Kristine Oliver: This is Kristine Oliver, managing director at Pearl Meyer.

Conor Molloy: This is Conor Molloy, associate at Pearl Meyer.

Kristine: Welcome to our podcast entitled Creating a Next Generation Culture to Attract Next Generation Talent. Conor and I wanted to talk today a little bit about millennials. It's a very hot topic now, right?

Conor: Of course.

Kristine: ... that we see a lot being spoken about in conferences, articles being written about, and we wanted to touch upon the fact that, obviously, millennials are going to be a huge percentage of the population within the next five years, within the workforce across all industries, and a lot of discussion is occurring in regards to thinking about what ways can you develop your culture internally to help attract and retain millennials.

Conor: Definitely.

Kristine: We wanted to touch upon a few ways that companies can consider focusing on in order to make that happen.

Conor: Yeah, absolutely. I'm happy to provide the millennial perspective on this end.

Kristine: Yeah. That's a good point to make to the audience, the fact that you are a millennial and I am not. I think that might be some interest because certainly along the way, if we have concurring opinions or differing opinions, I think that'll be helpful for everyone to hear.

Conor: Perfect.

Kristine: All right. Well, the first area I think companies should focus on really is embracing cognitive diversity in the workplace. Now, that's a mouthful-

Conor: Absolutely.

Kristine: ... but in regards to cognitive diversity, I mean, essentially, my sense is that millennials really want to be included and accepted for their thoughts and opinions in the workplace. Would you agree with that?

Conor: Absolutely. Yeah, we definitely level a certain amount of respect with our bosses and mentors. We expect our creative ideas to be held to a certain standard and respected.

Kristine: Right, so like fostering a really collaborative environment.
Conor: Absolutely, yes.

Kristine: Your ideas want to be heard, and you're part of a team. I mean, when I think back to early in my career, the companies that I worked in were very hierarchical, right?

Conor: Definitely.

Kristine: Particularly my entry-level positions. I'd come in and do my work, do whatever my boss said, and really I wasn't included in a lot of meetings in terms of talking about direction for a project we were working on and such. I know certainly here at Pearl Meyer we've been trying to get everyone involved, for example, within the project management for a particular client.

Conor: Absolutely. I think that's a really positive thing for small or boutique companies because they have that kind of environment where they can foster that level of respect, where at these really large conglomerates you kind of come to an issue of you really expect that hierarchy to continue.

Kristine: Right.

Conor: I think that's something that large companies struggle with, and that's what makes smaller companies so appealing to millennials today.

Kristine: Absolutely. You can feel really empowered when you come up with an idea and someone's like, "Oh my gosh, that's awesome. Let's really go for it and see if that's going to work for us."

Conor: Definitely. A good example of something like that was in the late 1980s, the designer of that famous paper cup design. It was a waxy turquoise purple color.

Kristine: Right. It was kind of a swooshy design.

Conor: Exactly that. She was a young marketing associate who had just submitted that to a design competition and won, and she got no accolades or raises or any kind of performance review for that really famous design. Millennials would expect some kind of return for such an innovative design.

Kristine: Absolutely. Not to be recognized at all-

Conor: Absolutely, yeah.

Kristine: I'm sure. Would you be sticking around if that happened?

Conor: I would be gone the next day.

Kristine: That's a strong message.

Conor: Yeah.
Kristine: The next area of focus we want to chat about is transparency. I think that workplaces can really do a nice job with connecting with millennials by increasing transparency. Being a compensation consultant myself ... and I do a lot of broad-based compensation ... there’s been a lot of discussion now in regards to pay transparency. A lot of companies are saying, “What are my peers doing in terms of sharing information? Does everyone know every range within a salary structure? How much information are they sharing in regards to career pathing?” My thought is that, with millennials, increasing that transparency and really being open in regards to what you need to do to get to the next step, and how does your pay change, and then how are you going to be rewarded, can go a long way.

Conor: Absolutely. I think that level of transparency is almost expected with millennials. It's something we definitely want in the workforce. We don't like being held into the dark. That almost goes back to point one. We really just like to know what's ahead of us. I think there are some good things and bad things to transparency. I think when you open up that closet and let that light in, you're going to almost create this competitive environment, and you then really have to actively counterbalance to make sure that ... They’re peers, and they're working together, so you have to make sure that this competitive environment isn't being destructive.

Kristine: Exactly. Right. Because I could see that occurring-

Conor: Absolutely.

Kristine: ... when you think about even a consulting firm and increasing the transparency of, well, certainly communicating what you need to get from how pay changes from an analyst to a consultant to a partner within the firm, and then obviously communicating how people are doing with, say, billable hours, because that could potentially tie to incentives, right?

Conor: Totally.

Kristine: That could be a worry that that increased transparency, to your point, could steer you down a road where bad things could occur if the culture is not monitored, right?

Conor: Yeah. Personally, what I appreciate and like seeing are pay levels by analyst, associate, specifically here at Pearl Meyer, and seeing a range of salary and kind of having a set incentive reward, so I kind of know within a bucket where they’re going to be paid. It limits the level of competition because in this blank slate, I could worry potentially that one of my coworkers is making well way above what I'm currently doing, whereas having just that, at least, bucket gives me some kind of guidance where it tunnel-visions me a little bit.

Kristine: Right. Outside of pay and career pathing, obviously, with transparency, also you could probably touch upon the fact that transparency could mean feedback-

Conor: Definitely.
Kristine: ... and dialogue.

Conor: Of course.

Kristine: Again, going back to when I think about early in my career, I'd look forward to that one time a year that I would sit down and get feedback.

Conor: Of course.

Kristine: When you talk about today with the millennials and their focus on wanting that consistent feedback ... because you're wanting to develop and mature.

Conor: Definitely, yeah. That's how I'm going to grow. If you came to me, let's say, semiannually, that would be more than maybe at your time in your career. If you mentioned something a couple months ago that happened, I can't really proactively work with that. I've made a mistake, and there's nothing I can really do to go back and fix that. It doesn't really help me grow, whereas if you tell me maybe a couple days later, I can really be proactive about future projects and maybe fix some personal wrongdoings.

Kristine: What about feedback from ... obviously, from your manager. What about peers, in terms of getting feedback from them if you've worked with them on projects? Is that helpful?

Conor: Yeah, I definitely enjoy getting ... We have a peer review process here that I thoroughly enjoy. That comes with a level of respect and trust with your peers, so that takes a little bit of time and work fostering this kind of environment where ... Pearl Meyer actually does events so analysts and associates can really get to know each other, and you develop a strong bond. When they come back and give you constructive criticism, it seems less harsh, and I can really grow from that.

Kristine: Those are really good points. I'm sure all companies, by following those types of examples, could help foster that type of environment.

Conor: Definitely. I think that's an environment that Pearl Meyer does well and millennials search for.

Kristine: Great. Investing in career development is probably the third area to touch upon, I think, right now. That certainly seems to be an area of importance, right?

Conor: Definitely. Absolutely.

Kristine: Personally, for me, managing director, responsible for working with teams and such, I mean, certainly people kind of are reporting to me, but, I mean, I know that I would prefer to be kind of a mentor coach to someone during their career. We have a chance to work with you for a number of years, and certainly want to be able to provide you with as much experience to help grow your skills and ensure that you're being challenged and developing, which I feel is important.
Conor: Now, do you feel early in your career that your boss felt the same way, or was there a difference in how you structure being a managing director?

Kristine: Well, I think it's a lot more touch points. When thinking back to probably my first two jobs out of college, I didn't have that interaction. I was learning as I was going, but it was probably not directly with my boss, but maybe with my peers that I was learning from and such. Probably after grad school, going into those positions, it was a lot more mentorship. I don't know if that's because I was older and seeking that, if that's a point to make, but certainly with the career development, it seems to me that millennials don't just want a boss.

Conor: Definitely not. We want a mentorship who is going to push us to learn and grow. That's essential.

Kristine: Yeah, and then important for companies to provide those training opportunities, right? Continuing education-

Conor: Definitely.

Kristine: ... I don't know, going outside of the company for training opportunities, or even internally, I guess, if you're at a large-enough company that has a training-

Conor: Yeah. Definitely, millennials seek continued education. I know that's very popular to go back to grad school part-time, where maybe in a past generation it really wasn't a thing. I know a lot of my friends ... Having a master's is almost essential or necessary to really grow, so companies that can provide that outside kind of assistance in education and promote that self-drive is good.

Kristine: Right, and helping foster their career development.

Conor: Yeah.

Kristine: Okay. The fourth area ... obviously, doing reading and attending conferences, there's been a lot of discussion in regards to millennials really wanting to focus on social responsibility. When they're evaluating, hey, do I want to go work at Pearl Meyer, they're going to ask questions like, "What do you do in the community? What are you doing to better the environment, or doing the right things?" There's been some differing opinions, but I'd be curious to hear your thoughts on that.

Conor: Yeah, absolutely. I think millennials mostly grew up in the '90s, where there was financial prosperity, and so maybe an older generation who did not have that opportunity worried more about money, whereas our priorities were set towards social standards. It's why you see nowadays politics so run by social rights. I think there is a duality to this point. I think social media has become an obsession for millennials, and there's this aspect of "oh, I want to work at a company that does good so I can look good on social media."

Kristine: Oh, that's a good point.
Kristine: Okay. Back to social media, I've also read, I think, in an article recently, that millennials really kind of will evaluate, say, a company’s website, whether they're on Facebook.

Conor: Absolutely.

Kristine: That social media twist, do you think that applies, too, in terms of attractiveness of a company to a millennial?

Conor: Definitely. Again, there comes a breaking point where you don't want to work for a company that, like Coca-Cola, maybe posts every single day. They may post political things sometimes, and you get thrown into this kind of political motion working for a company. Again, there’s good and bad to having such an active social media account for a company.

Kristine: Being compensation consultants, I think we obviously have to have the last topic of discussion for this podcast to be tied to ensuring that you’re aligning total rewards and performance management programs appropriately for millennials.

Conor: Definitely, yeah.

Kristine: Certainly, as we discussed before, with millennials, you can only go so far with base salary and such. Incentives really come into play in terms of being rewarded for performance.

Conor: Definitely. I think a lot of millennials, you'll find, are driven individuals, and they're willing to put in the above 40 hours a week to get the job done well, done right. You really have to push. The base salary is really there to cover 40 hours a week, so creating some kind of structure to incentivize millennials to work harder and work longer is essential if that’s environment that you want to create.

Kristine: Having a clear understanding of the incentive?

Conor: Yeah, absolutely.

Kristine: Would you want it to be 100% formulaic?

Conor: Yes.

Kristine: You would?

Conor: I would. Discretionary scares me a little bit. I think you get into these personal issues or bonds with some form of discretionary component, so I want to know by the numbers what that bonus is going to be.

Kristine: Okay. You’re saying if there was some discretion, you may come to count on it from one year to the next?
Conor: Correct.

Kristine: Okay, so you don't have kind of a sense of entitlement-

Conor: Correct.

Kristine: ... essentially, so really ensuring that you have the right incentive programs in place, combined with what we talked about earlier in regard to the performance management process, providing that more frequent feedback.

Conor: Absolutely. I personally would almost eliminate the annual process. I don't think I extract a lot out of it. It's really this continuous grow-with-me process of working with mentors and learning from them that you really take away things, and I think that works best for millennials.

Kristine: What about performance ratings? I've had a few companies talk to me about, hey, we're considering getting rid of performance ratings completely and really turning everything on its side in regards to our performance management program. What would make more sense for you, for example, in terms of getting that rating and knowing that you're in the top quartile, or simply getting the feedback regarding what accomplishments you've had during the year and perhaps the areas that you need to develop or work on over the next year?

Conor: Yeah, definitely. Personally, I don't need a piece of paper that tells me I'm in the top quartile. I think just having that kind of feedback maybe quarterly, monthly, where you just sit down with the managing director and they say, "Hey, you've put in a lot of extra work. I've noticed that. I appreciate it. Here are some of the things that I really feel like you could grow on," because at that point it comes from a place of genuine ... I know you want to see me grow, and it creates this level of respect that we constantly search for.

Kristine: Right. That's good. In the merit review process, performance management, incentives, even kind of a spot bonus occasionally-

Conor: Definitely.

Kristine: ... to get-

Conor: No one's going to complain about a spot bonus.

Kristine: I know. Totally not. All right. Well, this has been really I think five good areas of focus for people to take away. To finish up on a funny story, I spoke on this topic actually last year at a conference, and the attendees were kind of a mix. We had the millennials. We had Gen Y, Gen X. We had the baby boomers. At one point during the presentation, there were two directors who were attendants, and they were older gentlemen. At one point during the presentation, one of them raises their hands to me and the gentleman says to me, "You know, I don't understand why we have to change for them." We kind of paused and we all laughed, but what I said next was we're not saying that you have to change your whole working environment just for millennials-
Conor: Definitely.

Kristine: ... but certainly this has to be a topic of discussion because, again, back to what we said earlier, millennials are going to be a huge portion of your workforce, but certainly considering what is going to work for this certain population-

Conor: Yeah, absolutely, work towards bettering an environment. As a millennial myself, I totally respect my bosses. They are intelligent and they're driven and they're kind. They are motivated to create a better product, and they realize that by fostering a good environment with millennials, that's how they're going to get there. There are minute changes that can be made to better the environment and progress towards a better workforce.

Kristine: Yeah, it's a give-and-take.

Conor: Yes, absolutely, and we realize that as well.

Kristine: Thanks so much, Conor. It's been great talking today.

Conor: Absolutely. I really appreciate your time, and it was awesome to get to talk to you.