

THE WORKPLACE IN 2025

MILLENNIALS
THE GENERATION OF EXPLORERS

M3S
TOTAL TALENT SOLUTIONS

**MORGAN
McKINLEY** 

— GO BEYOND —

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ABOUT THE AUTHORS



Karen O'Flaherty

Chief Operating Officer at Morgan McKinley, Ireland

With over 15 years of experience in recruitment, Karen joined Morgan McKinley in September 2005 as divisional director of the IT division. Karen's success in this role led to her promotion to Operating Director, reporting directly to the MD of Ireland. In 2011, Karen was promoted to Chief Operating Officer in Ireland, responsible for the strategic growth and development of the various brands.

Karen is also the co-author of Morgan McKinley's monthly Employment Monitor and is a regular contributor of articles and commentary in the media.



Clodagh Bannigan

Global Service Delivery Director at M3S

Clodagh graduated from UCD with a BA International in 1996 and then went on to complete a postgraduate diploma in International Marketing from DIT.

Shortly after graduation, Clodagh began her career in recruitment with Alexander Mann Solutions (AMS) in the UK. In 2003, she founded AMS' Graduate Practice which became the largest provider of graduate recruitment solutions in the UK.

Clodagh returned to Ireland after spending 4 years in Singapore and she joined M3S as the Global Head of Operations.

Clodagh has been an active member and speaker with various graduate associations in UK, Singapore and Ireland.

ABOUT THE AUTHORS



Chris Bell

Global Sales Director at Morgan McKinley Group

Chris joined Morgan McKinley in 2012 with the remit to build out the company's global sales organisation, and with a particular focus on establishing and building M3S - Morgan McKinley's solutions business that specialises in Total Talent Management including RPO, MSP, Graduate and Project recruitment. Today M3S delivers services in over ten countries and filled over 6,000 roles in 2016.

With over 30 years of experience in the staffing industry, Chris has a wealth of experience not only in Managed Services but also in global sales management and client service delivery, having lead corporate sales and service teams across Asia Pacific, Latin America, EMEA and North America for the past 20 years.



Niamh Cornally

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A graduate of Carlow Institute of Technology, she has vast experience working with organisations in Ireland reviewing and developing their talent strategies.

Niamh was also a founder and coordinator of Performance Series which involved hosting over 8 events in Dublin and Cork in the topic of business, sports, leadership and wellbeing.

INTRODUCTION

Millennials, or Generation Y born between 1981 and 1999, are expected to make up 75% of the workforce by 2025. They are bringing with them into the workplace attitudes shaped by the digital revolution and they have a very different outlook to the generations who preceded them.

The objective of this report is to provide insights into these attitudes and how they will shape the workplace of 2025. In addition, this research identifies some learnings for employers and outlines possible strategies which can be adopted in response to a changing landscape in the workplace.

The report is based on research carried out between February and March of 2017 which looks at the attitudes and ambitions of millennials in terms of their workplace, their careers and compares them with those of their predecessors: Generation X (1961-1980) and Baby Boomers (1960 and before).

M3S and Morgan McKinley conducted an online survey of more than 3,400 professionals working in Ireland to collect the data for this report. Morgan McKinley is a leading Irish owned multinational professional staffing and talent management organisation, with over 700 employees in 9 countries. M3S is Morgan McKinley's total talent solutions division which delivers scalable, flexible outsourced programmes to find the best talent for clients.



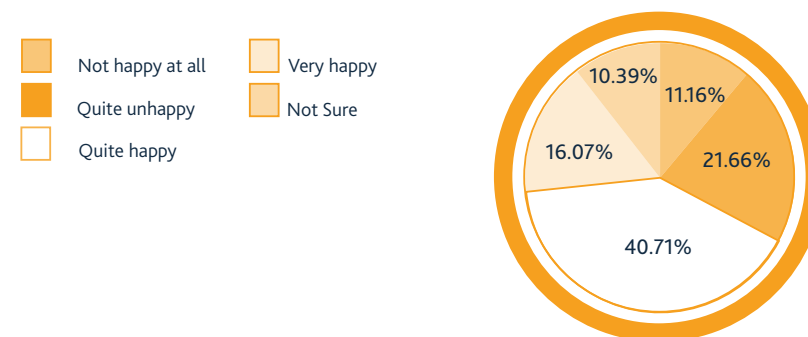
OVERVIEW OF THE REPORT

Millennials are possibly the most personally ambitious, demanding and mobile generation ever to enter the workforce. By 2025, they will have achieved leadership positions in many organisations. Workplaces will naturally transform to reflect their values, needs and attitudes. This research-based report explores the factors that will shape the future of work.

Part one focuses on the behaviour, opinions, values and needs of millennials in the context of work and career. Based on the data and comparison to other generations, this creates a profile of millennials and a foundation for the 2025 forecast.

As the graph on the right shows, a significant proportion of millennials are exhibiting a low degree of satisfaction at work and a propensity to move jobs. Almost one third (33%) of millennials said they were either 'not happy at all' or 'quite unhappy' in their current job.

How long do you expect to stay with your current employer? (Only millennials who answered they were happy in their current jobs)



OVERVIEW OF THE REPORT

Almost three-quarters (72%) of millennials said they were planning to leave their current employment within five years, 62% of them within three years. Interestingly, even the employees indicating higher levels of job satisfaction intend to leave in large numbers with 65% of them saying they will still leave within five years.

Among the factors (stated by the respondents) causing these low levels of satisfaction are: lack of work-life balance related to long working hours with no flexible working option, relatively low salaries, limited career progression or development opportunities, unsuitable work culture and lack of transparency.

While millennials are likely to leave their employment within 5 years from starting a new job, they are not necessarily lost forever. **Part 2** of the report explores the 'boomerang effect' related to a definite willingness on the part of millennials to return to previous employers.

Part 3 of the report looks forward to the workplace in 2025. According to the findings, 2025 will see greater opportunities for complete career changes, more specialist job titles, significantly higher work flexibility, greater transparency in organisations and more opportunities for horizontal hiring.

In conclusion, the report suggests the best approach that employers and organisations could take in order to prepare for the future – embracing the changes being shaped by this new generation instead of attempting to change their nature will provide the best pathway to success.

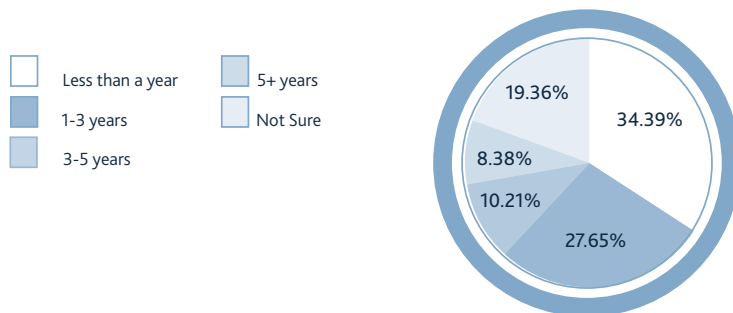


1 - ANALYSIS

MILLENNIALS – THE GENERATION OF EXPLORERS

Millennials are likely to change their jobs a number of times during their career. They are also open to completely changing their careers and starting from scratch. As the research shows, almost three-quarters (72%) of respondents said they plan to leave their current employment within five years, 62% of them within three years.

How long do you expect to stay with your current employer?

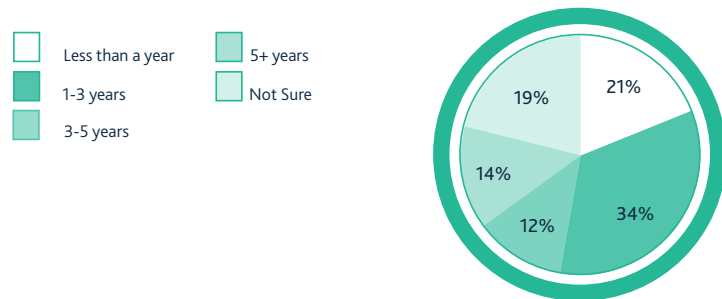


Even millennials who claimed to be happy in their current jobs were still expecting to leave their jobs within similar timeframes.



1 - ANALYSIS

How long do you expect to stay with your current employer?
(Only millennials who answered they were happy in their current jobs)



While changing working conditions to meet the needs and lifestyle of millennials will retain employees for longer, ultimately the possibility of them leaving their employment after they pass the 5 years mark increases to 72%.

As a generation of *explorers*, millennials are willing to take risks and quickly adapt to new environments. They look for adventures and new experiences, which sometimes might mean a lower salary or title.

Therefore, the reasons why millennials leave their employment are not always negative. It's frequently the case that they would look to move in order to gain a new experience that isn't available with their current employer. Some of the reasons for moving are as follows:

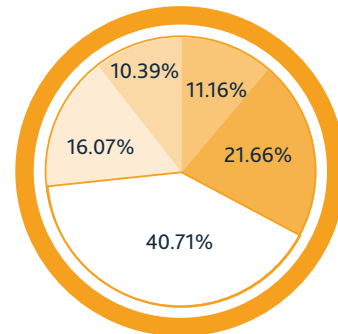
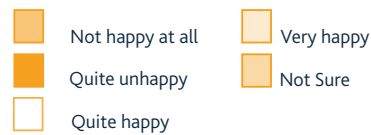
- Wanting to change sector
- Trying out working for a smaller or bigger company
- Planning to learn new skills that can't be acquired in their current role
- Not being able to use new skills they recently acquired
- Wanting to change working environment (e.g., from a formal to casual working culture or the opposite)
- Taking a career break to go travelling
- Relocating to a new city or country

1 - ANALYSIS

JOB SATISFACTION & ENGAGEMENT

According to the research, one-third of millennials are, to a certain degree, unhappy with their current jobs, which makes them the least satisfied out of three generations in the workforce.

How long do you expect to stay with your current employer? (Only millennials who answered they were happy in their current jobs)



There were 5 principal factors listed by millennials around what makes them happy with their jobs:

- Company's culture & transparency
- Relationships with colleagues
- Support or recognition from manager
- Progression and development opportunities
- Flexible working opportunities and work/life balance

As one of the millennials commented:

"I fit perfectly in the working culture here. I am working with like-minded individuals who are able to advise and guide me with their experience."

1 - ANALYSIS

The same aspects were listed by millennials as reasons that cause a low level of satisfaction with their current work situation:

"I love my job but unfortunately the managers are quite difficult to deal with at times. I'm currently doing the work of 3 people with no support."

"Repetitive work, promises of new projects that haven't come through, I feel like my professional development is stalling unless I start learning on my own initiative outside from work in order to move on with another job role"

Additionally, those expressing low levels of satisfaction mentioned relatively low salaries and their jobs not being challenging enough as contributing factors.

Implementing changes to address the challenges listed above would decrease the amount of employees planning to leave within a year from 58% to 19%.

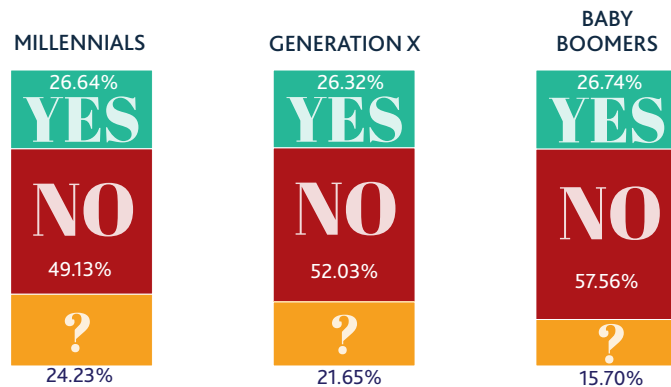


1 - ANALYSIS

GETTING TO THE TOP

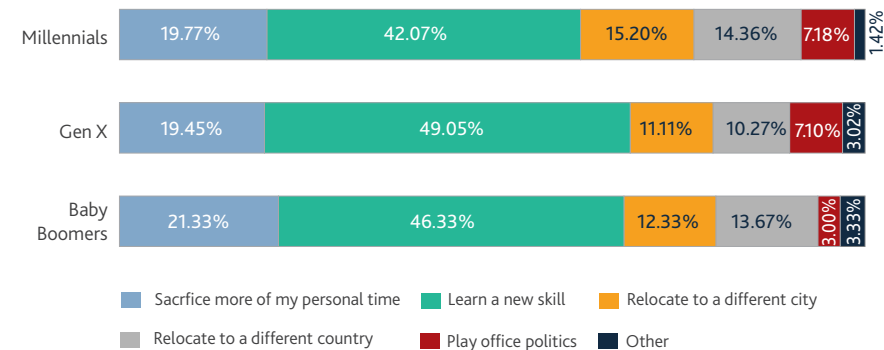
Just over a quarter (26%) of respondents from each generation believe they could rise to the most senior levels in their current jobs.

Do you feel that you will be able to rise to the most senior level within your current employer?



Regardless of age, just 1 in 4 people are certain they could progress to the very top of their organisations. Millennials' expectations aren't higher than those of any other generation in relation to the ultimate outcome. However, they might act a bit differently to get to where they want to be.

Which of the following actions would you take to get a promotion?



Millennials are more likely than any other generation to relocate to progress their career, even if it means relocating to a less developed country. Interestingly, baby boomers (born 1960 or before) aren't far behind.

1 - ANALYSIS

As one of the millennials commented:

“I would put some serious thought into relocating to a different country or city for a promotion. It would be a difficult decision but depending on the opportunity I would think about it.”

Acquiring new skills is the most likely step that any of the generations would take to further their careers with Generation X (born between 1961 - 80) being most likely to do so. However, 30% of millennials would be willing to relocate as opposed to only 21% of Generation X.

Naturally, an aspect of having a young family might play a role when it comes to relocation:

“I think once you have a family (certainly as a female) your options narrow, particularly if you are on the lower end of salaries as you can't necessarily afford to pay for childcare.”

Millennials and baby boomers, prioritise career progression over financial incentives, while Generation X considers competitive pay to be the most important factor making an attractive employer. What's more, Generation X values flexible working more than millennials.

As the research found, the top 3 elements that impact an organisation's attractiveness among millennials are opportunities for career progression, competitive wages/other financial incentives, training and development programmes.

On the other hand, the 3 main factors that millennials view as the most important when considering accepting a job offer are salary & benefits, learning & development opportunities and flexible working.



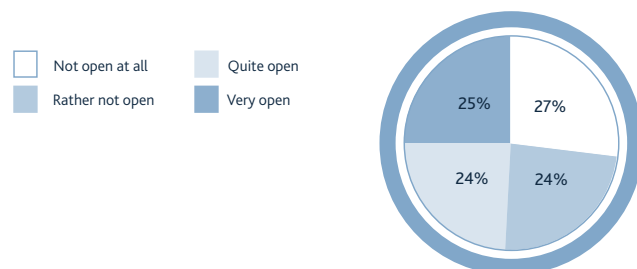
2 - THE BOOMERANG EFFECT

Millennials are ambitious and are also more likely than any other generation to relocate to find the most appealing job. But they are also willing to retrace their steps in order to advance their careers.

Increasingly, employees will consider returning back to their former employers and, as companies change their policies to allow for rehiring of former employees, this would indicate that the 'Boomerang Effect' is now rapidly growing as a trend.

The research showed that almost half of millennials (49%) either want to return, or would consider returning, back to a former employer. This means that, while millennials are likely to leave at some stage, they are not necessarily lost forever.

Assuming there were no negative reasons for leaving, how open would you be to returning to your former employer?



Employees who boomerang are usually those who left either to travel, further their careers, try something new or perhaps they may have had personal reasons. In other words, there were no particularly negative reasons for the employee to make the move.

Boomerangs are already familiar with the company's culture and values. They have an established employee-employer relationship and, by leaving, they gained experience and developed new connections that will benefit the organisation they return to. They are also significantly quicker to achieve high levels of productivity than first time employees, which makes boomerangs ideal candidates.

Since millennials exhibit a high propensity to return to their previous employer, the exit process plays a significant role for both parties: employees and employers.

In fact, as these career moves are now more common and even expected by organisations, the off-boarding process is starting to resemble the on-boarding process.

A well structured exit process prepares the foundation for the potential rehiring of an employee in the future. Creating networks of alumni is also becoming more common as organisations are actively designing hiring strategies to target former employees.

3 - THE WORKPLACE IN 2025

It is forecasted that Generation Y will make up 75% of the workforce by 2025 with the first wave of millennials moving into their 40's and taking on leadership positions. This will impact significantly on workplaces that will come to further reflect millennials' values, opinions and attitudes.

One of the top factors affecting millennials' job satisfaction comes down to work-life balance and this can be balanced through flexible working arrangements. By 2025 most organisations will implement some form of flexible working such as:

- Flexible start & finishing times
- Mobile working, working from home and hot desking
- Reduced / compressed hours
- Job share arrangements

Employees will have freedom in deciding when, where and how long to work. This will not be restricted to opting for a set number of hours per week. Employees will be able to flex their hours up and down depending on, for instance, the time of year.

Organisations will reorient their systems to accommodate this, while ensuring that they have sufficient employees at work as part of overall resource planning.



3 - THE WORKPLACE IN 2025

Once an employee reaches their 5 year work anniversary, the chances of them leaving their organisation increases to 72%. Employers becoming aware of this trend will create succession plans (including a pipeline of hiring) in order to avoid a negative impact from the departure of key employees.

This will result in the reframing of the nature of available opportunities. The current positions that cover a wide spectrum of different tasks and require varied sets of skills will be broken down into separate and more specialised roles. In turn, this will see the development of less hierarchical and flatter structures.

Flat structures will be accompanied by deeper transparency with all employees being aware of short and long term business objectives, the wider vision and mission. They will have a full understanding of their role and place in the company as well as the path they need to follow to achieve their own and the company's goals. Clearly defined career paths and recognition systems will be more commonly used across organisations as a way of building trust and loyalty.

Employers will place a greater focus on adaptability as a skill when recruiting. Accepting that new employees will stay a maximum of 3 to 5 years with an organisation will mean having to hire candidates who can adapt quickly and make an immediate contribution to the organisation.



HOW TO PREPARE FOR THE 2025 WORKFORCE

In the previous sections, we have described a generation that will dominate the workforce within years, influencing the way that organisations function.

With talent being the foundation of every company, failing to meet the requirements of this changing landscape will negatively impact the effectiveness of numerous organisations.

There are practices and strategies that can be implemented to attract the most suitable talent and achieve the highest productivity:



Flexible working

According to Morgan McKinley's 2016 Working Hours Survey, 36% of employees currently have the option of working from home, with 44% of employees having a flexible start / finish time. Only 4% of professionals said, however, that remote working was formally offered as part of company policy

Flexible working arrangements are a key inspiration for Irish workers and over half of professionals admitted it was offered to them on a discretionary or occasional basis.

A culture of flexible working should be embedded and become a part of official policy within organisations.



Lateral Movements

Allowing employees to move to a different department, subsidiary or location creates an opportunity for 'the generation of explorers' to try something new or acquire skills they didn't have before, without having to leave their organisation.

Changing responsibilities are as welcome to a millennial as increased responsibilities and greater mobility within organisations results in both increased productivity and longevity.



HOW TO PREPARE FOR THE 2025 WORKFORCE



Clearly defined career progression paths linked to a development plan and recognition and remuneration systems.

Keeping millennials informed on the company's plans and objectives and making sure they understand where their role fits in in the bigger picture will create a transparent environment that gives employees a sense of purpose.

Setting their own goals and KPIs based on organisational plans and defining their career progression path is the next step – the company's, manager's and employee's goals should be aligned.

The road to recognition shouldn't always be linked to numerical targets and there should be a recognition system in place allowing for immediate reward, even among colleagues on the same level and not only from the top down.

Financial or other forms of support should be given to all employees who require further education outside of the organisation to achieve the next step on their career path.

Recognition systems should be regularly benchmarked and evaluated to make sure they meet employees' changing benefit needs.

Employee engagement tends to be linked to a culture which positively promotes and rewards productivity whereas satisfaction tends to be linked to an employee's overall sense of wellbeing within the organisation. Everything the organisation does should support employees being personally and collectively successful which, in turn, contributes to achieving the objectives of the business.



Recruiting for cultural fit

Culture is a differentiator and driver of success for organisations. It's important that hiring managers and recruiters can clearly identify characteristics that reflect those values or their lack of. A candidate who is a good cultural fit will adapt quicker and easier to an organisation's processes, attitudes, behaviours and the overall environment.

HOW TO PREPARE FOR THE 2025 WORKFORCE



Deconstructing traditional roles

To allow for fully flexible working arrangements and to address relatively high, but natural employee turnover, organisations could reconstruct traditional roles by breaking these down into more narrow and specialised positions.

This will create more opportunities for internal movements and upskilling and it will accelerate the onboarding and initial training process.



Engaging with alumni and targeting boomerangs

Keeping alumni engaged expands business opportunities and creates an easier way back for those who are beginning to think about returning. Launching or further developing a corporate alumni programme is advisable to strengthen the relationship between companies and employees, which is mutually beneficial.



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— GO BEYOND —