



How to Incorporate Millennials Into Your Workforce

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Millennials have been getting a lot of attention lately. Loosely defined as those born between 1980 and 1999 — or in other words, those who are currently between 16 and 35 years old — the members of the millennial generation (also known as Generation Y) are probably the most studied generation in U.S. history.

The Millennial Generation Research Review ¹, published by the U.S. Chamber of Commerce Foundation, contains a wealth of data about millennials. Many Los Angeles and Southern California business owners and entrepreneurs might not think that this research has any relevance to them, but they are mistaken. At 80 million members, millennials represent the largest generation yet — even larger than the baby boom generation.

A Bad Rap?

Millennials are now entering the workforce in large numbers, which means business owners and executives need to devise strategies for how they will incorporate the talents of millennials into their businesses, train and develop them to be productive workers, and groom them to be future leaders. Failure to do so will leave businesses with a serious talent drain in the years to come.

In some ways, millennials have gotten a bad rap when it comes to their work habits and commitment to their employers. The media has sometimes portrayed millennials to be lazy workers with a high sense of privilege who expect employers to bend over backwards to accommodate their desires for flexible work schedules, fancy perks and high salaries. However, I believe this is an inaccurate generalization.

Members of the millennial generation have been shaped by the world they grew up in, especially the Internet and digital technology. Even the oldest millennials do not know a world without the Internet, so it shouldn't be surprising that most millennials' lifestyles revolve around social media and the various other ways they access digital technology.

One of the biggest strengths most millennials can offer to employers is their adoption and embrace of technology and their comfort and ease in using it. Use this to your company's advantage by putting millennials in charge of digital and technology initiatives. They may be far better equipped to lead your company's technology charge than older workers (including executives and managers) who are still getting comfortable and familiar with the latest online and digital technologies.

Retaining Millennial Employees

Perhaps the greatest challenge business owners and entrepreneurs face when it comes to managing the millennial workforce is keeping millennials engaged, productive and satisfied in their jobs over the long haul. The average length of time that millennials spend working for a company is only two years; therefore, turnover of millennial employees is shaping up to be a very costly problem for businesses, since it costs anywhere from 50 percent to 200 percent of an employee's annual compensation to replace him or her.

Here are 6 strategies that can help you improve retention of your millennial employees:

1. **Offer opportunities for millennials to work together.** Generation X and baby boomer employees tend to prefer working independently, but most millennials say they like working in teams and making group decisions.
2. **Provide frequent feedback and recognition.** Most millennials expect to receive timely, meaningful and relevant communications from their employers. This includes regular feedback on their performance and public praise for a job well done.
3. **Create a mentoring environment.** Millennials tend to view their managers and supervisors as coaches or mentors, and they often feel more loyalty to their boss than they do to the company. So try to create an environment where managers feel comfortable building these kinds of relationships with the millennial employees they supervise.
4. **Structure a flexible employee benefits package.** Most millennials say that they would like to be able to choose from a menu of benefits the ones that best fit their lifestyle. For example, many value a flexible work schedule and the ability to telecommute over more money or other forms of financial compensation. Student loan assistance, wellness programs, gym memberships, paid vacations, and car and home insurance are a few other benefits many millennials say they're interested in.
5. **Provide financial security.** When it comes to compensation, millennials tend to favor the financial security of a steady salary over the uncertainty of commission-type compensation arrangements. Keep this in mind as you design compensation plans for your millennial employees.
6. **Offer entrepreneurial opportunities.** At the same time, many millennials harbor entrepreneurial ambitions. Between half and two-thirds are interested in entrepreneurship and a quarter are already self-employed. Look for opportunities in your business where millennial employees can take ownership and responsibility for certain projects and initiatives to help them scratch their entrepreneurial itch.

Concluding Thoughts

With millennials now entering the workforce in large numbers, you need to devise strategies for how you will incorporate the talents of millennials into your businesses, train and develop millennials, and hold onto them for the long haul. Failure to do so will leave your businesses with a serious talent drain in the years to come. Now is the time to sit down with your key executives to talk about steps you can take to accomplish these goals.

1 <http://www.uschamberfoundation.org/millennial-generation-research-review>

About CFO Edge

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