

Executive Briefing #17 – Millennials



Building the Bridge Between Operational Best Practices and Employee Morale

The Problem With Millennials Is...

We hear it all the time. Millennials are lazy, entitled, and nothing like the generations who came before them. The real problem is that we have failed to understand who they are, what they want, and how they fit into the fabric of the ever-changing economy. The problem with Millennials may really be a problem we as a society created.

Who They Are – The 3 Key Characteristics:

The first is cultural. We have devalued the perception of what are traditionally considered blue-collar jobs even though they are secure, high paying, and often coupled with generous benefits. Despite the numerous opportunities in industries with blue-collar jobs, few Millennials have aspirations to enter this segment of the job market. Millennials believe that they need to have a four-year degree in order to be successful and get a “good job.” Millennials are passing up opportunities to enter the blue-collar workforce, learn a skilled trade, receive paid on-the-job training, and graduate with zero debt. Instead, they are going to four-year schools where many of them will graduate with over \$100,000 of debt. Even with a four-year degree, many Millennials still struggle to find permanent employment and will be perpetually under-employed at positions that do not require a college education.

The second factor is social. Marriage rates are in a free-fall compared with previous generations. As a matter of fact, Millennials have the lowest marriage rates of any previous generation and more than double the amount of women are not getting married compared with Generation X. This decline has a significant impact on other components of their lives. The demand for higher incomes to support a family is greatly diminished and many Millennials are opting to live at home with their parents. With housing costs and other incidentals picked up by others, Millennials can afford to not fight for the promotion or work the extra hours. A part-time job may be the only thing they need to cover their living expenses.

The third is financial. Millennials are making less than previous generations. According to the US Census, 18-34 year olds were making \$37,355 on an inflation-adjusted basis in the year 2000. Today, this same age group is making \$3,472 less (\$33,883). This decrease is coupled with an increase in education from the same time period. 19.5% had a college education or higher in 2000. Today that number is 22.3%. There is a clear negative correlation.

Core Practice is a leading provider of operational and labor strategy consulting services with over 20 years of experience designing, developing, and implementing innovative labor solutions. Core Practice’s labor strategies combine the best people with the right equipment at the right time and provide clients with a competitive advantage. Core Practice has worked extensively with clients in manufacturing, distribution, contact center, and mining industries. To learn more about Core Practice and what we do, please contact:

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5 Things You Should Know:

1. Based on surveys conducted on over 100,000 people, Millennials have very different work preferences than non-Millennial generations. Millennials deviate from traditional preferences on many categories: shift length, day on and day off patterns, overtime opportunities, and shift start and stop times.
2. Employee engagement is more critical than ever. What if you could give employees what they want and improve the bottom line? Innovative labor strategies can be a competitive advantage when recruiting key talent and also improve operational performance.
3. Over 48 million retirees will leave the workforce by 2020. You better make sure you have the labor strategy to actively recruit, engage, and retain employees to fill the empty spots.
4. Finding the best and brightest employees is only going to become more difficult. Taking an approach of “take it or leave it” with regards to your current labor strategies will only further hurt your operation. Millennials talk a lot and share on social media constantly so how your employees are treated will be very public information!
5. You might not be Google, but your employees still expect you to innovate. Understand the value you can bring to your employees and do not try to set unrealistic expectations about what your company can offer. There are better shift schedules that can dramatically improve their lives.

We can continue to try to change Millennials or adapt to their diverse preferences. Historically, these lifestyle choices have not been the norm, but the unfulfilled promise of great jobs after college has created some disenchantment. This, combined with changes in marriage rates and decreased compensation, has created a new landscape. In order to compete as an employer in this new world, innovative labor strategies must be used to attract the greatest talent. Unlike what we have been telling Millennials shift work may be the best option for Millennials. The landscape of shift schedules is slowly changing to attract this segment of the population who values days off and has a different perspective on what truly is work/life balance.

Every company will have their own specific challenges regarding attracting the new workforce. To learn more about innovative new strategies to hire and retain the best employees, please call to arrange complimentary discussion with our Chief Strategic Officer and Managing Partner, John Frehse.

Notes: