
GENERATIONAL CHANGE FOR DOOR DISTRIBUTORS | PART 2

5 Keys to Success with Millennials



SOFTWARE
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CONTENTS

Introduction	3
The New Workforce.	4
Terminology	4
Boomers vs. Millennials	5
Seeing Different Worlds	7
5 Keys to Success with Millennials.	10
Conclusion.	14
About Software for Hardware.	15



INTRODUCTION

Door, frame and hardware distributors today face two types of generational change. First, distributors face the reality of older employees retiring which requires hiring of replacement, new generation, staff. Unlike generational transitions of the past, the work style, career mindset, and value system of these new “millennial” employees differs vastly from the departing “baby boomers”. Second, family owned distributors face the milestone of transitioning the leadership of their business to the next



“...successfully hire, manage and retain millennials.”

generation: ie. the son, daughter, or other younger person.

Similar to hiring millennial staff, succession to next generation also presents challenges not seen decades ago.

To properly address this broad topic of generational change, Software for Hardware presents *5 Keys to Success with Millennials* as a follow-up to our white paper, *5 Keys to Succession Success* published in November 2019. *Succession Success* addresses how to survive and thrive a business through generation transition. Software for Hardware regularly publishes “*5 Keys to Success*” white papers on relevant topics to help door distributors operate more efficient and profitable businesses. All white papers can be downloaded at www.softwareforhardware.com.

5 Keys to Success with Millennials examines the topic of millennial employees in terms of demographics, attitudes and behavior. Most importantly, this paper presents 5 key actions you can implement right now to successfully hire, manage and retain millennials. If your staff is not already majority millennial it soon will be. Learning these management tips can save you much unnecessary employee turnover, cost, and frustration.

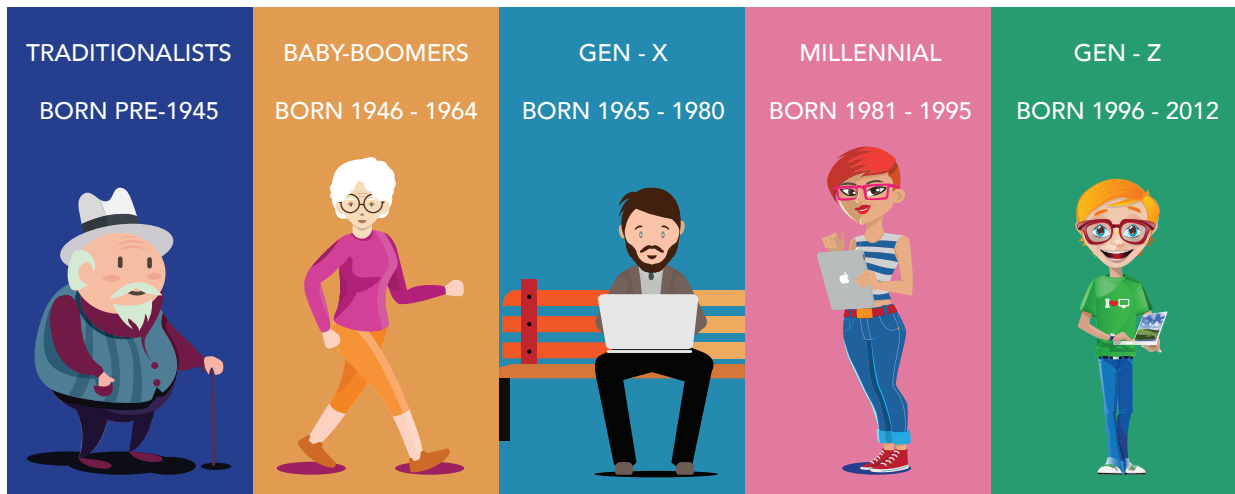
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THE NEW WORKFORCE

Anyone with decades of work experience certainly recognizes that young workers today operate and behave quite differently than the worker of yesterday. To best recruit, manage, and retain this new generation of worker we must understand them with respect to the generations of the past. In this analysis you may see characteristics within yourself that either help or hurt your efforts to facilitate moving your business forward in a new generation.

Terminology

To begin, let's review the terminology so we're all on the same page. Most older workers today are from the "baby boomer" generation. Baby boomers were born between 1946, post WW II, and 1964, pre-Vietnam War. Today, baby boomers range in age from mid 50s to early 70s. Basically, the age range of most business owners and executives. Baby boomers also control the largest segment of wealth in America.



Following baby boomers came the group labeled as "thirteeners" or "gen X". Gen X people were born between 1965 and 1980. Gen X represent today's age range from late 30s to mid 50s. The moniker "thirteeners" derived from the 13th generation since the Declaration of Independence. More commonly, demographers refer to thirteeners as gen X. In terms of business leadership, gen X currently occupies the majority of middle

management positions such as supervisors, managers and directors. Gen X, as a group, has not yet reached senior leadership positions in business but will arrive over the next decade.

Following gen X came the generation known as “millennials” born between 1981 and 1995. Millennials range in age from mid twenties to late thirties. Today millennials now comprise the largest segment of the U.S. workforce. The Bureau of the Census states that millennials surpassed 50% in 2019 and will continue to grow their majority. In fact, Accenture Research predicts that in 2020 millennials will represent over 60% of the workforce and quickly reach 70% within a few short years.

Boomers vs. Millennials

This percentage shift of millennials becoming the workforce majority results from the combined effect of rapid baby boomer retirement coupled with new millennials entering the workforce. *Every day, approximately 10,000 baby boomers retire* (U.S. Census Bureau, 2019) while simultaneously thousands of new millennials join the working ranks. Hence, business leaders must understand the mind of the millennial to effectively manage their workforce and sell to new customers. As millennials become the bulk of workers, they simultaneously become the bulk of business customers. Any door distributor today can relate to this changing nature of their customer base. Because of the shift to millennials, this paper focuses on the interaction and differences between the baby boomer leaders and the new millennial majority.



“... only 28% of millennials expect to remain more than 5 years with an employer” ~ Deloitte Consulting, “2019 Global Millennial Study”

What's so different between boomers and millennials? Quite simply, a lot! Millennials possess a different nature as compared to baby boomers in terms of attitudes, perceptions and life goals. In terms of the workplace, baby boomers behave with more loyalty and faith in their employer. Millennials on the other hand, find less meaning in work and exhibit far less loyalty to their employer. As a result, millennials expect to frequently change jobs throughout their career. Deloitte conducted research on millennials in 2019 and found that **only 28% of millennials expect to remain more than 5 years with an employer.** (Deloitte Consulting, "2019 Global Millennial Study") Millennials expect to work for many different companies during their career and also welcome "gig" independent work. In contrast, most baby boomers expected to work their entire career spanning only a handful, or less, employers.

The reasons for this change in career expectations and employer tenure stem from how baby boomers and millennials each experienced childhood and early adulthood. Understanding these differences will help business owners today in recruiting, managing and retaining millennials. Millennials grew up in a far different world than baby boomers. For example, millennials only know a world of diversity: racial, cultural and economic. Whereas the majority of boomers were born in rural communities exposing the young boomers to less diversity compared to millennials who were largely raised in urban areas and exposed to more diversity. In 2016, more minority babies were born in the United States than caucasian. This comfort with diversity enables millennials to more easily evaluate situations from different perspectives. Accordingly, millennials expect their workplace to reflect diversity and be flexible and understanding. This also supports why millennials perform well better at creativity tasks, operating in teams, and learning new technology.

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~ Deloitte Consulting, "2019
Global Millennial Study"

Baby boomers, on the other hand, formed their experiences in a world more homogeneous and less diverse. Boomers expect others to operate with their similar preferences and attitudes. Similarly, baby boomers do not expect flexibility from employers to accommodate their individual needs.

Seeing Different Worlds

Deloitte Consulting explored these differences in their 2019 “Global Millennial Study” which surveyed 13,416 millennials across a dozen countries. The study also compared the millennial responses to results from prior generations. In addition to experiencing more diversity, millennials grew up during the Great Recession and watched their parents suffer job lay-offs and the implosion of the stock market and family savings. These experiences understandably resulted in attitudes of less faith and trust in business. *As a result, only 26% of millennials believe in continued economic prosperity over their lifetime.* (Deloitte Consulting, “2019 Global Millennial Study”) Conversely, baby boomers grew up during decades of stable economic expansion following WW II and into the 1960s. Not surprisingly, over 50% of baby boomers believe in long term economic prosperity.

Millennials also see the future world quite differently than baby boomers in terms of environment, religion and career. Millennials believe climate change to be the #1 most important challenge facing our country and world. The Pew Research Center surveyed Americans in 2018 relative to their climate change beliefs with respect to age. The research revealed that 60% of millennials believe the government must do more



to control climate change compared to only 37% of baby boomers holding that same attitude. In terms of religion, baby boomers observe a formal religion at more the twice the rate of millennials. In fact, 35% of millennials report to being Agnostic or Atheist.

Chase Bank also studied these generation differences and found that 76% of boomers own homes vs. 35% of millennials. One may argue that older people possess more financial resources to purchase a home; however, the gap exists at the same age comparison for each group. In 1982, 42% of Americans 35 years old owned their home. In 2018, less than 32% of Americans 35 years old owned their own home. This supports the survey data which shows that millennials today rank home ownership much lower in importance than baby boomers reported during the 1980s. Somewhat related, only 46% of millennials voted in the 2016 Presidential election vs. nearly 70% of boomers. In general, data indicates that boomers focus priority on community issues while millennials gravitate to embracing wider global issues.

Attitudinal differences extend to work and career as well. While career success has long been the top priority for baby boomers, millennials feel differently. The Deloitte study found that millennials place top priority on travel and experiencing the world (59%). This surpasses career success (52%) and starting a family (39%). These changes in life goals and priorities are neither good or bad, but rather suggest that business leaders re-orient their thinking in order to motivate and engage millennial workers.

millennials place top priority on travel and experiencing the world



As previously stated, millennials expect short tenure with employers often borne from experiences of working environments that fail to understand their goals and motivations. Reasons why millennials typically quit their job: unsatisfying pay, unclear career advancement, and not feeling appreciated. Millennials seek an environment that provides quick gratification, clear promotion path and regular demonstrations of appreciation.

Boomers may scoff at such demands and say, "That's why it's called work!" and "Just do your job!" But millennials' attitudes are real and business leaders can either embrace the new reality or face regular staff turnover. PriceWaterhouseCoopers 2018 research shows that **60% of millennials expect to leave their current job within 3 years** (PriceWaterhouseCoopers, 2018 Millennial

Research). In contrast, the majority of Baby Boomers expect to remain with their employer for 10 or more years or until retirement.

"60% of millennials expect to leave their current job within 3 years."

~ PriceWaterhouseCoopers, 2018 Millennial Research



5 KEYS TO SUCCESS WITH MILLENNIALS

To successfully recruit, manage and retain millennial workers, business managers should consider the following adjustments to their style and business practices. Following these 5 keys to success with millennials will create a work environment that benefits everyone.

Key #1 – Career Clarity

While boomers comfortably trusted that management would ultimately recognize and reward their work, millennials want clarity about their career path and they want to receive regular feedback. Peter Economy, Inc Magazine 2019, reported that 83% of Millennials prefer to work for companies with less layers of management and more direct feedback.



Key #2 – Diversity, Flexibility and Creativity

Millennials seek a work environment that allows for creativity and affords flexibility around work schedule and work location. Rigid company policies demotivate millennials and are cited as a major reason they would terminate a position. Work from home flexibility is a major preference with many with millennials.



Key #3 – Rewards Beyond the Paycheck

Millennials value experiences and travel. Travel related to work can be viewed as a reward. Team outings focused on group experiences represent far more value than a gift card or paycheck bonus. PwC reports that 60% of baby boomers want a fun workplace but nearly 90% of millennials report social and fun are very important aspects of their workplace.



Key #4 – Values and Social Conscious

81% of Millennials report they would not work for a company that did not align with their social and moral values. To attract and retain millennial workers, employers must articulate and support a higher set of values than simply making money. Values such as integrity, honesty, excellence, social awareness, can be tremendously attractive to a millennial evaluating a company to join or stay.



Key #5 – Embrace Technology

Millennials innately possess a comfort and aptitude to learn and implement new technology. Leverage their strength and encourage your millennial staff to seek out new tools and technology that can help the business improve efficiency and growth. Lisa Oxman, President, Software for Hardware, comments, “We regularly talk to millennials now leading the family business and actively searching for new technology to make their company more efficient and customer responsive.” Millennials are terrific in evaluating and implementing new software and technology.



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~ Lisa Oxman, President, Software for Hardware



5 KEYS TO SUCCESS WITH MILLENNIALS



CONCLUSION

This white paper presented data and recommendations relative to succeeding with millennials in the workforce. Today, millennials represent half of the workforce and are quickly becoming a majority. Everyday over 10,000 Baby Boomers retire and are typically replaced with millennial workers. This shift not only represents a generation change but also a change in mindset and attitudes. The hardline work-ethic mentality of the baby boomer has given way to a new generation of workers that bring a technology savvy and bent for creativity and teamwork. But millennials also demand a workplace that offers more respect, diversity, flexibility and fun. Business executives need to acknowledge and address these new concerns in order to recruit and retain the millennials that will lead their businesses to the future.

As observed by Software for Hardware, the trend of millennials becoming the workforce majority has also led to a dramatic increase in door distributors implimenting new tools and technology. While the baby boomer business owner may be uncomfortable with some of the attitudes and behaviors of their new millennial staff, millennials also bring a technology savvy, creativity and teamwork that will help the business grow. Those door distributors that resist the attitudes and ideas of millennials will struggle in the coming decade. Conversely, those door distributors that respect millennial differences and embrace millennial strengths will be rewarded with long term growth.

Feedback on this paper, or any topic ideas for future Software for Hardware *5 Keys to Success* white papers, please send us your feedback at info@softwareforhardware.com.

ABOUT SOFTWARE FOR HARDWARE, LLC

Based in Atlanta, GA since 1996, Software for Hardware provides software to commercial door, frame and hardware distributors across the U.S. and Canada. Nearly 1,000 door industry professionals rely on Software for Hardware to improve their business efficiency, client responsiveness, and bottom line profitability. As a result, Software for Hardware has become the fastest growing software company in the industry and the software of choice for door distributors.

Distributors across North America contact Software for Hardware seeking new technology and advice to help manage these transitions and position their business to operate more efficiently and profitably. If you find yourself facing a similar reality, please visit us at www.softwareforhardware.com or contact us at info@softwareforhardware.com.



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