

Achievers

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Class of 2014:

Your Next Generation of Top Talent

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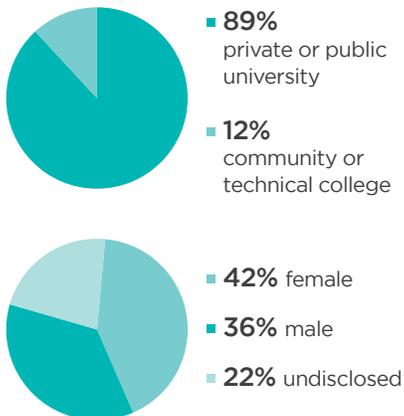
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Summary

They're optimistic, they're driven and they're making communication a priority. For the fifth consecutive year, ConnectEDU and Achievers have partnered to understand exactly what the next generation of top talent is looking for from their future workplace. What does this mean for employers and HR professionals?

Well, this report will provide insight into what to do - and what not to do - when it comes to recruiting and engaging tomorrow's leaders.

We surveyed over 15,000 upcoming graduates about the future workplace.



Introduction

The workplace continues to evolve in many ways - the technology used, the methods of communication, even the physical environment, but one of the biggest changes we're starting to see is a different profile of employee with the rapid influx of Millennials into the workplace. We reached out to 15,000 of your future employees to ask them what matters most when it comes to their future workplace. And this year, more than ever, responses indicated that the Class of 2014 is extremely keen to create impact and advance rapidly - but not without the guidance and mentorship of your company's leaders. The challenge today for employers and HR professionals is to understand how to provide the best training and mentorship to Millennials, while effectively balancing communication and engagement to effectively retain the top talent of today and tomorrow.

Why should we be in tune with the dynamics of this new generation? Not only are the Millennials quickly taking over the workplace and will make up half of the working population by 2018¹, but just as rapidly the Baby Boomer generation is leaving the workforce. This will cause the US economy alone to suffer a shortfall of 6 million workers this year². The outcome will be a talent war where by 2015, 60% of new jobs will require skills held by only 20% of the population. Attracting and retaining this new workforce will be of paramount importance.

In this report, you'll learn what trends have remained constant over the last five years, what's new this year and what every employer's secret weapon needs to be for appealing to the needs of the Class of 2014. Read on to understand:

- ▶ How communication and motivational tactics have evolved and what your organization must do to adapt to these changes to meet the needs of the Class of 2014
- ▶ Exactly how your future employees plan to job hunt and what offerings from their prospective employers they're banking on in order to get and stay engaged
- ▶ Why the Class of 2014 is focused on great management and mentorship and what you can do as an HR professional to ensure you're meeting this need
- ▶ Where your company should invest when it comes to your greatest asset
- ▶ Quick tips and tricks you can implement today to engage your current workforce, while simultaneously creating an appealing culture for the Class of 2014

We asked the next generation of top talent what their future workplace must do to keep them engaged, aligned and recognized. This is what they told us.

What's Still Trending

Now in our fifth year of conducting this survey, there are several familiar trends that we continue to see year after year. These trends, which we've highlighted below, illustrate the significance of multiple communication channels and what motivates the generation who will soon occupy 50% of the workforce.

Where do you anticipate searching for a job?

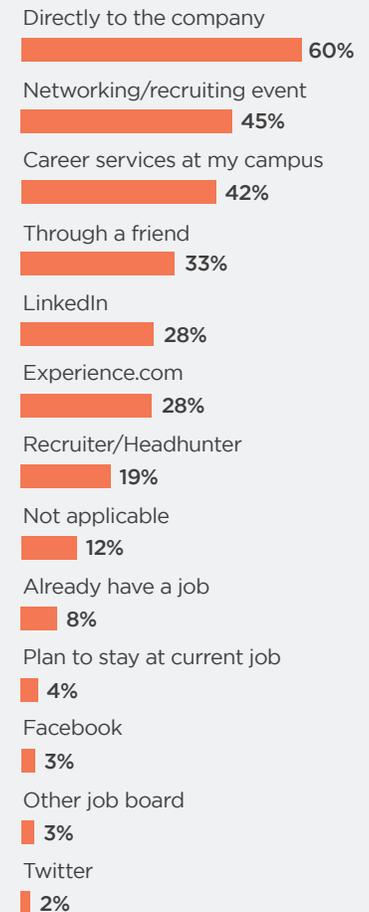
Over the past five years, recruiting practices have changed dramatically - but the results for this question haven't budged. This year's top seven ranking is in the exact same order as last year's results.

Perhaps more widely known as social recruiting today, companies such as LinkedIn are dominating the space when it comes to using social technology to source and place talent. What is interesting, however, is that for Millennials, direct connections still rank in the top three ways this generation prefers to job search. The Class of 2014 wants to communicate directly with their target future employer and will tap into their own networks to make this happen. For HR professionals to win the war for talent, they must strike the balance of establishing brand credibility while leveraging technology, especially social networks, to be accessible to prospective employees.

ACTION ITEMS:

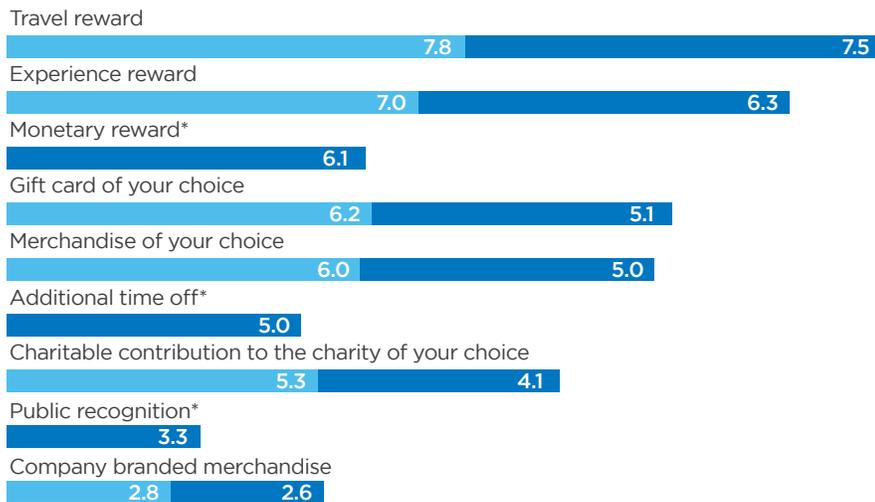
- Promote your positive corporate culture as a means of both boosting your corporate brand and attracting top talent who want to be invested in the organization's objectives.
- Discover and implement technologies that will help your recruiting efforts. Because the Class of 2014 is interested in applying for jobs directly to the company or through a friend, consider adopting an internal referral program. This will appeal to how your future employees plan to scout work and will also help you place top talent faster and at a lower cost.

Where do our recent graduates plan to search for a job?



If you could choose your own reward, how appealing would the following be to you? (weighted rank out of 9)

■ 2013 ■ 2014 *new items added to the list this year.



For 5 years straight, the new workforce has consistently ranked Travel Rewards #1 and Experiences #2.

Respondents have indicated similar results for the past five years, asking employers to tune in: when it comes to rewards, Millennials want choice. When a reward is pre-determined and designated to employees, much like antiquated Years of Service awards, the reward holds little meaning. In fact, in some situations, pre-determined rewards can be perceived as invaluable, ingenuine or inappropriate. The Class of 2014 has indicated in their top responses that they are searching for travel, experiences and items they can choose.

ACTION ITEMS:

- The Class of 2014 is very certain of what they want. So when it comes to their rewards, why not provide them with an option? Travel, life-experiences and gift cards of choice are all rewards that can easily be customized and tailored to the preferences of each individual employee. Give your workforce the option of how they would like to be rewarded for adding value and driving results.
- Though it might not seem like it, spending small amounts on arbitrary rewards adds up - and quickly. A consolidated rewards program helps organizations monitor and manage their budget and actually measure a return on investment for every dollar invested into the reward.
- Ensure rewards are timely. It is demotivating to reward an employee and have them choose something that takes weeks or months to be delivered. The reward experience must be a positive one.



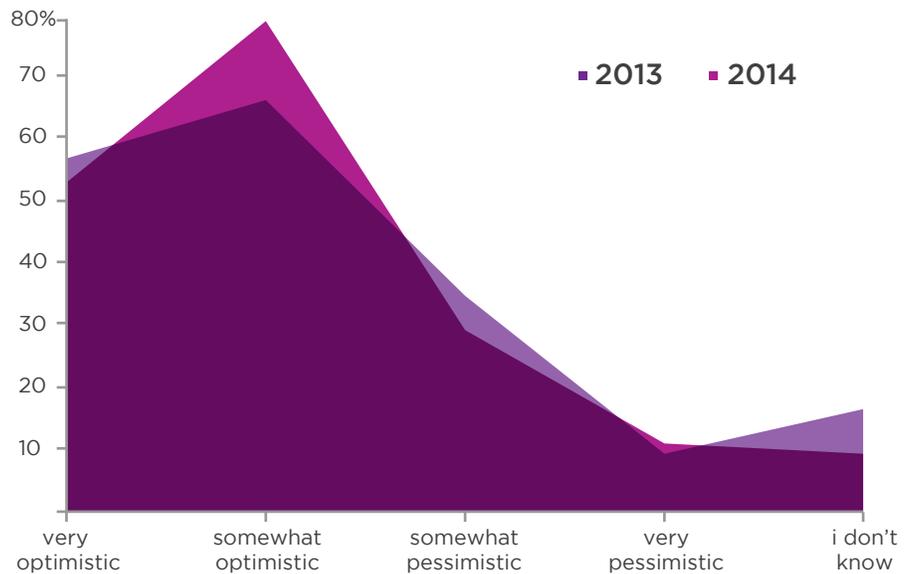
Only 68 percent of top employers retain recent grad hires for three or more years

Source: 2014 Best Places to Work for Recent Grads Companies

What's New This Year

This year, ConnectEDU and Achievers noticed new trends from the Class of 2014 survey. From optimism levels to engagement levels, here are some new trends that your future workforce has identified.

How do you feel about your job prospects upon graduation?



In this year's survey, 72% of respondents indicated that they are optimistic about their job prospects upon graduation. While Millennials have a record of being optimistic about finding work - as displayed in our previous survey results - this year, the percentage climbed 7.5% from last year. This aligns with the recovering economy and the number of available jobs on the rise. While this bodes well for the Class of 2014, employers and HR professionals should look seriously at these figures; the imminent war for talent will increase the level of competition to acquire this new talent.

Boomers are retiring from the workforce at a rate of 10,000 per day³, and they're taking years of experience, knowledge, and workplace ideals with them. That leaves the workforce with a higher percentage of Millennials who are not only the most educated generation in history, but are also the least experienced, making it difficult to recruit employees with the cutting-edge skills and experience employers seek.

While future employees have many reasons to feel optimistic about their job prospects upon graduation, businesses need to evaluate where there is a lack of leadership to ensure that ample coaching is still being provided to Millennials.

ACTION ITEMS:

- ✓ Conduct an internal job analysis and understand how this year's shortfall of skilled workers affects your business. Outline where there is room for future talent to come on board and be developed and what types of coaching skills you can offer graduates.
- ✓ The Class of 2014 is optimistic about their job prospects, which is an indication for HR professionals that the war for talent is on. Take a look at your recruiting strategy to evaluate how accessible your company is to new graduates. Provide opportunities for Millennials to communicate with your company directly when prospecting, via internal referral programs, social media or recruiting events.
- ✓ Millennials are not only optimistic about getting a job, but they are also focused on a career and an experience. Ensure that your company can display what training and succession planning are available to always keep Millennials qualified for their next job at your company.

Rank the factors that impact your engagement positively in the workplace.

(weighted rank out of 8)



Rank the factors that will impact your engagement positively in the workplace.

The Class of 2014 has grown up in an era that, with the help of technology, has redefined communication. It should come as no surprise that communication ranks at the top of the list when driving positive engagement scores. But how, where and when communication happens today has drastically changed from the internal communication strategies HR professionals practiced fifteen, ten and even five years ago. Today, we are seeing a huge shift towards connecting employees through social collaboration platforms and mobile connectivity given dispersed workforces.

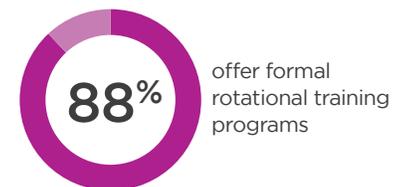
What's also interesting is the separation between the Millennial as an individual versus how they feel the need to work more collectively as a team. As identified in the survey, above and beyond personal and professional growth, this new generation feels compelled to have great communication between other employees to create an engaging workforce, but also strong leadership and a culture that surrounds and supports them in order to be engaged and successful. The 'me' generation definitely has a handle on how the collective 'we' in a company is needed to accomplish great things.

Although it's apparent that Millennials feel that leadership and culture is important, our expectations were that vision and values and rewards and recognition would be higher. Especially since in a 2014 Harvard Business Review report of employees showed that recognition was identified as the number one impact on employee engagement⁴. This could be an indication that they have yet to see the impact of the alignment of vision and values in a workforce, or how important being recognized in the workplace is.

ACTION ITEMS:

- ✓ Do you have a robust internal communication process or tools to connect your employees? Is it a priority to ensure that information is easily accessible cross-functionally? It's important to have a strategy around how these resourceful employees can interact with your business to forge ahead and be successful.
- ✓ In order to keep this generation engaged and retained, ensure you have tools for managers to communicate and align the team with the culture and vision of the company.
- ✓ Ensure your leaders are ready. Do they have the right training to work with this new generation?
- ✓ These days, organizations don't win unless all employees are aligned to a corporate vision and mission. Define and communicate your business objectives to the Class of 2014 early to ensure there's an alignment with what the company believes in and what mission it is trying to accomplish.

According to the ConnectEDU 2014 Best Places to Work for Recent Grads report:

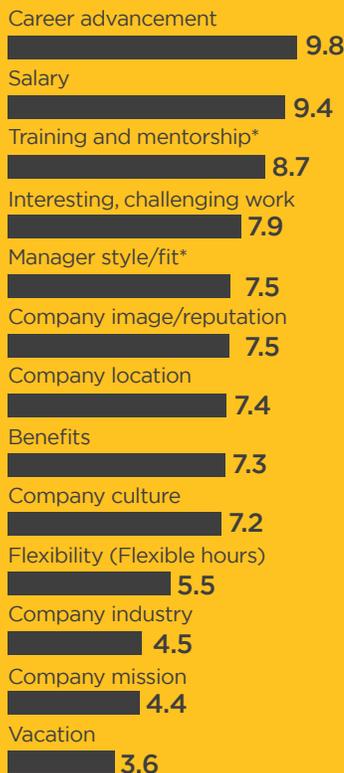


EVERY EMPLOYER'S SECRET WEAPON

More often than not, employees don't leave companies - they leave bad managers. And this year, the Class of 2014 respondents have identified management and mentorship as some of the most important factors in their career success. Now, it's up to employers and HR professionals to equip their managers with the tools that they need to engage and motivate tomorrow's workforce in order to develop their future leaders.

When deciding where to work, what is the most important to you?

(weighted rank out of 13)



***Manager style/fit** is ranked in 2014 at #5 - higher than being ranked #10 in the last four years of the study.

Training & Mentorship is ranked in 2014 at #3 - the highest previous ranking in last four years was #5

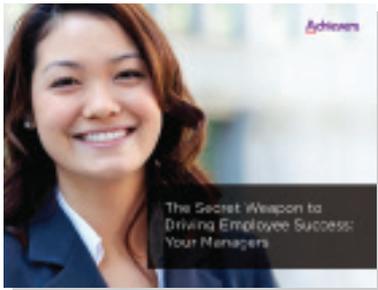
When deciding where to work, what is most important to you?

Over the past five years, this question tends to elicit the same type of response: Millennials have ranked career advancement and salary at the top of their lists when it comes to factors that influence where they decide to work. New this year, however, is seeing training and mentorship included in the top three. These responses indicate that the Class of 2014 understands the importance that training and mentorship have on their career success. They're looking to the leadership at your organization for coaching on how to become qualified for their next job, not just their current position.

One of the most critical components of coaching is effective, meaningful and timely feedback. If your managers and leadership have not established a recognition rhythm and are still in the habit of reserving feedback for annual performance reviews, it won't work for the Class of 2014. They're looking for regular feedback that they can harness to drive results and position themselves for advancement. What types of coaching skills do your managers have? Do they need more training so they can effectively support the next-generation workforce? Evaluate how you can equip your leadership with the tools they need to be great coaches. As leaders and managers become more skilled in coaching, they also become more effective in their other daily interactions with their employees.

ACTION ITEMS:

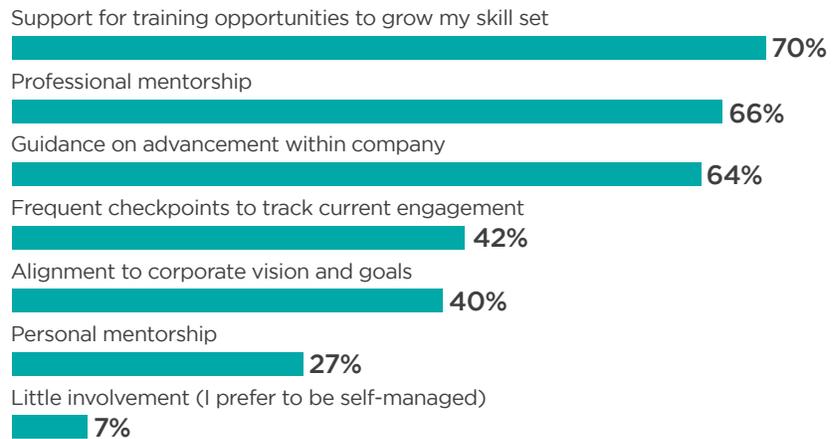
- Encourage your managers to approach criticism constructively, and to consider positioning feedback as a "coachable moment" when mentoring with the Class of 2014. This mentality will not only provide these future employees with the advice they need to advance, but it also allows managers to positively mitigate an uncomfortable situation quickly.
- Get your managers into the habit of giving positive and constructive feedback to their team members in a timely manner. The Class of 2014 is looking for training and mentorship. The best way to facilitate this is by recognizing positive behaviors in the moment and identifying opportunities for coachable moments regularly. This applies to both individual and team feedback and what mission it is trying to accomplish.



Equip your managers with “The Secret Weapon to Driving Employee Success: Your Managers” e-book.

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What do you expect from your manager?



In this year’s survey, the theme of leadership and mentorship is strong. With an innate motivation to succeed and advance, there is no doubt that the Class of 2014 has a strong desire to produce results. The question is, can your managers provide these employees with the guidance they need to feel engaged? Respondents indicated that opportunities for advancement - such as training, mentorship and advancement advice are important qualities to have in a manager. They’re raring to take on more challenges before they even get started - and managers need to keep up.

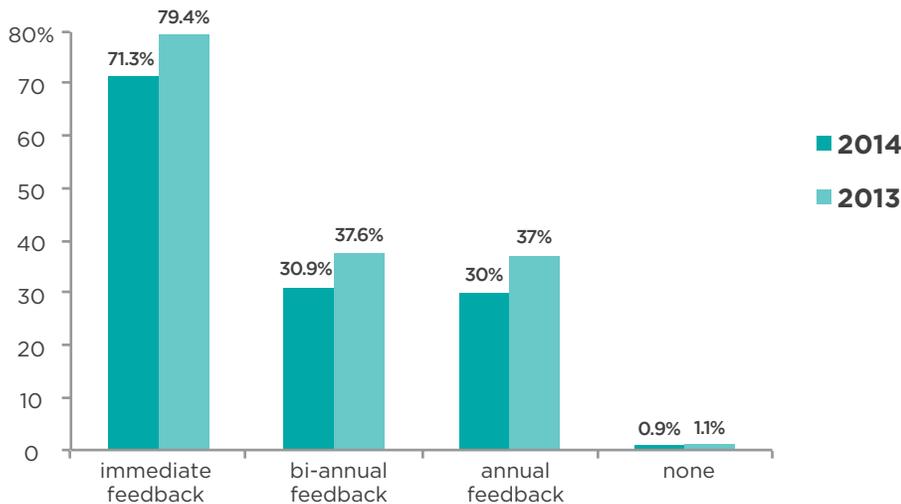
Simply because someone is a great performer does not necessarily mean they are a qualified manager. Many companies fall victim to taking their best performers and creating their worst managers, ultimately hurting the company on two levels: execution and leadership.

ACTION ITEMS:

- It takes a lot of training to learn how to do any job well and your managers need training too. People management is not an innate skill, so when promoting from within, ensure the new manager has previous managerial experience or has access to management training and resources so they are equipped to develop tomorrow’s top talent.
- The Class of 2014 wants every bit of their performance evaluated - but a manager can’t be everywhere at once, and it’s impossible for them to see every accomplishment or failure. If you want your managers to have a pulse on their team, provide them with access to a technology that will give them visibility.
- Hold managers accountable for metrics that measure your employees’ progression. This will further invest your managers in the success of your future talent.

If retention is an important metric to your organization, this survey response should be top of mind for you. Both career advancement and mentorship also ranked in the top three for the Class of 2014 when it comes to deciding where to work. And who gives employees this type of coaching? Their managers. If your managers are not displaying these types of qualities, it is nearly certain that the Class of 2014 will look for employment elsewhere.

What type of feedback do you expect from your manager?



Employees find performance reviews difficult, and so do managers. Performance appraisals are time-consuming and usually too infrequent to be of value. Managers are asked to remember important details about their employees' work from a year back, which is far too removed to be accurate, helpful, or fair. The Class of 2014 is looking for more frequent reviews or one-on-one meetings. Moreover, regular feedback will help managers recognize individuals and coach tomorrow's leaders when it's most relevant.

ACTION ITEMS:

- Provide management with training opportunities so that your managers understand how to effectively coach the Class of 2014 to achieve both personal goals and strategic objectives.
- Give your managers a budget and a list of ideas to reward the next generation of top talent for accomplishing goals that align with corporate objectives.
- Managers need to see how the performance of tomorrow's talent is impacting company goals in the moment in order to give timely feedback. Create transparency by giving your managers access to information.

For a company with 1,000 employees, the additional cost of replacing Millennials is over \$300K on average annually.

Source: Red Tree Leadership, US Census Bureau and Pew Research





Hear what the 2014 Best Places to Work for Recent Grads are doing to retain their new workforce.

[DOWNLOAD THE REPORT](#)

Conclusion

Millennials are entering the workforce with strong personal values - and they're looking to work with companies that share these values. Now, more than ever, engaging and aligning employees with corporate values is critical to business success. Doing so ensures that HR professionals win the war for top talent and keep employees highly engaged and motivated to meet strategic objectives.

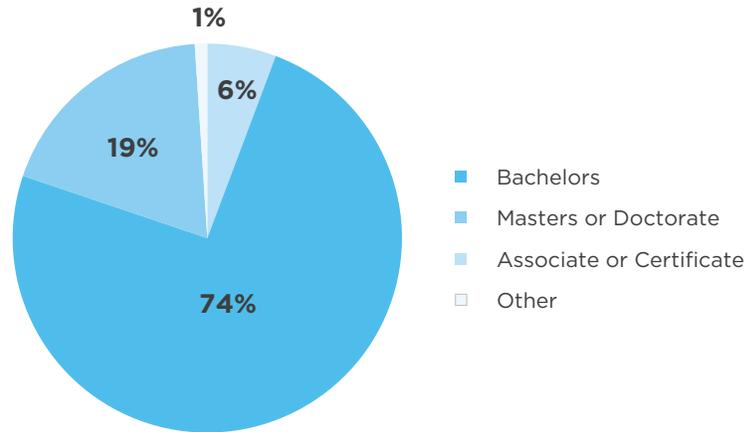
The Class of 2014 is eager to engage with your company, drive immediate results and advance their careers. It's up to you as employers and HR professionals to understand and meet the needs of this generation and provide coaching, transparency and recognition in a timely manner at every opportunity. It has been proven that an engaged workforce yields higher retention rates, increased customer satisfaction and higher profitability and it is promising for companies that properly address the arrival of this new generation to see sustained business success.

Seven Tips for Recruiting & Retaining the Class of 2014

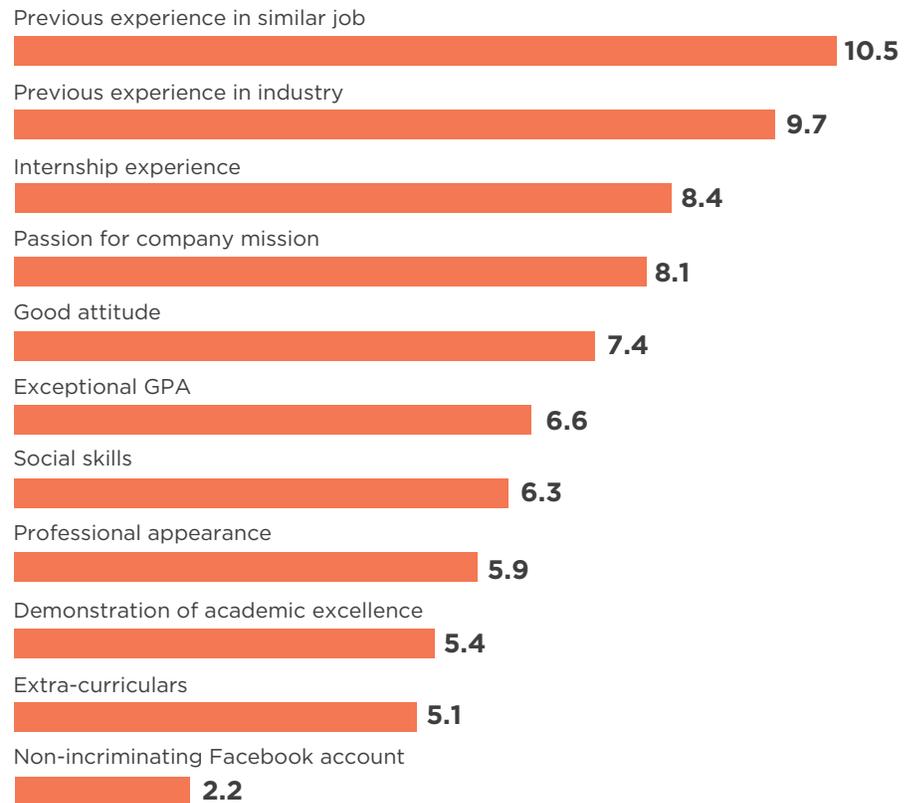
- 01 Promote your corporate culture to attract top talent who want to be aligned with the company's objectives.
- 02 Develop an internal referral program to give the Class of 2014 a direct way to speak to your company when they're prospecting for jobs.
- 03 Understand how this year's shortfall of skilled workers affects your business, opportunities you have for new graduates and where there are leadership gaps that need to be addressed.
- 04 Align employees with your company's values and discuss them often to bring communication, leadership and culture to the forefront.
- 05 Provide your managers with training so they are equipped to effectively coach the Class of 2014 to meet both personal goals and corporate objectives.
- 06 Create transparency by making information available to all employees, particularly managers so that they can give the meaningful feedback Millennials crave.
- 07 Hold managers accountable for metrics that mark the success of their respective team members.

Appendix

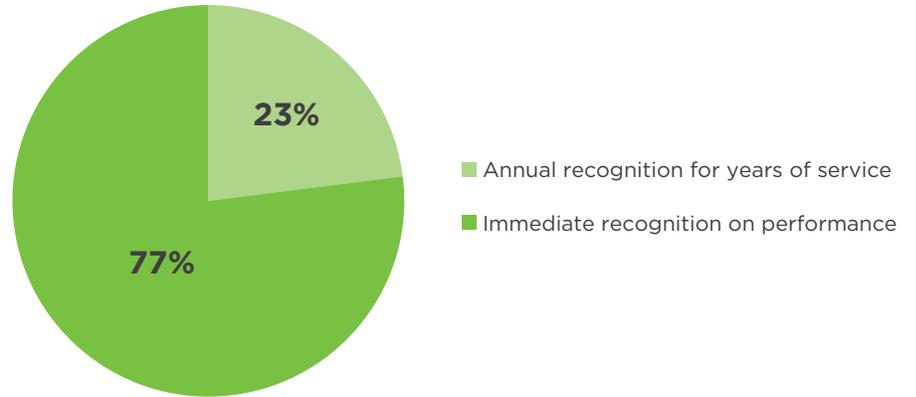
In which type of program are you or were you enrolled?



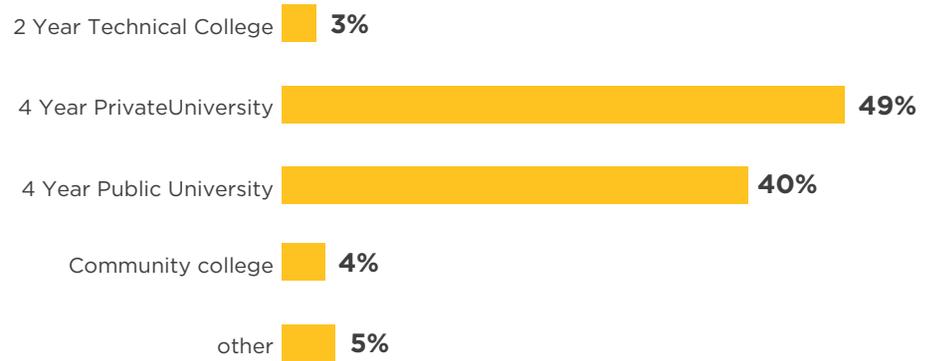
Rank the factors that will impact your engagement positively in the workplace. (weighted rank out of 11)



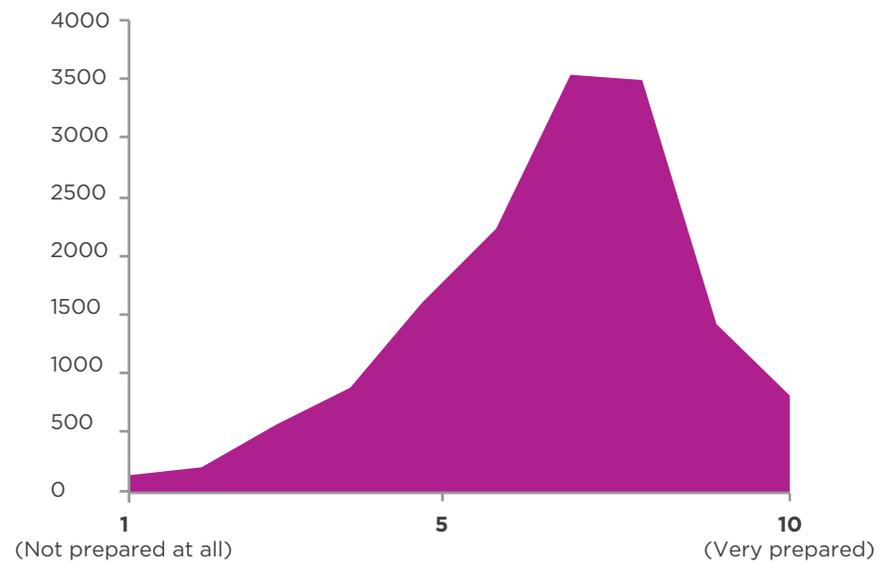
In what way do you prefer to be recognized?



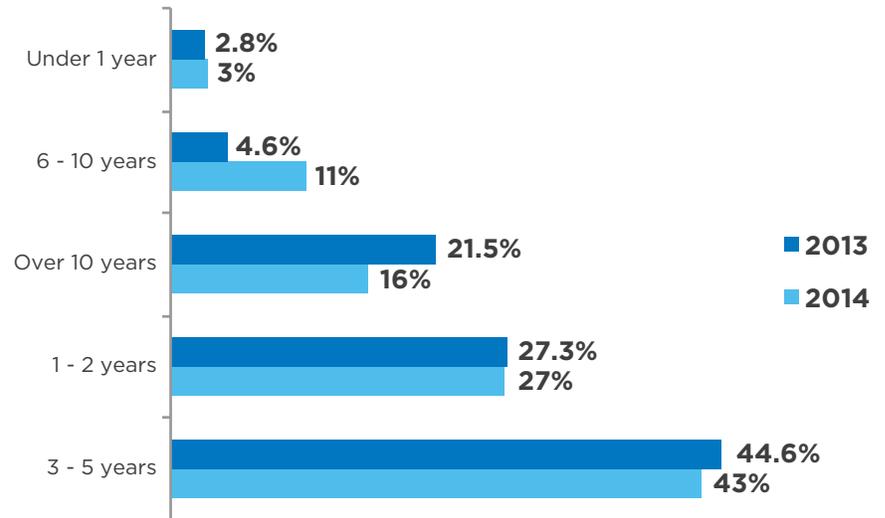
What type of school do you or did you attend?



How prepared for your career do you feel? (on a scale from 1-10)



How many years do you expect to stay at your next full time job?



Sources

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