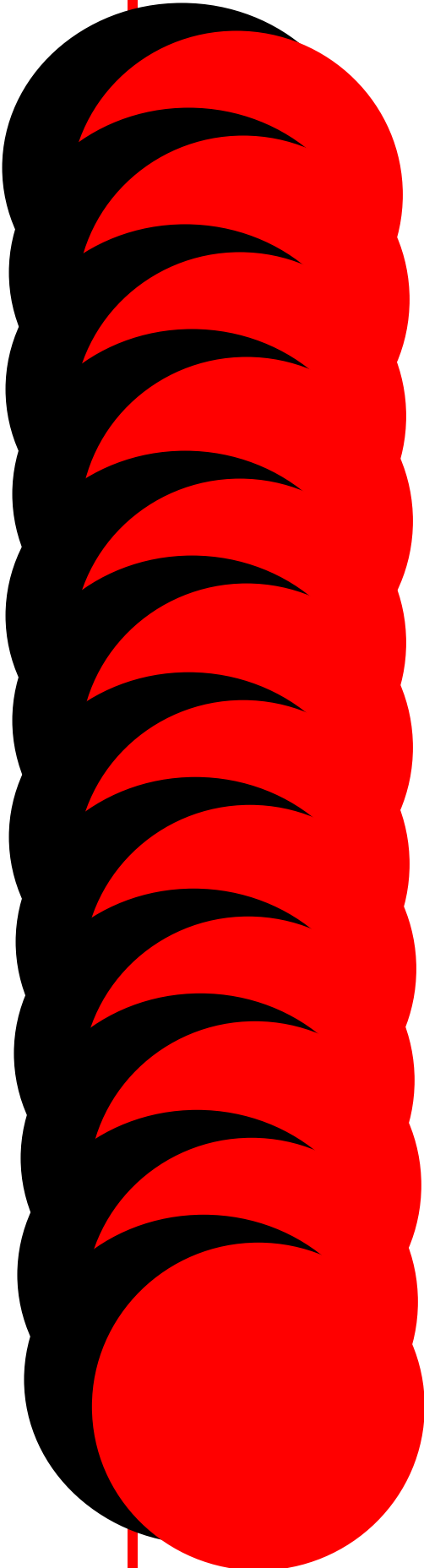


MILLENNIALS: THE SECRET FORMULA

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12 November 2008

TOP SECRET
Millennial Formula



Millennial Talent: The Sweet Spot

Wired to learn, open to diversity.

The millennial generation does not look like any other previous generation. What makes them so different? Three things: technology, upbringing and diversity. This paper explores the learning organizational as well as diversity implementation in organizations with the suggestion of both concepts as meaningful transitional approaches to integrating the millennial generation into the workforce. The buzz and apprehension around millennials in the workplace brings to mind the anxiety just before Y2K. Just like the case of Y2K, there is not a thing a miss with millennials getting into the workplace. While this generation is different from the incumbent one, it is still human - the point being that, essential employee needs are still the same. The difference in this generation is their perspectives on work, values, skills, ability and expectations. While they have been called naive, their optimism is not dumbfounded. They truly have the potential to turn on the switch to take us into the next decade in an effective and efficient manner, fitting for the 21st century.

Millennials

The term Millennial was coined by Neil Howe and William Strauss in their 1991 book “Generations”. In a following book, “Millennials Rising”, they defined the age definition for millennials as those born between 1982 and 2000. The age definition is often a debatable subject among scholars with some findings showing the cohort beginning from 1978. The happy medium for the gap is 1980 and therefore the reference point for this paper.

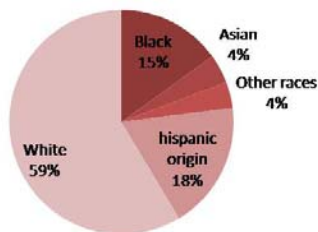
Demographics

Millennials are the second largest generation in US history on surpassed by the boomer population ([those born in between 1946 – 1964] Sweeney, 2006). Below is a 10 year projection and distribution of the millennial population based on their entrance into the workforce.

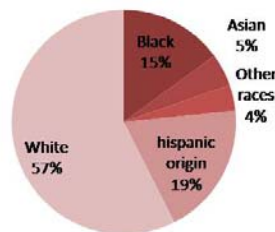
Millennial Distribution between 2008-2018

Year	Age Group	Population	Eligible to be in the Workforce
2008	8-28	87,672,951	67% of the millennial Population
2013	13-33	89,663,420	87% of the millennial Population
2018	18-38	91,651,914	100% of the millennial Population

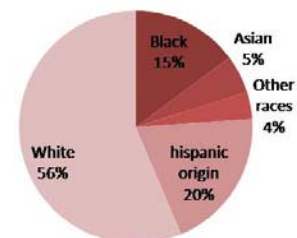
Millennials in 2008



Millennials in 2013



Millennials in 2018



Source: Figures Acquired from US Census Bureau 2008-2018 Projection

Emerging Trends

Millennial trends are likely to impact society in numeral ways based on the behaviors and preferences. Below are some the statistically significant trends that will likely have an impact going into the future.

The Dot Coms

Techno-savvy is probably the most popular attribute to the millennials. According to a survey of 7,000 college students carried out by Junco & Mastrodicasa in 2007, 97% own a computer , 94% own a cell phone, 76% use instant messaging and social networking sites, 75% of college students have a Facebook profile and most of them check it daily, 60% own some type of portable music and/or video device such as an iPod, 34% use websites as their primary source

of news, 28% author a blog and 44% read blogs and 15% of IM users are logged on 24 hours a day/7 days a week.

It's a Small World!

The Millennial world is the most expansive in respect to any previous generation. Through online social networks, they can reach well beyond the confines of geography and establish relationships with others. Study abroad programs in educational institutions have provided opportunities for them to be exposed to different cultures and ways of life. This will rapidly prove to be beneficial to global workplaces.

There's no "I" in "Team"!

Millennials have been socialized to value team work throughout their upbringing. They know how to work with others effectively and "even those who do not prefer collaboration typically do so, if they think it gives them a practical advantage (Sweeney, 2006)." They have a tendency to congregate and may value group identity compared to individual identity.

Look what I can do... at the same time!

Multitasking to the millennials is as natural as breathing! "According to a study by the Fort Lauderdale, Fla.-based staffing firm Spherion, 90 percent of 18- to 24-year-olds feel that listening to an iPod while working improves their job satisfaction and productivity(Sweeney, 2006)." Constant connection to information and thereby instant gratification has created an active mind. Therefore, they easily get bored if there isn't enough information to engage them.

I am not my hair, I am not this skin! I am the soul that lives within... (Arie, 2005)

This is the most diverse generation the US has seen with a growing population of minorities, and inclusion of previously out-casted communities such as the gay, lesbian, transgender, those with disabilities just to name a few. "Millennials are ethnically tolerant 60% of 18- to 29-year-olds have dated someone of a different race (Seton Hall University, 2007)." 39.1 percent of people under 18 are people of color (Asian; black; Hispanic, who may be of any race; or Native American), as compared to 28.02 percent of people 18 and over. The growing percentage of young people of color is likely to be reflected in the student population (Broido, 2004).



Source of Picture:
Howe & Strauss,
Millennials Rising,
2000

I am really smart!

Millennials are highly educated with the number of undergraduates in 2004 at 17.3 million which is almost double that in 1970 that was at 8.6 million(National Center for Education Statistics). "They believe that they are all "above average"; to be average is really to be mediocre. They are very confident, perhaps because their Boomer parents constantly told them that they would succeed at whatever they did (Sweeney, 2006)."

The sweet spot is learning and diversity?

Yes – The sweet spot is indeed an organization wired for learning as well as one that is prepared to utilize and embrace the whole concept of modern diversity. The two concepts of learning and diversity run dependently. While each concept can be autonomous, success will be found in organizations that embrace them congruently.

The following section explores both concepts of a learning organization and diversity. Both concepts are not new to organizational development however the idea of applying both as a strategy of integrating millennials in the workforce has been barely explored.

The Learning Organization

Many believe that successful companies beyond the year 2000 will all need to operate as learning organizations. Stimulating this vision have been Dr. Peter Senge of the Massachusetts Institute of Technology and Dr. James Milojkovic of Stanford University. As a learning organization, all members of a company will learn more about other parts of the organization and more about essential processes such as: helping each other learn, sharing, cooperating, leading, and participating in organizational decisions. This learning together will change existing stratifications, such as "bosses make decisions and employees implement the decisions without being consulted." A learning organization is a group of very different people who work together closely; bosses learn to treat each person as a responsible adult and hourly employees learn to participate in decisions. Learning organizations have a strong commitment to continual change. Each participant is expected to personally learn and grow. Everyone is expected to be open and share information, all while being tactful. The question that is continually before everyone in the company is "how can we do better?"*

(Dowd, 1999)

Wired for learning?

Many organizations would like to learn however they are not wired for learning. Learning means that they are willing to experiment and fail. Learning also means that conventional ways of doing things can and should be challenged for better processes to be developed. To learn, an organization has to be in a position to try something new.

What is a Learning Organization?

A learning organization consists of members that are committed to learning and improving perpetually. With a clear understanding that the learning process is continual, the organization will be in a position to constantly renew itself and adapt to the changing environment. A learning organization dictates that members "must personally learn and grow to enable the organization to learn and grow (Dowd, 1999)." The objective for personal learning is to increase the organizations capabilities.

Which organizations have learning capability?

Simple answer – those that want to. Once the organization has determined that they want to learn, they will learn. The size of the organization or the product or service offered by the organization does not matter.

If we are all learning, how will we structure the organization?

Make it flat. Take away complexity. Complexity often leads to confusion. A flat organization allows access to leadership and is the foundation for an open environment.

Why is a learning organization a good fit for millennial integration?

1. *Adaptability*

A learning organization goes beyond addressing the millennial paradox. The learning organization is one that will be adaptable to change. The millennial generation is also a learning generation and will benefit most from this structure.

2. *Knowledge Transfer*

The learning organization also responds to the question of exiting boomers. Many organizations have expressed difficulty in transferring the experience and knowledge from the boomers to the millennials. The learning environment is a platform for such a transfer.

3. *Return on Investment*

Invest in millennials and they will invest in you. The millennials have a potential to be one of the greatest assets to organization based on their capabilities. "As people in the organization develop personal mastery of appropriate ideas and skills, they change. They want to learn even more. They want to share what they know with others. They develop an increased feeling of confidence and a "can do" attitude. Their self-esteem rises and becomes evident when they enjoy the challenge of new problems (Dowd, 1999)."

Learning Characteristics of Millennials (Sweeney, 2006)

- Impatient and will tune out when not engaged
- Instant gratification
- Non-linear: visual literacy, multi-media literacy
- Value face-to-face time
- Ability to multitask while doing assignments
- Prefer classroom to online learning
- Informal learning often takes place online
- structure
- prefer learning by doing
- experiential activities
- Comfortable working in teams
- Believe in merit-based systems
- Achievement oriented
- entertainment & excitement
- Communicate through social networks

A note to leadership about learning - Keep in mind that:

1. Learning requires patience
2. Lead by example – roll up your sleeves and learn!
3. While you are learning don't forget to teach – they go hand in hand.
4. Measure progress: Measurement tools for progress that reflect both qualitative and quantitative results are often difficult to design. Remember to constantly re-evaluate against the concepts of learning to ensure that they are on track. In Dowd's 1999 report on a learning organization, he suggests that the result of progress analysis align with the following five points:
 - a. Positive interdependence
 - b. Individual accountability
 - c. Simultaneous promotive interaction
 - d. Social interactive skills
 - e. Group reflectiveness
5. No judgment zone: Members of a learning organization have to operate from a level of genuine respect and appreciation of each other's contributions. This will create a "safe zone" that will allow for creativity without fear of judgment. Leaders and managers are more so the gatekeepers and should be held accountable to sustain this environment. Organization member must strive to keep an open climate. This notion just like authenticity cannot be manufactured.
6. To generate great ideas, you must harness diversity - Diversity simply means variety!

Diversity

Diversity in the workplace in past years commonly referred to women and minorities however, today, employers are beginning to formally acknowledge other employees. Diversity groups include people with disabilities, gay, lesbian, bisexual, transgendered and of different ethnic backgrounds.

Traditional Diversity vs. Diversity?

In previous years, the traditional purpose of diversity in the workplace was to be an equal opportunity employer and to "celebrate" differences. In actual fact, assimilation was and is still practiced in many organizations today which beats the modern notion of diversity. It is easy to build a business case on the notion of modern diversity today. The role of diversity today provides the opportunity to embrace and leverage differences for the benefit of the organization. "The collaboration of cultures, ideas and different perspectives is now considered an organizational asset-bringing forth greater creativity and innovation-with the result that

many companies are increasingly focusing on corporate diversity initiatives to improve organizational performance (Lockwood, 2005).”

Lockwood’s (2005) Six key Reasons to Tie Workplace Diversity to Organizational Strategic Goals and Objectives

1. Greater adaptability and flexibility in a rapidly changing marketplace;
2. Attracting and retaining the best talent;
3. Reducing costs associated with turnover, absenteeism and low productivity;
4. Return on investment (ROI) from various initiatives, policies and practices;
5. Gaining and keeping greater/new market share (locally and globally) with an expanded diverse customer base;
6. Increased sales and profits.

Lockwood (2005) states that workplace diversity can be viewed as having both direct and indirect links to the bottom line. Below are two example she gives that demonstrate direct and indirect links of workplace diversity to organizational performance.

<p>Direct link: Organizations that expand their customer base most effectively do so with a workforce that is reflective of their clients. DuPont, for example, considers diversity a business imperative vital to ongoing renewal and competitiveness in the 21st century. This philosophy was illustrated when the company learned how one small change could directly translate into significant profits. At DuPont Merck, the sales of an anticoagulant drug in the Hispanic markets were low. When a Hispanic manager noticed that the drug was only labeled in English and consequently translated the instructions into Spanish, sales improved significantly. Now, educational materials for the drug are translated into 15 languages and bring in millions of dollars in new business.</p>	<p>Indirect link: Having access to and retaining talent from a worldwide diverse labor pool is key to gaining a competitive edge in the global marketplace. To expand and keep their market share, Nortel views lost revenue due to turnover as a reason to support diversity. With the cost of replacing an employee at \$55,000 and turnover at 7% (compared to 17% in the information technology industry), the overall turnover cost is still quite high. For example, 7% attrition for 80,000 employees translates to replacing 5,600 people. Thus, when 5,600 (people) is multiplied by \$55,000 (the cost of replacing one employee), turnover cost is \$30.8 million! Thus, at Nortel, attracting and keeping talent- a key aspect of workplace diversity-has a significant impact on the bottom line.</p>
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(Lockwood, 2005)

Millennials and Diversity

As mentioned in the emerging trends section, millennials are the most diverse generation in regards to racial and ethnic background. The 2000 U.S. census recorded 39.1% of the population under eighteen as people of color i.e. Asian, black, Hispanic (who may be of any race) or Native American. According to Howe and Strauss (2000), 20% of millennials has at least one parent who is an immigrant.

Demographic shifts will also be witnessed in data indicating sexual orientation with an increasing number of millennials coming out as lesbian, gay, bisexual and transgendered (Broido, 2004).

Millennials have been raised in single-parent families, blended and stepfamilies, and families with same-sex parents. One out of four millennials will live with a step parent before they reach adulthood and therefore, ideally, the disruption and their experiences should ideally equip them for acceptance to change (Broido, 2004).

Millennials value diversity and therefore it is a key influencing factor for identifying their preferred employers. "The workforce of tomorrow won't be duped by superficial diversity in the rank and file. Millennials are sharp enough to know that diversity is a total experience in an inclusive culture where they feel welcome; have visible role models, mentors and support systems; and see opportunities for advancement (Johnson, 2007)."

Studies: Diversity Impact

European Companies Study (see Appendix 1)

- A study on European companies showed that diversity in the workforce primarily improved team effectiveness and cooperation, productivity and customer markets with broader access to labor markets. Other benefits included employer image, more openness to change, improved morale and commitment, ease of entry into new markets and enhanced effectiveness of complex organization (Lockwood, 2005).

US Companies Studies (see appendix 2)

- "Companies with diversity practices collectively generated 18% greater productivity than the U.S. economy overall (Lockwood, 2005)."
- One study showed that racial and gender diversity "has a positive effect on overall performance in companies that use diversity as a resource for innovation and learning. Further, the study results suggest that the best performance outcomes occur when diversity is found across entire organizational units (Lockwood, 2005)."
- "Based on an examination of 353 Fortune 500 companies, companies with the highest representation of women on their top management teams experienced better financial performance than the group with the lowest women's representation: that is, 35% higher return on equity and 34% higher total return to shareholders. The study results suggest there is a business case for gender diversity (e.g., recruiting, developing and

advancing women)-specifically, organizations that focus on diversity are in a stronger position to tap the educated and skilled talent in the marketplace. This is important because women comprise 47% of the U.S. paid labor force and hold 46% of management positions. In addition, women earn more than half of all bachelor's and master's degrees in the United States (57% and 59%, respectively) and nearly half of all doctorates and law degrees (45% and 47%, respectively) (Lockwood, 2005)."

The Millennial "Secret Formula"

The "secret formula" was derived through an analysis of millennial strengths and existing organizational processes.



Future Research

The "top secret millennial formula" is the introduction concept. This idea can be developed through further analysis of the millennial strengths and capabilities along with organization processes. Additional information on the relationship between the incumbent and previous generations relative to Millennials would help establish future leadership and organizational structure. Global organizations that exemplify the dual concept, such as Google, need to be researched for further insight.

Conclusion

The concept of a learning organization with an emphasis on diversity has been barely explored. This paper highlights the strengths of both concepts in regards to how and why they can be used to integrate millennials in the workforce. While the paper gives solid examples, the paper

does not provide a plan of how to incorporate the concept. It is very broad and can be narrowed down upon further research.

So, what's so different about this generation? Nothing much -except that there is a potential to build sustainable organizations that are equipped for the 21st century. Embracing Millennials is embracing learning and diversity. The advantages of the learning and diverse organization exceed the millennial integration question. It is important to find ways to incorporate not just the millennials but all members of the organization in all aspects of their identities and talent.

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