

Millennial Insights for the 2020 Labor Market

As we move towards the 2020 workforce, companies face an interesting demographic dynamic in terms of talent acquisition - a workforce comprised of Millennials, Gen Xers, Baby Boomers and Traditionalists. While each of these groups has their own generational differences, the most notable are the expectations and approaches to work from Millennials, who are projected by 2020 to make up 50 percent of the workforce. The Bureau of Labor Statistics 2014-24 Employment Projections are forecasting total employment to reach 163.8 million jobs by 2024, which means generational differences will increasingly become an additional component of diversity relations at the workplace. As Millennials become the largest segment of the labor force, recruiters and hiring authorities will have to learn what drives this generation during the job search process, and how to keep them engaged once onboard. To learn how recruiters feel companies stand in this process, and compare this feedback with millennial insight, MRINetwork conducted the 2017 Millennial Hiring Trends Study.

The Study reveals that although 2020 is just a few years away, most companies are only neutrally focused on specifically attracting Millennials. This sentiment is echoed by the majority of Millennials, who said they felt employers are neutrally or somewhat focused on appealing to them. These findings are a bit concerning in light of an aging Baby Boomer population and the need for succession planning that will largely include the movement of Millennials into management roles. As a result, there are several areas where companies and Millennials are not on the same page. The challenge is to help organizations understand why they need to become acquainted with what top millennial talent desire now.

Based on the Study findings, here are the top four things to know about Millennials:

#1: Cash is king.

While advancement opportunities and mentorship are important to Millennials, compensation was ranked as the top priority when considering a new job. That is likely because a large portion of this generation is in the beginning stages of their career and are focused on ramping up their work and leadership experience as quickly as possible. As their knowledge and responsibilities deepen, they will be looking for pay increases that reflect this expertise.

According to the survey, 29 percent of recruiters said their clients think work-life balance is the most important factor for Millennials. This shows a significant disconnect between companies and prospective

hires. As employers look to better attract millennial talent, there will need to be a shift from delaying discussions about salary until the offer stage. These discussions will now need to happen much earlier in the recruitment process, and the value proposition for each role will need to largely focus on a highly competitive salary. Especially in high growth sectors where specialized talent is in high demand, but the candidate pools are tight, compensation is often the driving factor for top millennial candidates in these environments.

#2: Market reputation has the most influence on Millennials' impressions of prospective employers.

Online presence, not surprisingly, was listed by more than half of recruiters (54 percent) as the top channel leveraged by clients to attract Millennials. However, 40 percent of Millennials said market reputation has the most influence on their impression of a company.

Additionally, when asked if most of their clients have an employer brand that is attractive to Millennials, almost half of recruiters (48 percent) said no. Millennials (72 percent) said it depends on the industry sector.

These findings demonstrate that employers still have a ways to go in terms of understanding how to appeal to



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Frontline Analysis by the MRINetwork Team of Global Search Experts

Millennials, and once onboard, leveraging retention strategies that will keep them engaged and more likely to stay.

While a key way to establish market reputation and brand recognition is through online measures, savvy Millennials are looking at the overall positioning of a prospective company, in terms of how well the brand is known and respected, how it stacks up to its competitors, and its future growth trajectory. Companies will need to distribute positive messaging about the company, both internally and externally, to become more attractive as an employer of choice. Messaging will need to focus on competitive pay, market footing and reputation, and career pathing. Although the entire strategy shouldn't be based on the organization's online presence, it will need to be a key part of branding, since Millennials are more likely to leverage a host of platforms from Twitter to Glassdoor to form impressions of the company and its culture.

#3: Career pathing is what makes Millennials most likely to stay at their company.

When asked what methods companies are using to retain Millennials, flexible work options, or the ability to work remotely, was the top pick of recruiters (38 percent). Career pathing was not far behind at 32 percent. More than half of millennials (53 percent) say that career pathing - mapping of incremental progression to new roles in the company - has the most impact on their decision to stay with their employer. This process begins not with the manager, but with the employee taking charge of their performance review and setting their desired career path. Once goals are set, successful completion now rests in the employee's hands. The path is now clear for what they need to do, in order to be promoted or receive a pay increase.

Since Millennials are particularly focused on moving up the corporate ladder, career pathing presents not only a plan for upward mobility, but also empowers top performers to take ownership of their ability to advance within the company. For this reason, career pathing can be a great retention tactic, especially for Millennials. However, there is also the potential to leverage it as a marketing and branding tool to attract future top talent, when companies are able to share real examples with

candidates about how their best employees advanced within the company and how career pathing is a part of the organization's culture.

#4: Millennials may have the upper hand in the hiring process

Most recruiters (71 percent) feel the labor market is candidate-driven among Millennials, whereas more than half of millennials (53 percent) feel employers have the upper hand in the hiring process. This is an interesting dynamic that may be a result of many factors. For, example, in today's fast-paced world where Millennials are used to quick results and instant gratification, lengthy hiring processes and/or little or no feedback about their standing in the interview process can make them feel inferior to their prospective employers. Companies may feel Millennials have more control because they often bring tech-savvy, new work approaches and specialty skillsets to the table. Ultimately, as we get closer to a millennial-dominated workforce, it will be critical for employers to get a better understanding of this generation's expectations, to attract them into their organizations.

When you consider these four millennial hiring insights, it's clear that some sentiments match those of other generations, while others are dramatically different. It's the attention to these differences, and the adjustments or lack thereof made in the recruitment and retention processes, that will determine whether companies will be successful in attracting and keeping top millennial talent. There will essentially need to be specific plans around millennial recruitment and retention. Your preferred search partner can help you fine tune these plans to appeal more to high performing millennial candidates. Ultimately, when companies recognize the combined value, perspectives and impact of successfully integrating distinctly different generations into their teams, they will be able to leverage this to significantly improve their ability to develop products and services, and most importantly, the future leaders of the organization.

To view the complete Study and a short video on what's important to Millennials that can be easily distributed to hiring authorities in your organization, visit MRINetwork.com/Millennial-Hiring-Trends-Study.