



Raising the bar:
Australian Millennials
in the Workplace



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Traditionally, Australia's major economic development has relied heavily on its natural resources, with consequent boom and bust cycles. Today, technology continues to transform the way business and industry create value. The Australian government, acknowledging that

“extraordinary technological change is transforming how we live, work, communicate”,

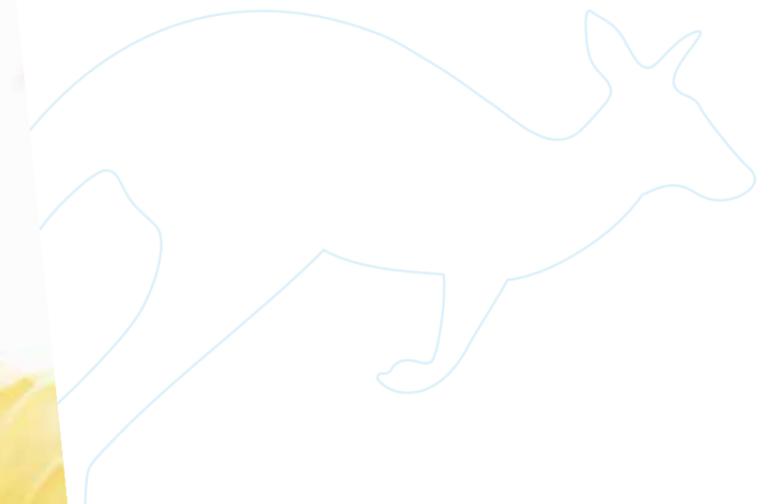
is investing in an “ideas boom” hoping to unlock innovation in every sector to remain competitive and power Australia's growth and prosperity into the future.



Currently Australia is experiencing a depressed labour market and coupled with an ageing population, the supply of workers relative to the population is set to continuously decline.

A key challenge for Australian businesses, will be the attraction and retention of talent and the changing skillsets required for the transition toward technology and knowledge based workers. Australian businesses will need to embrace new innovations and experiment with new ways of working to capture and harness new sources of growth in this increasingly competitive global marketplace.

Millennials will be an important key for Australian businesses to answering these challenges.



This report considers Millennials as those born between 1980-2000.

It is instructive to remember that the Millennial generation is itself a diverse group. This cohort straddles differing life stages from recent graduates to parents with children. These phases will create their own behavioural motives. As there is always room for outliers and contrary motivations, this report focuses on those broader observations that have workplace related impacts.

A GROWING INFLUENCE

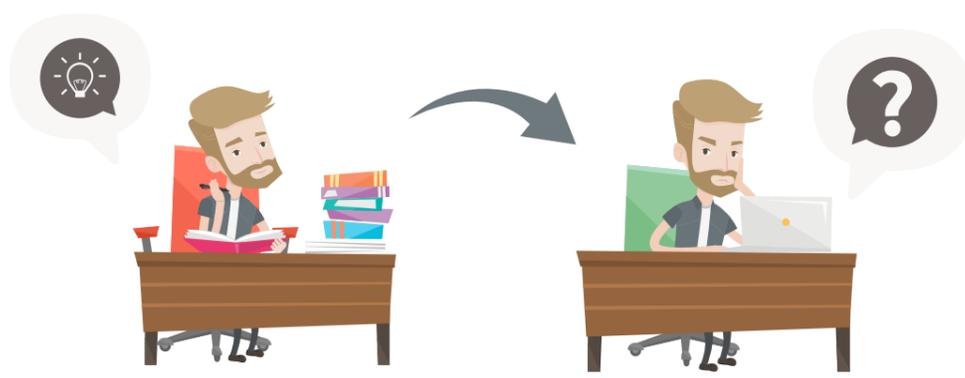
Millennials will make up the largest percentage of the global workforce by 2025. Figures estimate that in Australia alone they will comprise almost 75%. It's not surprising that 79% of Australian CEOs said their biggest concern was how millennials' differing needs would change the way companies do business.

Australia is experiencing a rapidly ageing workforce and is about to undergo the largest generational shift in 60 years, as Baby Boomers finally retire after holding onto jobs beyond the traditional retirement timeframe; This transition creates a considerable challenge for business. How to manage the greatest transfer of organisational knowledge we've ever seen before?

With millennials set to wield significant influence on the future of work, understanding their motivations, expectations and attitudes towards the workplace will enable business to capitalise on their talent toward opportunity and growth.

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in particular

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digital communications
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their social circles locally
and globally

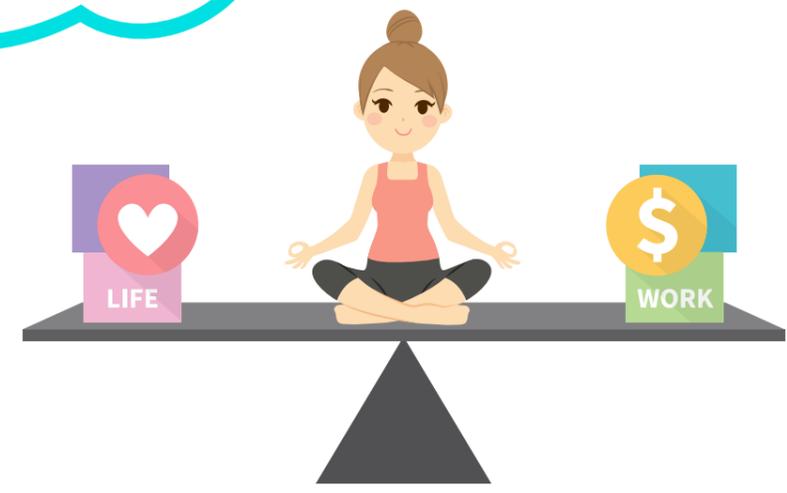


Overly educated,
UNDER EXPERIENCED

Peer
LEVERAGED

WHO ARE THE AUSTRALIAN MILLENNIALS?

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Optimistic but
SHELTERED

'raising the bar'
in their desire for
a more effective
workplace



Technologically
INNATE

not letting
perfection get in the
way of progress

Generation Delay. Millennials are postponing leaving the family home, they are marrying later in life, the average age of bride and groom is 28 and 30 respectively.



As child bearing closely follows, this makes the Millennial parents the oldest of any generation. Millennials seem more concerned with establishing their own lives, and finding their place first before settling down.

FUTURE IMPLICATIONS FOR BUSINESS CAN BE IN PROVIDING FLEXIBLE WORK PRACTICES AROUND CHILDCARE, IN ORDER NOT TO LOSE EXPERIENCED AND TALENTED STAFF TO THIS IMPORTANT LIFE STAGE.

OPTIMISTIC BUT SHELTERED

Australian millennials have been shaped by one of the best economic periods Australia has seen, the wealth and lifestyle benefits of dual income families having sheltered them from harsher economic realities and responsibilities. These conditions have helped produce an **optimistic, socially focused and self-assured cohort**. In some cases, this privileged insulation **can result in a lack of resilience**, when compared to previous generations.

The main economic test for Millennials was the GFC and studies revealed their main concern was its possible impact on their lifestyle spending, preferring to move back to the family home, rather than reduce or forgo this type of expenditure. In 2007, Australian millennials spent \$48 billion on lifestyle expenses .

The importance of lifestyle, or what can be referred to as **work/life balance**, is a significant undercurrent for millennials, attributed partly to lessons learned from the consequences of their parent's career sacrifices. **They have learnt to be more wary of employers, having reservations about devoting too much of their lives with bosses that aren't invested in them.**

OVERLY EDUCATED, UNDER EXPERIENCED

Previous economic conditions and the extended participation in higher education have enabled Millennials to postpone traditional adult milestones. **They enter the workforce as the most academically advanced generation**. However, an overly inflated sense of expectancy to create impact and be rewarded, can cause dissonance once confronted by the reality of the workplace over the classroom, and this can challenge their, previously untested, resilience.

However, **confronted by an insecure job market**, they have begun to realise that qualifications are beginning to figure less than experience and that **formal education doesn't fully prepare them for the workplace**, while miring them in student debt. This fuels their hunger to get 'up to speed' within companies and they get frustrated with the lack of vertical career options available. Australian millennials do show **greater company loyalty** than international counterparts, exhibiting longer tenure, perhaps due to their **increasingly precarious economic circumstances of educational debt and an unaffordable housing market**.

TECHNOLOGICALLY INNATE

They are the **first generation of digital natives**, defined by a natural competence with and constructive attitude toward technology. For millennials, it's part of their DNA and is embedded in their lives: it fuels their sociality, communication and play and will inform how they approach work and the workplace.

Their ease with the customisation of technology enables them to adapt, iterate and multi-task well. Millennials adeptness with technological problem-solving reveals a partiality for outcome focused thinking, with an inclination toward short term approaches. Being comfortable with beta versions, hacking fixes and the constant repetition of upgrades, a preference for **'not letting perfection get in the way of progress'** can markedly impact their project focus and attention to detail.

PEER LEVERAGED

Australian millennials are a very **peer-centred generation**. Continuing the national ideology of celebrating friendship they use **digital communications technology to expand their social circles** locally and globally, sharing their lives from the intimate to the mundane, from the home and to the workplace. This tendency for strong social connection positions makes them naturally **comfortable with collaboration in the workplace**, for some it is the preferred mode of working.

Millennials prevalence for sharing across digital social networks provides a platform for efficient crowd-sourcing of opinion and experience. The hyperconnected Australian millennial has access to insights about companies not available before. Significantly, the increased transparency offers a previously unavailable window into company culture, providing an easy way to compare company perks and workplace designs.



Australian millennials largely desire from employers the same things as every generation: interesting, well paid, stable employment in a stimulating modern environment where they can connect with people they like, trust, and who appreciate them. They prefer organisations that value them enough to provide choice, flexibility and opportunities for learning, growth and career progression.

The main questions millennials have for employers revolve around the alignment of purpose, organisational culture and their contribution and effort, and a desire for uncomplicated work life integration. They want to feel challenged and aspire to the responsibility their level of education implies and so hunger for insight and experience, not necessarily concerned with which employer they come from. They want to work smarter and their familiarity with digital technology influences how they work and interact and achieve their goals.

Millennials' lack of formality regarding hierarchy and their expectations around frequent, supportive, and open communication can challenge senior leader's traditional values. Yet this communication style is central to current workplace strategies about reducing information silos and creating more operationally agile learning organisations.

Like the generations before, they are simply 'raising the bar' in their desire for a more effective workplace, career and life. Where millennials do differ from previous generations is in their expectations on how to achieve these desires and how they want to work.

WORK ASPIRATIONS

MOTIVATING MILLENNIALS

A recent study found that **65%** of Millennials said a sense of purpose is important when selecting an employer. While a 'sense of purpose' has different meanings for individuals, the overriding imperative for business is to have a strong company culture with a sharply defined vision. They are less interested in the industry buzz about a company but keenly focused on the internal buzz, about how it values its employees and enables career growth.

A global Deloitte survey revealed that 87% of Millennials believe that the success of a business should be measured in terms of more than just its financial performance. Company culture is at once intangible but easy to sense when you walk into a workplace. Our survey results confirm that after pay conditions, an engaging company culture was the top consideration in selecting their next employer.

The purpose-driven worker

Organisations that can deliver a sense of purpose around work tend to be those who attract and maintain the most talented.

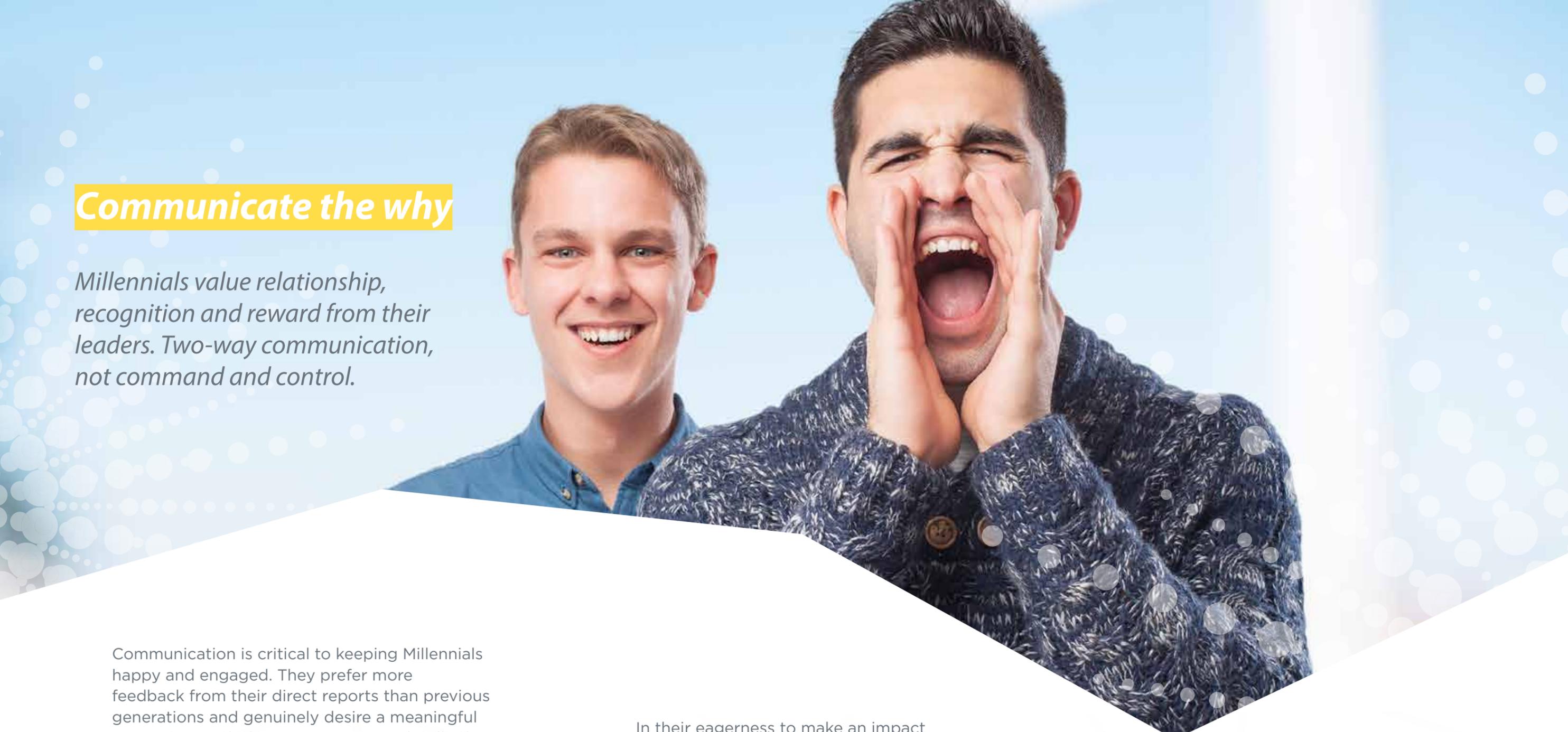
As mentioned, millennials have an enviable yet privileged status. They are the first generation to be raised to be on first name basis with their adult peers. In sport, they've been rewarded for the effort of participation alongside the competitive winners. They are given greater choice in high school curriculum, had online access to unlimited knowledge and are exposed to increasingly personalised and customisable consumer experiences. It's natural for them to want to express the significance of their personality in the workplace, rather than conform to tradition.

These expectations lead to the most levelled criticism of millennials, that they come to the workplace with a sense of entitlement and therefore a poor work ethic. However, some research indicates that when properly engaged they are easily equal to any previous generation for work ethic, perhaps even more so. The crucial difference is that they have been brought up to expect more of an alignment between who they are and what they do, and they weigh the overall purpose of their situation against this belief.

Companies can benefit by managing these expectations through renewing communication strategies and creating a narrative around the purpose of work rather than the traditional instruction of roles and responsibilities.

"I would want my manager to care about me and where I am going".

- Focus group participant

A photograph of two young men against a light blue background with bokeh effects. The man on the left is smiling broadly, wearing a blue button-down shirt. The man on the right is shouting with his mouth wide open, hands cupped around his mouth, wearing a dark blue textured sweater.

Communicate the why

Millennials value relationship, recognition and reward from their leaders. Two-way communication, not command and control.

Communication is critical to keeping Millennials happy and engaged. They prefer more feedback from their direct reports than previous generations and genuinely desire a meaningful connection with their manager. Anecdotally this is often portrayed as Millennials being needy or requiring hand holding.

Our focus groups and survey confirmed that millennials believe that **'recognising performance'** is one the most desired attributes from a manager, but acknowledged that this form of recognition can vary between formal review, informal chat or workplace incentives. Rather than **'hand holding'** most participants indicated that feedback was only required on task or project competition.

In their eagerness to make an impact Millennials may not realise that increased access and acknowledgement from senior leadership is traditionally associated with increased responsibility, or

'paying their dues'.

For outcome-focused millennials, hierarchy just gets in the way. It's not a lack of respect, but viewed as an artificial barrier between getting access to the information they need. Who is more knowledgeable about the business than a senior leader or executive? Remember, they are used to the efficiency of instant global communication and Google.

These heightened expectations of immediacy and access are positive signs of engagement, and current workplace strategies about increasing internal agility and innovation, encourage this flattening of information hierarchies to promote more free flow of ideas.

Leaders should see increased affirmation and conversation as meaningful engagement strategies, not just for motivation, but more importantly, for making this cohort better understand their contribution and getting them up to speed within the organisation.

In our survey, almost **90%** consider the need to understand the overall business and how they can contribute, important or very important. Millennials, become more engaged when they themselves recognising they are contributing, not just being told they are doing **'a good job'**. Notably, similar survey numbers as above indicate that Australian businesses are handling this aspect well.

Importantly, achieving this level of understanding will unlock millennials ability to innovate. They are not comfortable with: 'that's the way it's always been done' and once properly aware of organisational goals and given direction, millennials are predisposed to changing things up. This is the generation of the

'perpetual beta', where products, systems and identity are constantly upgraded, hacked and made anew.

With extraordinary technological change transforming how Australians work live and communicate, business can benefit from giving millennials the licence and opportunity to experiment.



Interpreting the bigger picture

Millennials seek to be a part of something bigger. An eagerness to make an impact can unlock their innovative zeal.

EMPOWERING MILLENNIALS

Finding loyalty in learning and opportunity

Clear career progression and providing opportunities for diverse experience are highly valuable retainment strategies.

Research confirms Millennials switch jobs at twice the rate of previous generations. The question businesses need to ask is why? Popular press paint them as flighty and demanding, ready to switch once they get bored, or their extraordinary demands aren't met. However, a less dramatic look reveals that millennials are responding to current economic circumstances.

For millennials, the opportunity to continue learning and developing are a crucial part of working life so they look for those companies that offer them the best upskilling opportunities. Millennials embrace life learning and will embrace a learning organisation.

In one study 90% of Australian millennials indicated they would stay longer with an employer if they offered training.

Similar numbers are seen globally. Millennials don't job hop but experience hop. A savvy career strategy, not a flight of fancy.

The focus is no longer on building a narrow proficiency within a company but collecting experience across organisations and industry.

They comprehend that a dynamic and unpredictable future work environment will require a more broadly specialised employee. Why restrict your options when you can no longer predict that the job you are in today will exist in 5 years? They want a portfolio career not just a career portfolio.

Millennials value mentorship in particular, this speaks to their preference for establishing insightful relationships within the organisation. Mentorship provides multiple benefits to an organisation, it cements organisational relationships that can boost loyalty, enables the transfer of tacit operational experience and knowledge and provides senior leadership with a window into a cohort that comes to the workplace more conversant than they are with the critical business technology shaping the future of work.



“I had this developing fear that it’s a risk just having one job. Have I put all my eggs in one basket because my paycheck comes from one employer?”

– Focus group participant



Flexibility in policy and practice

Millennials don't mind working hard they'd just prefer to work smarter. They want easier transitions between work and life.

I'm more productive at work when I'm able to spend quality time with family or attend appointments when required.

– Survey participant

A period of steady economic growth, a shrinking labour supply and transformative digital technology has provided a recalibration of where employment sits alongside 'having a good life'. In our focus groups, when questioned, Millennials overwhelmingly used the word 'flexibility' as an important factor in how they would like to work. In this regard, flexibility meant having greater freedom in how they structure their work activity. The benefits of giving employees control over how they work directly leads to greater ownership of role, increases engagement, happiness and ultimately leads to best effort.

They are searching for a smarter way of working, one more integrated with how they want to live. Our survey noted that for Australian millennials the concept that best reflected work/life balance was flexible start and finish times. This result highlighting that turning up is still important but desiring control over this integration of office and life. Millennials want to be judged on their output and outcomes rather than how they get there. They don't see such a distance between life and work, as previous generations and being able to transition easily between them will keep them more motivated and engaged.

Worklife blur and wellness

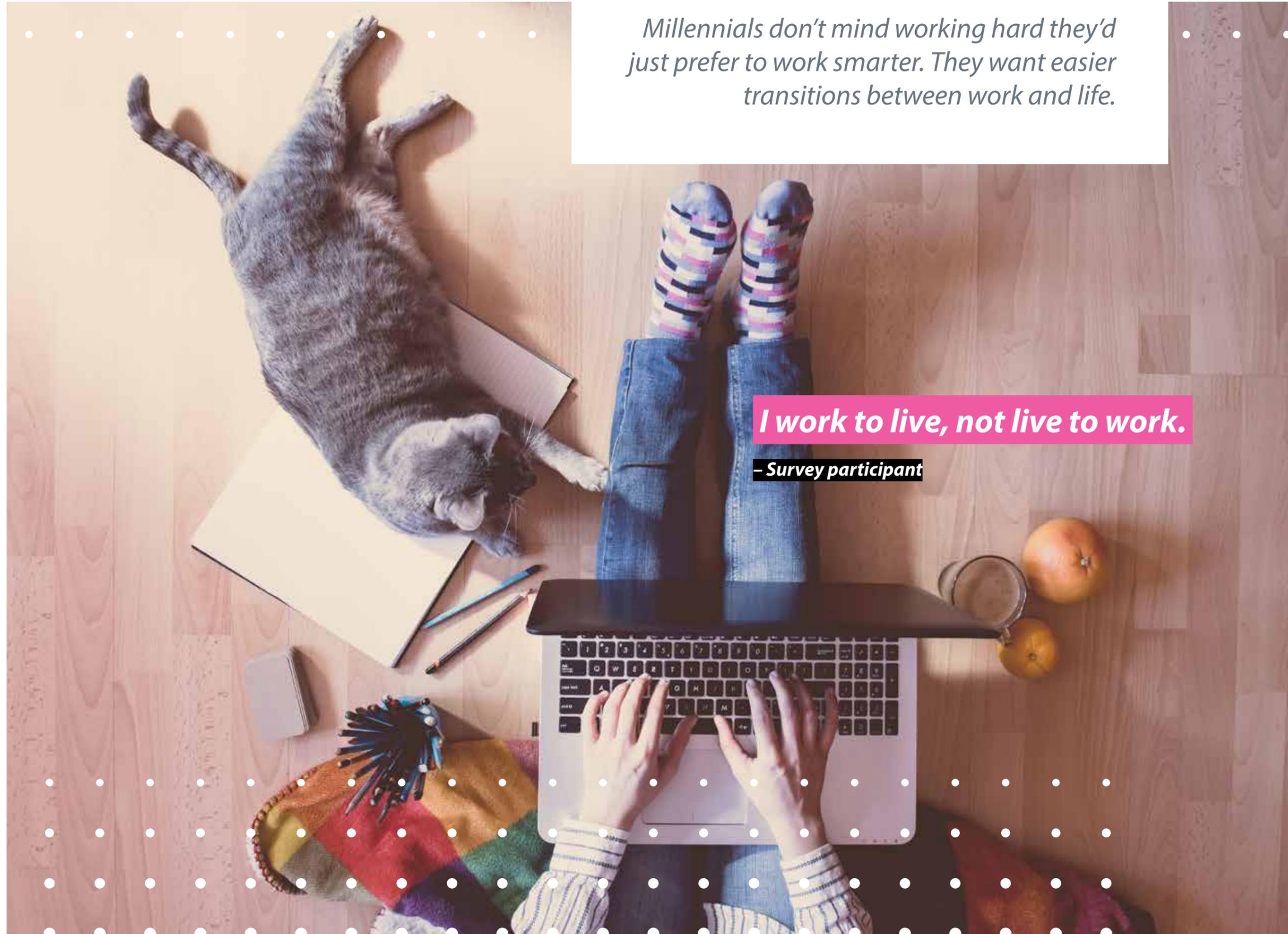
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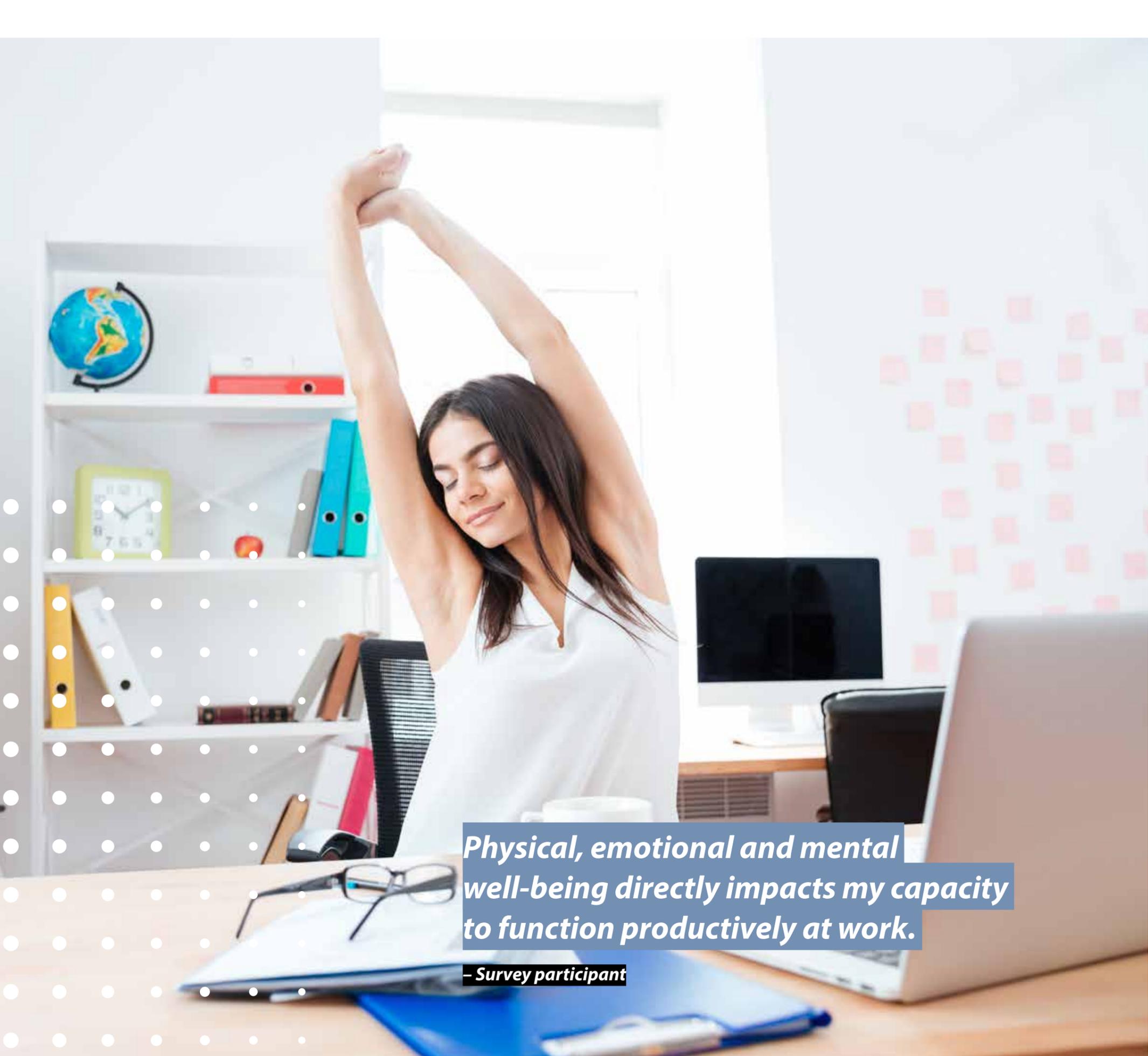
Digital and mobile technology has led to an increased blurring of work and life. Work can now leave the building. Millennials are the first generation to work exclusively with these digitally disruptive technologies and blur the lines between their work and personal lives more than any previous generation. A global study by recruitment firm Randstad found that **51%** of Australian workers are expected to be available out of work hours. A percentage likely to grow as technology becomes more seamless. But at what cost?

When health and well-being are actively promoted in an organization: the organization is seen as 2.5 times more likely to be a best performer. Employees are 8 times more likely to be engaged. The organization is seen as 3.5 times more likely to be creative and innovative. The organization is seen as 4 times less likely to lose talent in the next year.

I work to live, not live to work.

– Survey participant





Physical, emotional and mental well-being directly impacts my capacity to function productively at work.

- Survey participant

The millennials more holistic view of work coupled with **‘always on’** technology means that more time can be spent on and at work, increasing the levels of work related stress. This can have major implications for the health of the individual and affect productivity of the organisation, through absenteeism and healthcare costs. Organisations are beginning to shift their thinking on how best to take care of their employees and keep them engaged and happy.

Focusing on employee well-being is an important strategy to increase engagement and attract and retain the millennial worker. A recent CBRE report highlights that wellness facilities are a major drawcard for Australian millennials yet remain under provided by business.

Research confirms that happier and healthier employees will produce better work. Companies that provide a work environment that protects and promotes both the physical and mental well-being of their employees will see the positive influence it has on employee retention, absenteeism, and work performance.



POLICY ACTIONS AND DESIGN IMPLICATIONS

POLICY ACTIONS

- Develop a pro-active approach to broadcasting your company's brand and culture online, this is where millennials will research their information. Transparency is the new legitimacy.
- Create engaging marketing around your company's purpose and values. Make it easy to discover why your company is a great place to work, not just why you are great.
- Embrace new integrated collaborative software platforms for everyday work, such as social networks, Asana, Trello and Office365.
- Organisations that increase information exchange benefit from a more agile innovative workforce.
- Create a more accommodating environment for organisational learning, remove traditionally restrictive hierarchical thinking.
- Consider allowing more opportunities to observe company and project meetings.
- Find ways to foster non-critical responsibilities earlier in employment.
- Organisations with a strong sense of purpose, a culture of inclusiveness, and open communications retain staff longer.
- Companies need to understand that loyalty and retention is won by access to learning and opportunity, a paycheck just gets them in the door. Hungry for advancement, millennials are looking to be challenged and gather experience and responsibility.
- Creating flexible working conditions will empower your employees to work their best. Organisations should manage individual expectations around flexible work practices, team cohesion and client demand emphasising an outcome-based focus.

DESIGN IMPLICATIONS

- A more open workplace design can help keep Millennials feeling tapped into an organisation. A workplace that reflects a shift away from traditional hierarchies, provides for ease of access to leadership and expresses organisational transparency demonstrates a "walk the talk" attitude and communicates powerful cultural messages to employees.
- The workplace is a physical manifestation and symbol of organisational culture and can be harnessed to communicate a company's culture and brand.
- Clearly define and articulate the brand and culture of the organisation through your design language, from the spaces you include to the materials and textures.
- Flexibility around work is a defining expectation for Millennials, so an office environment with a range of settings, where workers can choose their own configuration or location to work, can increase engagement and build organisational capital.
- Providing work environments that support user control, natural elements, and changing postures, organisations address the physical and psychological health and well-being of people enhances engagement, creativity, innovation, and retention.

FINAL SUMMARY

For Australian businesses, rising international competition, technological disruption and a shrinking labour market places increasing importance on talent to unlock innovation, productivity and growth into the future. This paper explored some observations on the key generational demographic of the next decade - the Australian millennial worker.

Businesses will need to grapple with millennials expectations around the workplace, the sheer numbers entering the workforce compels action. They will need to understand the importance company culture can play in attraction and retention strategies and learn to clearly communicate values and purpose through both their leadership practice and workplace design.



Organisations will require an environment that empowers and supports millennials in how they want to work. Business may need to experiment with policies, be more open to flexible working times and re-configure workspaces to be adaptable to different workstyle preferences and encompass well-being facilities.

It's important to remember that Millennials largely desire the same things from employers as every generation does: interesting, well paid, stable employment in a stimulating environment. However their particular characteristics and their expectations about work, career and life that will 'raise the bar' for the Australian workplace.

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ABOUT THE AUTHORS

HAWORTH

Globally, Haworth improves workplaces through timely & quality research, award-winning furniture, interior architecture, and technology solutions. Research and design drive a deep understanding of agile workplace needs and are at the center of the company's strategy.

To help customers achieve their business goals, Haworth provides knowledge and tools to transform cultures, support collaboration and encourage innovation. Haworth is committed to promoting a culture of sustainability and wellness and creating economic value, while supporting and strengthening its communities. Founded in 1948, Haworth remains family-owned and privately-held and has a global network spanning more than 120 countries.

WORK COLLECTIV

Founded by Susan Lim & Claudia Hamm. After decades in the corporate environment, they began the search for a new organisational model - one that allows more autonomy, better balance and the freedom to grow in any direction. They started to envisage a networked community that enables us to solve interesting and complex challenges with trusted co-workers across the globe and share successes and failures for the benefit of fellow villagers.

The founding idea behind the Workcollectiv is working autonomously but not alone.



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