Spring 2016

Are There Differences In Long-Term Commitment between the Different Generations in the Workforce?

Alana Cunningham
Cornell University

Follow this and additional works at: https://digitalcommons.ilr.cornell.edu/student
Thank you for downloading an article from DigitalCommons@ILR.
Support this valuable resource today!

This Article is brought to you for free and open access by the ILR Collection at DigitalCommons@ILR. It has been accepted for inclusion in Student Works by an authorized administrator of DigitalCommons@ILR. For more information, please contact hlmdigital@cornell.edu.
Are There Differences In Long-Term Commitment between the Different Generations in the Workforce?

Abstract
Mass media outlets often label millennials as “entitled” and describe them as more likely to leave jobs than past generations. In order to understand the truth about this generation, though, it is important to base decisions on facts and not unsupported claims from popular media. For instance, when studied more closely, millennials as a whole do not in fact change jobs more often or more quickly than previous generations.

The millennial generation does share certain characteristics, though, and since millennials are such a large and growing segment of the workforce, it is important to know what to do to successfully recruit and keep them.

Keywords
generational differences, millennials, generation Y, attracting millennials, recruitment, retention, talent, talent management, employee engagement, workforce commitment, generational differences, HR, human resources

Comments
Suggested Citation
Cunningham, A. (2016). Are there differences in long-term commitment between the different generations in the workforce? Retrieved [insert date] from Cornell University, ILR School site:
http://digitalcommons.ilr.cornell.edu/student/113

Required Publisher Statement
Copyright held by the authors.
Are there differences in long-term commitment between the different generations in the workforce? How can organizations attract and retain millennials?

Mass media outlets often label millennials as “entitled” and describe them as more likely to leave jobs than past generations. In order to understand the truth about this generation, though, it is important to base decisions on facts and not unsupported claims from popular media. For instance, when studied more closely, millennials as a whole do not in fact change jobs more often or more quickly than previous generations.

The millennial generation does share certain characteristics, though, and since millennials are such a large and growing segment of the workforce, it is important to know what to do to successfully recruit and keep them.

There are three main generations in today’s workforce: Baby Boomers (born 1946-1963), Generation X (born 1964-1979) and Millennials (born 1980-2000). Millennials have recently become the most populous generation in the workforce: They make up 32%, Generation Xers make up 31.2% and Baby Boomers make up 30.6%. It is estimated that by 2020, 46% of all United States workers will be Millennials.

The differences between millennials and past generations have been widely studied. For instance, there is evidence that millennials are more highly educated than past generations (Appendix 1), but they are also more likely to have student debt and live at home longer. Though, because millennials range in age between the ages of 16 and 36. This 20 year age gap holds a very diverse population. In fact, millennials are also the most diverse of all generations; 44.2 percent are minorities.

While the differences have been studied, the differences are not significant enough to prove that millennials as a whole are changing jobs more frequently than past generations. In fact, young workers have been consistent with their length of stay at companies, no matter their generational label.

• In 2010, the average length of tenure at their jobs for those aged 25-34 was 3.2 years. This is actually longer than overall average length of tenure that 25-34 year olds had in 1983, which was 3.0 years. 25-34 year olds in 1983 would have been from the Baby Boomer generation.
• In 2012, 27.2% of 25-34 year olds had been at their jobs for 5-9 years. Compare this to the year 2000, when only 21.2% of those aged 25-34 had been at their jobs for the same length of time. Employees aged 25-34 in 2000 would have been Generation Xers (Appendix 2).

There have also been numerous studies that show no statistically significant difference between generations and organizational commitment.

There are a number of reasons that could explain this misconception. Many millennials rely on temporary or seasonal work to help pay off their student loans. This, in turn, could be why it seems millennials have many more jobs than in past generations. However, with the increased burden of student loans, many millennials tend to be more risk averse and less likely to leave their current jobs.

Millennials do also tend to settle down, buy houses, get married, and have children later in life, which gives the appearance that they are able to change jobs more easily for a longer period than past generations. However, as mentioned above, this has not actually been borne out by statistics.
Where there have been differences shown are not between generations but between ages and life stages. In general, younger workers no matter the generation have higher quit rates. Since 1980, the percentage of 22-25 year olds that changed jobs in a given year hovered around 45-50%. This stayed true throughout the early 2000’s. This segment actually decreased around the time of the Great Recession. In fact, only about 35% of 22-25 year olds changed jobs in 2010 (Appendix 3), far less than anytime for which data was gathered since 1980. The turnover rate by age group might fluctuate slightly due to external conditions, but has followed a surprisingly consistent trend line for years (Appendix 4).

### Recruitment and Retention of Millennials

Despite the evidence disproving the idea that millennials are job hoppers in higher proportion than previous generations, there are certain characteristics that have been found that do apply generally to millennials. These can be used to help employers in their recruitment and retention efforts related specifically to millennials.

**Recruit:**

Millennials are more likely to be active on the internet: Today, there is increased access to information in order to find new jobs. Companies can use online forums like LinkedIn in order to post openings and connect with potential employees. However, since job postings are very prevalent online, it may lead to employees having easier access to leaving the company.

Millennials understand the need to go where the work is: Millennials are more willing to move locations than past generations, so recruitment efforts in places with high millennial population could be beneficial to the company. A possible strategy is to target states that have been identified as millennial hubs (Appendix 5).

Millennials consider more than just money when weighing offers: There are new strategies employers can use in order to attract millennials to their companies, such as flexible schedules, offering training resources, giving feedback often, showing the workers their impact to the company, and providing perks like free food or childcare. Strong company culture is also important to attract millennials.

**Retain:**

Millennials are very intrinsically motivated: Competency, autonomy, meaningfulness, and progress are all important aspects needed in a job in order to keep millennials interested. Helping employees add new skills or to prepare for leadership positions will help improve competency. Autonomy increases responsibility and millennials appreciate the option to choose the type of work they want to perform when possible. Employers should guide millennials in meeting professional milestones so they see the progress they are making in their careers.

Millennials are a diverse group: Millennials range in age from 16-36, and there is a great difference in life events between those ages. Employers could consider giving assistance for student loans for millennials recently out of school, as loan repayment assistance programs have been shown to improve retention within companies. In addition, providing homeowner assistance programs can help those at the higher end of the demographic age group afford to settle down.

### Conclusion

Despite mass media claims, there is no difference between generations when it comes to job change frequency and therefore no reason for a company to change its entire hiring strategy to address this issue. Behaviors are often based more on age group than generation. Employers must seek to understand the wants of all age groups and generations in order to fit the needs of their entire workforce. What they will likely find is that strategies used to attract and retain millennials are not too different from strategies that could be used to encourage and engage all employees no matter their age or generation.
Sources


Additional Information
https://est05.esalestrack.com/eSalesTrack/Content/Content.ashx?file=b676c503-ab22-4bc7-9844-af86acfb319.pdf
Appendices

Appendix: 1 Buckley

Figure 2. College attendance by generation

![Bar chart showing college attendance by generation for Boomers, Gen Xers, and Millennials.](chart.png)

Source: Deloitte analysis of data from US Census Bureau, CPS historical time series tables on school enrollment: Table A-2. Percentage of the population 3 years old and over enrolled in school, by age, sex, race, and Hispanic origin: October 1947 to 2013, http://www.census.gov/hhes/schooldata/cps/historical/TableA-2.xls. The bars show the percentage of each age group attending college.

Graphic: Deloitte University Press | DUPress.com

Appendix 2: Guo

**Little evidence that millennials are job hoppers**

On average, 24-35 year olds have been at their current job for about 3 years, a number that has not changed much in the past decade or two.

![Graph showing average years of job tenure for young workers.](graph.png)


In 2000, 21.2% of young workers had been at their job for 5-9 years. In 2012, the proportion had risen to 27.2%.
Appendix 3: Guo

Young people used to change jobs often. Less so now.

- In the late '80s, about half of 22-25 year olds changed jobs each year.
- By the early '00s, the job change rate for these young workers was still around 50%—but after the recession, the rate dipped to around 35%.

Percent of people who changed jobs each year

- Age 22-25
  - (No data for the late 90s)
- Age 26-29
- Age 26-29

Older workers have had time to settle into a career, so they change jobs at a lower rate. In the late '80s and early '90s, about 30-40% of people over 26-29 changed jobs each year.

During the recession, the job change rate also fell for 26-29 year olds.


Appendix 4: Buckley

Figure 13. Private sector turnover rates by age group

Turnover rate

14-18
19-21
22-24
25-34
35-44
45-54
55-64
65+

Year: 2005 | 2010 | 2013

Source: Deloitte analysis of data from US Census Bureau Quarterly Workforce Indicators.

Graphic: Deloitte University Press | DUPress.com
Appendix 5: Buckley

Figure 7. The 10 states with the largest percentage of Millennials, 2013

1. Alaska 175,696 23.9%
2. North Dakota 172,890 23.9%
3. Utah 684,605 23.6%
4. California 8,509,819 22.2%
5. Hawaii 308,891 22.0%
6. Louisiana 1,012,977 21.9%
7. Texas 5,765,706 21.8%
8. Wyoming 126,436 21.7%
9. Colorado 1,143,235 21.7%
10. New York 4,224,992 21.5%

Source: Deloitte analysis of the American Community Survey, 2013 1-year estimates.
Graphic: Deloitte University Press | DUPress.com