



MILLENNIALS IN THE WORKFORCE

BEST PRACTICES IN TALENT MANAGEMENT STRATEGY



OBJECTIVES

What are the new challenges raised by millennials, as they enter the workforce in vast numbers?

How can employers adapt to not only recruit younger generations of talents, but sustain long-term engagement within their corporations?

The EHL Industry Relations team conducted interviews with human resources specialists from Four Seasons Hotels and Resorts, Intercontinental Hotel Group (IHG), L'Oréal, METRO AG, Moncler and MSC Cruises and combined those with secondary research.



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HOW MILLENNIALS ARE RESHAPING THE WORKPLACE



Millennials

▶ 35%
of the global workforce
by 2020¹²

As millennials are on their way to make up about 35% of the global workforce by 2020¹², they are becoming a crucial demographic for businesses.

It is now paramount for any organization to be able to critically analyze its adequacy in terms of recruitment, engagement and talent motivation.

Millennials have been shaking up the workplace as their vision of - and expectations of - what a career entails have drastically evolved compared to older generations. Finding jobs that are meaningful, seeking work-life balance opportunities and not being afraid of changing companies on a regular basis, are some of the key characteristics of a generation that is about to become a driving force in the workplace.

As stated in an article by DiversityQ (2019)⁴: “Millennials value meaningful experiences over products, are more idealistic than pragmatic, are continuously in search of personal fulfillment (rather than ‘just another job’) and aren’t tolerant of sub-par experiences.”

“ [Millennials] are not trying to find steady, stable jobs these days (...). Instead, they are navigating an endlessly tumultuous landscape, which requires them to be far **more discerning, strategic and, in many ways, skillful**, than the Gen X-ers and baby boomers who came before them.”

Couple that shift in mindset with the ubiquitous technologies at play - 24/7 access to employer information, reviews or infinite scrolling through talent acquisition platforms - and you are at play with a generation of professionals facing endless choices, making it more difficult for companies to recruit talented and committed staff.

Top three reasons people leave their job are:

1. Lack of growth and development
2. Lack of respect
3. Lack of adequate compensation⁶

Learn more:

Hospitality Management: What are Millennials Looking for in Their First Job?

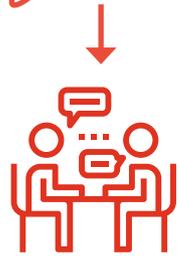
<https://hospitalityinsights.ehl.edu/hospitality-management-millennials-expectations>

IS YOUR RECRUITMENT AND ONBOARDING STRATEGY MILLENNIAL-PROOF?

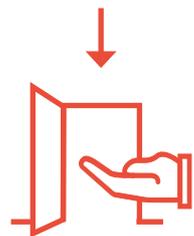
Organizations that are well-equipped to recruit in the era of millennials think holistically about the overall experience delivered to potential hires.



1. Targeted recruitment efforts
Recruit leads with the right skillset and mindset



2. Meaningful interview process
Involve all key stakeholders



3. Hiring and onboarding process
Proper follow-ups to welcome and familiarize employees with the company culture

For many organizations, recruitment and onboarding are by far some of the most important phases of a millennial-proof talent management strategy: it is after all the entry door for any potential candidate wanting to become part of an organization. These early stages are fundamental for any business since they account for the ‘first impression’ for potential new hires and will shape their first steps within the company. Some even say that it should be a branded candidate journey.

“The initial onboarding process plays an integral role in **the employee’s perception of the company**, awareness of the company’s purpose and mission and more importantly, their satisfaction with their job/role and company as a whole.”

So how to best handle onboarding in the era of millennials?

A report published by Robert Half (2018)¹⁰ - the world’s first and largest specialized staffing firm - suggests that companies should: “aim to develop an onboarding process where new staff members not only learn about the job but also the company culture and how they can contribute and thrive, with ongoing discussions, goals and opportunities to address questions and issues as they arrive.”

Furthermore, they recommend organizing meetings at predetermined points; this could be a few weeks after the first day, a month after, every quarter, etc.

1/3 of the survey respondents agreed that recruiting and retaining top talent accounted for their biggest challenge with millennials.¹²



How companies like IHG, METRO AG, L'Oréal or Four Seasons hire millennials

IHG

“...anybody who applies to a role is a potential guest. We want to ensure that their experience is personalized and as delightful as they would experience in one of our hotels.”

Louise Byrne, VP Global Talent at InterContinental Hotels Group.

Four Seasons Hotels & Resorts

“Candidates go through behavioral tests that lead to different profiles (...) these are based on thinking style, behavioral traits and top interests (...). This will not show the inability of candidates to do the job but rather how comfortable the candidates will be performing at the job place. (...). **The more comfortable you feel at the job place, the less stressed you will be** even during peak periods – this allows Four Seasons to retain its talent longer.”

Louisa Birch, Corporate People, Culture and University Relations Manager EMEA at Four Seasons Hotels & Resorts.



L'Oréal

“ We make sure to offer a real experience throughout the process (...). **To ensure the perfect match** we have different steps. We start with a digital self-assessment, run conversations focusing on soft skills to ensure a real fit with our corporate culture and values and make sure HR and the managers meet the candidate in our new and modern offices.”

Emmanuelle Grosclaude, Human Resources Director at L'Oréal Switzerland.

METRO AG

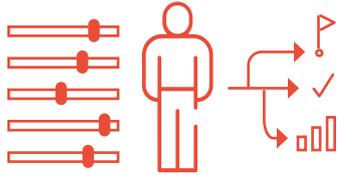
“ We have developed an onboarding expert role. This person is responsible for the pre- and onboarding of the candidates at the headquarters. We ensure that **on their first day they have everything they need on their desk, a warm welcome** and once per quarter we have a networking event where the CEO takes the time to join to give an outlook on the strategy. The goal is to ensure a branded candidate journey. It is nowadays very important for a company to differentiate itself from its competition.”

Nadine Wiegatz, Manager Global Employee Branding at METRO AG.

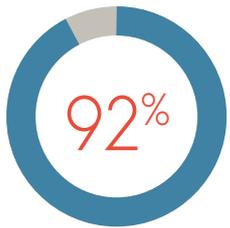
Learn more:

Attracting and Retaining Hospitality Talent in 2019

<https://hospitalityinsights.ehl.edu/hospitality-management-career-talent>



Career path and skills development are crucial for a company’s success with its employees. The more the employees feel that their company is investing in them, the more likely they will feel **a sense of belonging and motivation to stay** at the company.



of employees agree that having access to professional development is very important and a key advantage in the workplace



of employees would stay at a company if they invested in their career

TRAINING & DEVELOPING MILLENNIALS’ SKILLS

The need for career development opportunities

To ensure engagement and retention of top talents in a business, career development should be at the forefront of any company’s human resources objectives. As employees’ needs and wants evolve over time, people become more impatient and seek a more dynamic, enriching experience in the workplace. As stated earlier, millennials will make up 35% of the global working population by 2020, and this number will continue to grow. Again, driven by an intrinsic desire for personal fulfillment and a sense of purpose¹², this generation expects change far faster than any other generation in history and companies have to adapt to this new mindset if they wish to engage with them in the long run.

In this context, well thought-through employee development opportunities have become cornerstones of a successful talent management strategy. As explained by Kevin Griffin (2014), an IT advisor at Falco Enterprises and former CIO of GE Capital **“learning cannot just be an afterthought – it must be a core focus of any strong organization.”** Griffin highlights the importance of career development and he further emphasizes by saying:

“ (...) putting someone on a career path that doesn’t have any room to develop is not only a career-limiting move for the employee, but a **business-limiting move** for the company.”

Why invest in career development?

The bottom line is simple: employers who do not invest in developing the skills of their employees are losing in performance, engagement and retention².

“ This generation needs a close link to their managers. They are looking for feedback and often need to be reassured, *they need to feel valued or they may leave...* To answer those needs, we are creating a real *feedback culture* at L'Oréal.”

Emmanuelle Grosclaude from L'Oréal

What are companies doing?

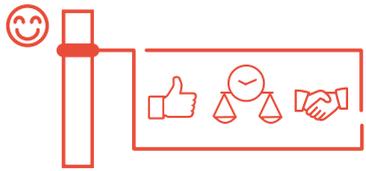
Alexandre Gerno, Human Resources Director Region Europe & Middle East at Moncler explains how the company has invested in building an academy focused on people development to begin in 2020 – The Moncler Managerial Academy. In addition, they have defined **clear career paths for each position** to get to the next step, with precise KPIs; this has been a direct action taken to answer millennials' needs.

Similarly, at MSC Cruises, Brand Performance Director, Christopher Rudolph explains how a career path book has been produced which explains the qualifications and skills required for the next rungs in the ladder. At the behest of the CEO, **every single position in the company has been mapped** on how that position could develop into a C-level position.

Developing employee skills does not necessarily mean investing in third party courses or expensive programs. It could also involve developing their skills by promoting them from within.

“ [Developing employees' skills] not only provides a clear path to greater compensation and responsibility, it also helps employees feel that they're valued and a crucial part of the company's success.”

In the industry, a few companies have preferred to take this approach in efforts to engage their employees further. For instance, Four Seasons Hotels & Resorts aims for a **70% internal hire rate**. Of course, this means newcomers have a harder time getting into the company, but it ensures that there are plenty of development opportunities for current employees.



Underline the importance of competitive compensation packages including **a reward system, a flexible work environment and a good amount of trust.** The more the employee’s needs are covered, the happier they will be, leading to greater efficiency and a stronger loyalty.

Top 5 traditional non-salary benefits include:

- 1 Health insurance
- 2 Incentive compensation or bonuses
- 3 Paid time off
- 4 Flexible work arrangements
- 5 Technical/skills training

BENEFITS & FLEXIBILITY

Beyond compensation

Another area that has proven to have a significant impact on retaining talent has been the benefits offered by a company. Benefits are not only what is shown at the bottom of the pay slip, and it does not take stacks of cash to sustain employee loyalty. Compensation packages promoting a healthy work-life balance have proven to have a greater impact on employee satisfaction.

“ It is important to understand that every individual is different, motivation works differently for each person so compensation has to deliver a somewhat personalized approach.”

Plenty can be done to ensure employees are fairly compensated and being offered a healthy work-life balance. A recent survey by Consumer Technology Association shows that the top five traditional non-salary benefits include: health insurance, incentive compensation or bonuses, paid time off, flexible work arrangements and technical/skills training. Competitive benefits improve retention, however if perks are benchmarked against competition, employees will hardly swap jobs based on benefits alone but rather on the meaningfulness and impact of their job!

In the end, the equation is simple: the more employees’ needs are covered, the happier they will be... leading to **greater efficiency in the workplace and a stronger loyalty to the business.**



Flexibility, wellness and mobility

When VP of Global talent at IHG Louise Byrne describes the personalized benefits IHG employees can pick and swap for vouchers or other specific services, she emphasizes the critical role of flexibility nowadays and that:

“ Leadership modelling is essential. If there is no example given from above, people will not do it, it has to be endorsed..”

L'Oréal is also betting on flexibility; apart from a very generous home office policy, the company is also applying flexibility to its office spaces and **creating innovative work areas** around the world. Tapping into technology coupled with new ways to design and organize, employees' spaces not only accommodate for modern ways of working but also plays a key role in the wellness of its staff. Case in point, modern office spaces are supported by clubs to **animate the environment through sports and cultural events**.

On the other hand, Four Seasons Hotels & Resorts has designed its benefits **program around health and wellness**. Amongst others, the luxury hotel business offers travel opportunities as rewards, complimentary nights which increase over the years, as well as wellness subsidies (gym memberships, courses, etc.).

METRO AG has a different perspective on benefits. The food service giant has come up with various benefit packages based on an employee's job level. METRO AG, in some cases, offers **global mobility across their offices worldwide**, a benefit which **clearly contributes to the employee's loyalty to the company**. Nevertheless, in their headquarters in Düsseldorf, they also include more standard ones like pension benefits, on-campus gym and work-out room, silent lounges, beverages and fresh fruits, flexible working time and home/remote office.



Fairness and equality are key aspects of a sound talent management strategy. Managers are at the forefront of identifying toxic employee behaviors and **promoting a sense of respect and appreciation**. Communication should be transparent and compensation aligned with company policies. If employees feel they are being **treated fairly** and as valuable assets to the organization, they are more likely to stay.

HOW TO CULTIVATE HAPPINESS IN THE WORKPLACE?

If company cultures promoting fairness, diversity, and equality have now become the norm, another key element is arising as vast numbers of millennials are entering (or have been active) in the workforce. As a slew of new research focuses on happiness in the workplace nowadays, the bottom line is pretty simple: **a positive work environment and happy employees can make all the difference in retaining employees.**

A key contributor to employee's happiness is appreciation and gratitude. As millennials are increasingly working in complex and fast-paced environments, company cultures solely focusing on extrinsic factors such as how to better include people or how to make them feel respected are not enough anymore. **Showing gratitude** for hard work, achievements or even in difficult situations can go a long way in fostering an intrinsic feeling of belonging and loyalty in the workplace.

First, gratitude comes in due time and corporations cultivating a **culture of feedback and appreciation** should take that into account.

“ When it comes to offering appreciation, specificity and timeliness make all the difference. Saying (“congratulations, good job”) for something that was done a week ago has less of an effect than immediate praise.”

Then, happiness and appreciation in the workplace can only be achieved if relationships between coworkers are positive and respectful - lack of mutual respect indeed spells disaster for retention rates¹³.

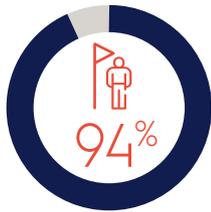
That is where companies committed to creating a positive work environment can lead: **not only by promoting healthy interactions, but by leading by example at a managerial level** and tapping into managers as first-line players to identify potential toxic behaviors and promote a sense of respect and appreciation.



of the global workforce will be represented by millennials by 2020 ¹²



work-life balance is a top career goal for 50% of recent graduates



of employees would stay at a company if they invested in their career



the average cost of an employee leaving is around a third of his/her annual salary

TURNING MILLENNIALS INTO LOYAL EMPLOYEES

Companies seeking to hire and retain millennials in the workplace have a challenge ahead: how to establish efficient and cost effective ways to turn millennials into loyal employees?

Whether it's finding the appropriate recruitment process aligned with the company culture, offering personalized career development opportunities paired with corresponding hard skills training, ensuring competitive and somewhat personalized compensation packages or cultivating happiness in the workplace - companies have a long way to go in terms of talent retention.

“ An organization's success is directly linked to its ability to access and retain an appropriately talented and skilled team of employees. That's why talent management and retention are critical business strategies. ”

With an increasing millennial population in the workplace, companies have been forced to adapt their SOPs in terms of retention to make their processes effective. Finding the right path to loyalty with millennials might be made of trial of error but as stated before, millennials value meaningful experiences, and that should be the main focus for companies.

“ Every employer needs to make sure that each employee is able to connect his or her work to the larger vision of the organization. It is only when the employee can make this connection that feelings of pride and empowerment can take hold. ”

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