Engaging Millennial Employees Who Are the Future of the Workforce

By: Hali McFadden

Central Michigan University

Reviewer: Dr. James S. Loughran

This MSA 601 paper is in partial fulfillment of the requirements for MSA698 Directed Administrative Portfolio
Executive Summary

Millennials became the largest generation in the U.S. labor force as of 2015, and come 2025 there will be an estimated 50 million more joining the workforce (McCarty, 2017). It has been shown that this generation also had a high retention rate with a 39 percent increased turnover rate between 2014-2015, and an average of only staying two years at a job (Maechler, 2016). With implementing a millennial-focused organizational culture and integrating transformational leadership style into management, there will be a better chance of engaging this diverse group for better retention. “Millenializing” the organizational culture will help get a positive outcome from this generation, because they respond better to transparent work environments that involve the workers and involve more teamwork too. (Ferri-Reed, 2014).

Per Stewart, Oliver, Cravens, and Oishi (2017) a survey was done showing that most millennials believe the internet is just as important as basic human needs and so incorporating networking tools and up-to-date technology is a must (Ferri-Reed, 2014). The organizational culture changes will help a lot with job satisfaction but it has been concluded that millennials do not relate job satisfaction to organizational commitment. These employees need to also be motivated by someone and influenced to feel like they have goals to reach (Stewart et al., 2017). Transformational leadership helps employees to start moving away from their everyday self, and become an even better self. The transformational leader's positive clear vision of the future, honesty, and trust will inspire the employees to develop these strengths as well (Pulekar, 2013).
Table of Contents

Introduction/Background .................................................................................................................4
Areas of Focus ........................................................................................................................................ 6
  Organizational Culture .....................................................................................................................6
  Transformational Leadership ..........................................................................................................7
Literature Review ..............................................................................................................................7
Conclusion ........................................................................................................................................ 11
  Recommendation .........................................................................................................................11
References .......................................................................................................................................13
Appendix ..........................................................................................................................................15


**Introduction/Background**

The researcher's concentration is in health care service and connects to this problem, because many millennials are being hired into the workforce and having a strong team requires properly engaging with your employees. What does it mean to engage with one's employees? According to Leeds (2014), employee engagement is creating a heightened connection between employees and their work, their organization, or the people they work for or with. The end goal of developing these connections is for employees to become more satisfied with their job, leading to a better work ethics, lower turnover, and all over positive organizational effectiveness. With this generation taking the workforce by storm, Stewart et al. (2017) believes proper engagement is going to be crucial, especially since they are considered the most diverse generation in American history, both ethnically and by behavioral traits too.

Some people may find it unethical to focus so much money and time on one specific group of people. Businesses are investing in new training programs, upgrading technology, incorporating more corporate philanthropy, and re-designing workspaces. All of these changes and the way they are being done is referred to by Ferri-Reed (2014) as “millenializing” the work environment since the goal behind all these changes is to attract and retain that specific group of workers. All of these updates are no cheap expense to an organization.

Now again from a normal point of view completely changing the work environment to adhere to one group of people can seem unethical. There are many other workers that don't fall in this group that desires different wants and needs. Someone in the silent generation (born between 1928-1945) is not going to learn or catch on as well through a computer-based training program as a millennial would. These different generational workers could end up feeling neglect and frustration towards the company for the many changes. From a business standpoint though it can
engaging millennial employees

seem perfectly ethical considering when time and technology changes and grows, a company and the employees need to change and grow too. It is also a smart move investing towards this generation, especially considering as of 2015 according to the U.S. Census Bureau and Pew Research Center they became the largest generation in the U.S. labor force (Stewart et al., 2017).

Between now and 2025 there are an estimated 50 million more millennials that will be hired into the workforce (McCarty, 2017). This estimation also shows that 75% of the workforce come 2025 will be the millennial generation, which means more than half of people working fall into this group. Millennials have been stereotyped to be the “me” generation, feeling more entitled and having a lazier work ethic (Maechler, 2016). As time has gone on though companies are starting to see this group of workers as tech-savvy, strong-willed, go-getting employees.

Why is it though that this generation also has the highest job retention? A study done by Payscale.com revealed that the median length of time a millennial spends at a job is two years, compared to baby boomers whose median length is around seven years per job. Another study that was done by People Matter showed that from 2014 to 2015 there was a 39 percent increase turnover rate in the service industry from employees that fell in the millennial generation. The Center for American Progress reports the cost of replacing an employee is typically one-fifth of that employee's salary. High retention can cost companies a lot of money and loss of workers consistently can look bad to stakeholders (Maechler, 2016).

Many different factors can play into why this generation does not want to stay at a single job for a long period of time. Two main areas, when focused on and implemented correctly, could help management engage with this diverse group better. These two areas of focus are organizational culture and the use of transformational leadership. A good culture in the workplace is a huge factor in making employees want to stay in the organization. With the
different generations, one has to embrace their differences, but one also needs to have a level of
equality as well by being consistent with the company policies. A style of leadership many
managers use is transactional leadership, but with millennials craving for personal attention and
feedback, transformational leadership might be a better way for managers to engage with them.
Excelling in both matters since the culture and leadership will help improve to engage and retain
millenials, and then companies and stakeholders can embrace and benefit from what this
generation has to offer.

Areas of Focus

Before we learn about why the organizational culture and transformational leadership
will help with engaging millennials, we must first learn what both of those are. A better
understanding of each of these areas of focus will give a better understanding of why they are so
important. Their implementations into a business, done properly, can lead a business to better
retention and overall job satisfaction of their employees.

Organizational Culture

Organizational culture is the beliefs and values shared by employees that contribute to the
behavior and environment of the organization (Yildiz, 2014). With today’s workforce being so
diverse by different generations, it can make it difficult for everyone to be on the same page
about what they believe in and how they value certain outlooks. A large empirical study that was
done found that if the workplace culture is positive, then millennials are more likely to be
satisfied with their job and have higher intentions of staying with the employer (Stewart et al.,
2017). Just an example that a good organizational culture will help with the turnover of these
millennial employees, and through the literature review, it will be made clear what type of
culture is needed to address the lack of engagement that is currently happening.
Transformational Leadership

Transformational leadership is where leaders (usually management positions) will motivate employees through the achievement of group or organizational goals (Anderson, Baur, Griffith, & Buckley, 2017). These leaders will use a combination tactic that includes involvement and trust building that can lead to positive direct interaction and relationship building (Bodenhausen and Curtis, 2016). Millennials need this type of positive connection in the workforce, especially with today's economic and population growth. It is becoming easier and easier for this generation to job-hop around if they are not seeking satisfaction and a goal in the work they do.

Literature Review

“Millennializing” was a term introduced earlier in the paper that stands for changing the organizational culture to attract and retain the millennial workers. In order to create this type of culture, there are four key elements that should be focused on, including:

- Workplace communication
- Corporate Philanthropy
- Technology and social media
- Workspace design

(Ferri-Reed, 2014)

Millennials respond better to a transparent type of work environment where everything is shared with the employees, from the corporation's missions and values to problems and conflicts. Communicating these things, while also involving the workers in decisions and change efforts, can make this generation feel like they have significance at the company and that they are a part of the team (Ferri-Reed, 2014). Millennials are known to crave association and would rather
work with a team than work alone. As kids, this generation was more supervised than earlier
generations and exposed earlier on to team sports and the power of team building (Fielkow,
2016).

One great way a company can incorporate teamwork is with corporate philanthropy. It is a
great value to incorporate into your work culture and it is something that not just millennials,
but all generations can value and have a strong belief in (Ferri-Reed, 2014). The World Business
Council for Sustainable Development defined corporate philanthropy as the businesses
continuing commitment to behave ethically and donate to economic development while
improving the quality of life of the workforce, their families, the local community, and society at
large (Moir, 2001). Millennials are known to be more attracted to companies that engage in this
because they place more importance on an organization's social value than its share value (Ferri-
Reed, 2014). Companies that show they are willing to leverage their assets to give back to the
community make millennials feel like they work with purpose and will keep them engaged in
their job longer (McCarty, 2017).

With millennials being known as the technology savvy, moving forward with the time's
generation, the culture should adhere to the same idea. The belief should be that technology is
the future because to this generation it is. In a survey done on college students, most of the
millennial generation believed that the internet was just as important as the basic human needs
like food, water, air, and shelter (Stewart et al., 2017). With the importance of connection and
communication to this group, incorporating networking tools is a must. With these technological
tools, employers will be able to make employees feel evenly connected to the other workers,
managers, and even customers. This could also be a program for collaborating in “real time” to
discuss and resolve ideas and problems in the organization (Ferri-Reed, 2014).
As popular and resourceful the internet and world of technology have become, many workers are still in an actual work setting. Millennials though, value work-life balance and they want to “work to live” not “live to work” (Anderson et al., 2017). This group of people also likes to blend their work life with their home life, and to engage in this an organization needs to make the work environment have more of a residential feel than a commercial feel. To millennials, work is viewed as a function and adding fun colors and different layout designs can make them more comfortable in their work environment. Going back to the need for communication and team building, having fewer walls and more open space is going to encourage greater team collaboration among the employees (Ferri-Reed, 2014).

The overall type of organizational culture that is best for millennial employees is one that believes in having a lot of communication, values involvement inside and outside the workplace, and is up-to-date on what technology and trends keep the company moving with the times (Ferri-Reed, 2014). It has been surveyed and shown that the millennial group will find job satisfaction if they are in a positive workplace culture and that it can also help delay employees from leaving the company sooner (see appendix). It also shows though that the millennial group does not find job satisfaction related to organizational commitment. With this result, it concludes that job satisfaction is not enough to make a millennial want to stay in that organization. The employee needs to also be motivated and influenced and feel like they have goals to reach with the company (Stewart et al., 2017).

The workforce has noticed that the millennial generation needs more employee involvement in order to prevent them from becoming bored and leaving the company sooner than they want. Employee involvement is how a company can encourage their workers to participate more and have more commitment to the organization. Since there are no negative issues and does
not affect productivity, it is very recommended for a company to practice. Transformational leadership has been seen to be essential to promote this involvement and behavior (Bodenhausen and Curtis, 2016).

Even with the growth of millennials coming into the workforce, the healthcare service industry does not have a lot of them in leadership positions. This generation is looking to be taught and lead, and if a proper mentor is not available to help them advance in their career, then they go looking for a new job. In traditional health care, it used to be that physicians had to just give the best care they could and administrators were in charge of the finances and the operational logistics. Today, the industry expects these millennials coming in to not only be able to give the best care they can, but to also have a good understanding of the business concepts like finances, operations, and organizational structure (Hernandez, Pole, & Grys, 2018).

The people who are these transformational leaders are described as “change agents” and are courageous, value-driven, and lifelong learners. They have the abilities to empower people with their sportsmanship like spirit (Pulekar, 2013). They also have increased sensitivity to people's wants and needs. These are qualities that many millennials have, and when a person identifies with their leader, their potential in the workplace is a lot higher (Bodenhausen and Curtis, 2016). These leaders will be able to develop the millennials coming into the healthcare industry into what is now required/needed of them to benefit the greater good (Pulekar, 2013).

It was already learned earlier that millennials like a company that does corporate philanthropy since it makes them feel earnest that they are doing something for the greater good (Ferri-Reed, 2014). Transformational leadership helps form employees to start moving away from their everyday self, and become an even better self. The leader's positive clear vision of the future, honesty, and trust will inspire the employees to develop these strengths as well (Pulekar, 2013).
ENGAGING MILLENNIAL EMPLOYEES

A study done at Oklahoma State University showed that transformational leadership was a definite preference for millennials. They supported the mentoring they got and that their superior was someone to aspire to be. The data collected also showed that through this type of leadership, this generation of employees was able to feel empowered and that their opinion mattered to their employers (Bodenhausen and Curtis, 2016).

Conclusion

In conclusion, focusing on organizational culture and a transformational type of leadership are both highly recommended if you want to retain and engage with the millennial generation. Millennials need a different kind of work environment than the generations before them. With this generation making up more than half the workforce you have to be able to meet their desires and needs. A lot of communication, goals to reach, and a feeling of importance in the company are all motivators of millennials, and they can all be provided through the organizational culture and transformational leadership.

Recommendation

It would be wise for businesses to invest in new training programs, re-model the workspace environment, and re-train management to help keep this group of employees in the workplace. Try to have the training programs done in groups or a team rather than one on one if you can. Incorporation of technology-based training programs, like a computer learning software, is essential too. The workplace needs to have an open communication atmosphere with fun designs and colors to have a “not at work” feel to it (Ferri-Reed, 2014). Managers need to make sure they are setting good moral and behavioral examples so this generation will feel inspired and motivated (Anderson et al., 2017). Millennials take change well and actually many enjoy it so there is no need to be worried about making some drastic modifications. This
generation has much to offer but is not going to help any business, or any of the stakeholders if they cannot stay in one place of business for a long period of time.
References


Appendix

<table>
<thead>
<tr>
<th>Participants 1,798</th>
<th>Millennials (P=323)</th>
<th>Generation X (P=342)</th>
<th>Baby Boomers (P=588)</th>
<th>Silent Generation (P=545)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizational Commitment</strong></td>
<td>Linked with: Retention, Personal Performance, and Job Satisfaction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Personal Performance &amp; Retention</td>
<td>Job Satisfaction &amp; Retention</td>
<td>Job Satisfaction, Personal Performance, &amp; Retention</td>
<td>Job Satisfaction &amp; Retention</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Participants 1,798</th>
<th>Millennials (P=323)</th>
<th>Generation X (P=342)</th>
<th>Baby Boomers (P=588)</th>
<th>Silent Generation (P=545)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Work Culture</strong></td>
<td>Linked with: Retention, Personal Performance, and Job Satisfaction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Job Satisfaction, Personal Performance, &amp; Retention</td>
<td>Job Satisfaction, Personal Performance</td>
<td>Job Satisfaction, Personal Performance, &amp; Retention</td>
<td>Job Satisfaction, Personal Performance, &amp; Retention</td>
</tr>
</tbody>
</table>