Leadership Development for Millennials: Why It Matters

May 10, 2013

Jay J. Jamrog
SVP of Research, i4cp
Jay.jamrog@i4cp.com

Tammy Erickson
CEO of Tammy Erickson Associates
tammy@tammyerickson.com
Jay Jamrog

Background

- Futurist
- Co-Founder of i4cp
- Former Executive Director of the Human Resource Institute (HRI)
- Distinguished Lecturer at the University of Tampa, Duke University and University of South Carolina
- Associate Editor for People and Strategy Journal
- Over 30 years in human capital field
Who we are:
i4cp focuses on revealing the people practices that drive market performance
Tammy Erickson

- McKinsey Award-winning author
- Twice named one of the 50 most influential living management thinkers by Thinkers 50
- Author of a trilogy of books on the generations in the workplace
- Founder and CEO of Tammy Erickson Associates
Who we are:

Tammy Erickson Associates offers a membership-based research program exploring cutting-edge issues facing business leaders and pragmatic consultation.
Thank you to our sponsor!!

www.skillsoft.com
Each generation forms unique assumptions about how the world works

Based on common interpretations of shared experiences
Piaget’s Four Developmental Stages

• **Sensorimotor stage (birth - 2 years old)**
  – Concepts about how physical objects work based on direct physical interaction with the environment

• **Preoperational stage (ages 2-7)**
  – Intuitive intelligence related to concrete physical situations

• **Concrete operations (ages 7-11)**
  – Logical structures related to concrete objects or physical experiences (numbers, for example)

• **Formal operations (ages 11-15)**
  – Conceptual reasoning and abstractions
  – Mental models that will persist throughout adulthood
Our Mental Maps Are Shaped by Many Factors

National and global events and trends

Parents’ views
Religion
Race and ethnicity
Gender
Socioeconomic status
Many other factors

Shared views and common perspectives
Traditionalists

Shared Experiences of the
1940’s and 1950’s

• Allied military success in World War II
• The early days of the Cold War
• A wave of new technology
• Booming Post-War economy
• Growth of suburbs
• Increased availability of consumer goods
Traditionalists

Common Characteristics

- Joiners
- Loyal to institutions
- Accepting of hierarchy and rules
- Respectful of positional authority
- Interested in money as a metric of success
Boomers

Shared Experiences of the 1960’s and 1970’s

- Kennedy’s idealistic “Camelot” Presidency
- The Cuban Missile Crisis
- Vietnam
- Civil Rights
- Women’s liberation
- Widespread protests
- Assassinations of Kennedy, King, and other idealistic leaders
- Watergate and Nixon’s resignation
- Lots of other Boomer teenagers!
Boomers

Common Characteristics

• Competitive – viewing life as a “zero-sum” game
• Hard-working and driven
• Anti-authoritarian
• Idealistic
Generation X

Shared Experiences of the Late-1970’s through the Mid-1990’s

• Troubled economy
• Widespread lay-offs from re-engineering
• Women entering the workforce
• Rising divorce rates
• Challenger disaster
• CNN and electronic games
Generation X

Common Characteristics

• Self-reliant
• Mistrustful of institutions
• Rule-morphing
• Tribal
• Dedicated parents
Generation Y

Shared Experiences of the Mid-1990’s through the Late 2000’s

• Terrorism: 911, World Trade Center, Oklahoma City
• School violence: Columbine
• Ubiquitous technology
• Clinton’s sexual indiscretions and impeachment
• Working mothers
• Unprecedented bull market
• Pro-child culture
Generation Y

Common Characteristics

• Immediate and eager to live each day to the fullest
• Confident and determined
• Optimistic and upbeat
• Digital natives
• Tolerant
• Family-centric
• Trustful of authorities
  – Trust parents (86%), teachers (86%) and the police (83%)

• Parents as role models and heroes
  – Today, 90% of teens report being very close to their parents
  – In 1974, more than 40% of Boomers said they'd be better off without their parents!

• Near-zero generation gap
  – Parent-child co-purchase decisions are common
  – Expect to retain close parental bonds even after leaving home
  – Likely to consult their parents on major decisions – including work!

Sources include: Applied Research & Consulting LLC; Gallup
Overeducated, underemployed, wildly optimistic.

millennials

Understanding comes with TIME
The Report

- November, 2012
- 592 Respondents

**FIGURE 1:** GENERATIONS
To which generational group do you belong?

- 36% Millennial Generation
- 45% Generation X
- 2% Baby Boom Generation
- 17% Silent Generation
- 2% Other
1. Millennials are technologically adept and socially networked but not necessarily socially savvy.

2. Millennials are entering the workforce lacking the skills and competencies they need and many believe that Millennials are moving into management without sufficient preparation.
3. Most companies don’t currently offer leadership development programs specifically for Millennials and have no plans to create them.

4. The majority of organizations use on-the-job training as a development approach but formal mentoring is the only approach correlated to higher market performance.
5. There is a strong positive correlation between the amount of the training and development budget that is devoted specifically to working with Millennials and success in developing leadership potential with Millennials.
“Developing Millennials for leadership roles is only going to become more important for companies as more Millennials enter the workforce. This generation will make up more than 75 percent of the workforce by 2025.”

- Dan Schawbel, author, researcher, and speaker on generational workplace trends & columnist at both TIME and Forbes

Over one-half of the overall respondents indicated that Millennials are entering the workforce lacking in the skills and competencies they need.
Gen X much more harsh
Not surprisingly, there was a positive correlation between respondents who reported that their Millennial leadership development program was successful and the belief that Millennials were not moving into management positions before they are ready (r = 0.20)
Why so early?

KEEPING THE MILLENNIALS

WHY COMPANIES ARE LOSING BILLIONS IN TURNOVER TO THIS GENERATION— AND WHAT TO DO ABOUT IT
Do you have this?

- 25% No, but we are considering one
- 41% No, and we are not considering one
- 15% Yes
FIGURE 8: HIGH PERFORMERS TARGETED LEADERSHIP DEVELOPMENT PROGRAMS FOR MILLENNIALS
Does your organization have a specific leadership development program for Millennials?
Success is moderate

**FIGURE 9:** SUCCESS OF MILLENNIAL LEADERSHIP DEVELOPMENT PROGRAMS
To what extent do you believe that your organization is successful at developing leadership potential with Millennials?

**Sentiment Differs by Generation**
- Baby Boomers = 36%
- Gen X = 19%
- Millennials = 31%
Sentiment Differs by Generation

- Baby Boomers = 36%
- Gen X = 23%
- Millennials = 25%

Transparency of the leadership development program had a strong positive correlation with its success (.57).
HPO’s spend more

The Study found a strong positive correlation (.32) between the amount of a training and development budget that is devoted specifically to working with Millennials and success in developing leadership potential with Millennials.
Effectiveness of Methods

FIGURE 12: EFFECTIVENESS OF APPROACHES USED WITH MILLENNIALS
To what extent are the following L&D methods and approaches being used with Millennials and to what extent are they effective?

- On-the-job training (OJT): Used 53.3%, Effective 51.8%
- Setting clear performance expectations: Used 41.8%, Effective 38.6%
- Tuition reimbursement for continuing education: Used 33.3%, Effective 35.5%
- Providing feedback early and often: Used 42.4%
- Information and learning technology (ILT): Used 23.1%
- Mentoring/coaching programs: Used 23.1%
- Communication training: Used 21.1%, Effective 24.1%
- Asynchronous e-learning courses: Used 14.7%
- Social media platforms to connect workers with one another: Used 17.3%
- Internal social media platform to support collaborative/informal learning: Used 13.1%
- Clear career paths with both short and long-term goals: Used 19.8%
- Emphasize global diversity education: Used 14.7%
- Intergenerational partnering for coaching (older coaching younger and vice-versa): Used 16.3%
- Learning content available via mobile devices: Used 10.8%
- Job rotation programs: Used 8.4%
- Gamification/simulations: Used 5.9%
Give them coaches

What Millennials Think is Most Effective

Mentoring & Coaching Programs

Intergenerational Coaching

Setting Clear Performance Expectations

Learning Via Mobile Devices
Millennials indicated that they believe some methods (of training) they view to be effective are underutilized, among those is gamification / simulations, with just 2 percent of Millennials reporting its use in their organizations to a high / very high degree, although 17 percent of Millennials find it effective to a high/very high extent.
FIGURE 13: ROTATIONAL DEVELOPMENT PROGRAMS
Does your organization offer a rotational development program?

- Yes: 65%
- No: 28%
- Don't know: 7%

Percentage breakdown:

- Yes
  - Higher performers: 37.9%
  - Lower performers: 26.6%

- No
  - Higher performers: 53.3%
  - Lower performers: 68.4%
FIGURE 14: OFFERINGS TO ATTRACT MILLENNIALS
Does your organization offer the following to attract, retain, and engage Millennials?

- Training and development opportunities: 70.9%
- Competitive benefits: 65.2%
- Tuition reimbursement: 60.9%
- Competitive wages: 56.1%
- Focus on community involvement/corporate citizenship: 49.6%
- Flexibility in scheduling: 47.8%
- Generous vacation time: 39.1%
- Paid internships: 35.0%
- More focus on “green” business and sustainability: 32.2%
- Job mobility: 30.8%
- None of the above: 5.7%
- Other: 4.7%
Trainers: Pay More Attention

Does your organization offer the following to attract, retain and engage Millennials?

<table>
<thead>
<tr>
<th>Training and development opportunities</th>
<th>Higher performers</th>
<th>Lower performers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>80.5%</td>
<td>58.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Competitive benefits</th>
<th>Higher performers</th>
<th>Lower performers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>71.1%</td>
<td>53.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tuition reimbursement</th>
<th>Higher performers</th>
<th>Lower performers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>66.4%</td>
<td>49.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Competitive wages</th>
<th>Higher performers</th>
<th>Lower performers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>61.7%</td>
<td>40.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Focus on community involvement/corporate citizenship</th>
<th>Higher performers</th>
<th>Lower performers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>58.4%</td>
<td>36.9%</td>
</tr>
</tbody>
</table>
They’re Confident!

**Figure 17: Organization Culture and Millennials**

Do you believe that the culture of an organization will influence Millennials more or less than Millennials will influence the culture?

- **54%**
- **46%**

- Organization culture will have a greater influence on Millennials
- Millennials will have a greater influence on organization culture
Are They Qualified?

Figure 18: Filling Management Gaps
Will your organization need to fill management gaps with Millennials as Baby Boomers begin to retire does it have enough qualified G X employees to promote?

- 37%: We will need to promote from within our Millennial employee group
- 40%: We have plenty of qualified Gen X employees to promote
- 13%: We don’t anticipate a need to fill management gaps
- 10%: Don’t know

ASTD
They Think So!

Enough Gen X To Fill Management Gaps?

Need To Promote Millennials?
Technology & Gen Y

- **Number Of Texts Sent / Received Per Day, By Age Group**
  - Based On Adults Who Use Text Messaging On Their Cellphones

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Mean Texts per Day</th>
<th>Median Texts per Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>109.5</td>
<td></td>
</tr>
<tr>
<td>25-34</td>
<td>60.2</td>
<td></td>
</tr>
<tr>
<td>35-44</td>
<td>41.8</td>
<td></td>
</tr>
<tr>
<td>45-54</td>
<td>25.9</td>
<td></td>
</tr>
<tr>
<td>55-64</td>
<td>14.8</td>
<td></td>
</tr>
<tr>
<td>65+</td>
<td>9.8</td>
<td></td>
</tr>
<tr>
<td>75+</td>
<td>4.7</td>
<td></td>
</tr>
</tbody>
</table>

Source: The Pew Research Center’s Internet & American Life Project, April 26-May 12, 2011; Spring Tracking Survey.

- **Use a cell phone to text**
  - Total: 88%

- **Texted in the past 24 hours**
  - Total: 80%

- **Texted while driving**
  - Total: 64%

- **No landline (cell phone only)**
  - Total: 41%

- **“You fool! Thanks to you checking in on Foursquare, the whole world now knows where our gold is!”**
Technology & Gen Y

How often Millennials visit the social networking site they use most:

- Once a week or less: 25%
- Every few days: 20%
- Several times a day: 29%
- Once a day: 26%

I've got hundreds of Facebook friends I've never met. When I was young we called them imaginary friends.
In a word: portability

The percentage of adults* in each generation who own the following devices:

* "Adults" = Americans age 18+

**Cell phone**

- **ALL ADULTS: 88%**
- 18-34: 95%
- 35-46: 92%
- 47-56: 86%
- 57-65: 84%
- 66-74: 68%
- 75+: 48%

**Desktop computer**

- **ALL ADULTS: 69%**
- 18-34: 57%
- 35-46: 69%
- 47-56: 65%
- 57-65: 64%
- 66-74: 48%
- 75+: 28%

**Laptop computer**

- **ALL ADULTS: 52%**
- 18-34: 70%
- 35-46: 61%
- 47-56: 49%
- 57-65: 43%
- 66-74: 30%
- 75+: 10%

Source: pewinternet.org
Access Web Wirelessly

Source: pewinternet.org
Social Networking Users

Source: pewinternet.org
Advice

1. Set clear and specific expectations that are attached to concrete goals and rewards—this should include development of soft skills.

2. Provide employees with frequent, clear feedback; weekly or bi-monthly meetings with coaches or mentors can achieve a great deal with high-potential Millennials who the organization wants to develop.

3. Offer opportunities such as job shadowing and rotational programs.

4. Offer flexibility in scheduling and work arrangements.

5. Develop an internal social networking platform that employees can tap into for networking, information-sharing, and informal coaching.

6. Millennials want access to gamification/simulations as development tools and believe them to be effective; consider investing in such tools.
Questions?

Our millennial employees keep quitting because of our bureaucracy and poor communication.

Form three task forces to look into it. But don't tell any of the task forces that there are two others doing the same thing.

Should I give you regular updates?

Nah.
Go to http://store.astd.org and search “Leadership Development for Millennials”