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Millennials: Love Them or Let Them Go

Some employers focus on getting the most from young hires before they bolt; others test ways to keep them

Dan Fogarty, 29, left, and Teddy Tehrani, 26, play foosball at Kapost, whose CEO says he wants young workers to consider the company a career accelerator, not a parking lot. *PHOTO: CHRIS SCHNEIDER FOR THE WALL STREET JOURNAL*

By **LINDSAY GELLMAN**
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Many managers like to complain that 20-something workers won't stay put in a job for long. But for employers, is that a problem or an opportunity?

Millennials—those roughly 18-to-34 years old—make up the largest share of the U.S. workforce, about 34%, outnumbering Generation Xers and baby boomers, who account for about 32% and 31%, respectively, according to the Bureau of Labor Statistics.

The rising number of young workers has some companies worried about keeping them on board. Other businesses are embracing flux in the talent market, and say they are focused on getting the most from young hires while they have them.

Last year, the median job tenure for workers aged 20 to 24 was shorter than 16 months. For those aged 25 to 34, it was three years, according to the BLS, still far short of the 5.5-year median tenure for all workers aged 25 and older.

After working as a front-end engineer at Facebook Inc. in Menlo Park, Calif., for a little over a year, Colby Rabideau left the social-media company last year to be closer to his girlfriend and family in Boston. The 24-year-old said he never intended to stay on the West Coast permanently. Mr. Rabideau now is a software engineer at Hubspot Inc., where he plans to spend "at least a couple more years." But, he said, he doesn't expect to stay "at a company for 30 years." He added that he might start his own business down the road.

"There is a very pronounced level of unease" about young workers and their loyalty to employers, said Caroline Ghosn, founder and chief executive of Levo League, an online career-development network geared to young women. Levo has consulted with firms such as marketing-analytics company Quantcast Corp. about how to engage and retain young workers.

Daniel Nalbach, 38, left, a user-experience engineer, and Erik Mingo, 22, a supporting engineer, socialize during lunch break at Kapost. *PHOTO: CHRIS SCHNEIDER FOR THE WALL STREET JOURNAL*

The 28-year-old Ms. Ghosn has advised those firms to strengthen networking opportunities for junior employees, such as by hosting mentorship “mixers” to allow relationships to develop between senior and junior colleagues. She said a lack of close ties at work, via networks or a social group, frequently causes young people to leave.

Companies like International Business Machines Corp., Coca-Cola Co. and Visa Inc. have recently relaxed office dress codes and convened councils of millennial employees to weigh in on everything from marketing campaigns to workplace policies. Auditing firm Ernst & Young Global Ltd. and Dutch health-care and consumer-products company Philips NV have begun programs designed to send employees overseas for stints of a few months, giving them global exposure and developing leadership skills.

Online deals site RetailMeNot Inc. said it is inviting junior employees to take part in hiring decisions. “Millennials are only interested in staying here if we’re attracting other ‘A’ players,” said Annette Alexander, RetailMeNot’s vice president of human resources. To make young workers feel heard, executives must “involve them in key hiring decisions for the company,” she said.

Some managers think companies should stop trying so hard. They cite “The Alliance,” a book co-written by LinkedIn Corp. co-founder Reid Hoffman that proposes a different model for the employer-employee relationship—one based on mutual expectations and the possibility of the employee leaving.

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At LinkedIn, managers often segment an employee’s career into “tours of duty” that last a couple of years. The employee and manager agree on specific goals to be met during that period. At the end of a given tour, both parties understand that the employee might leave.

“By talking openly about the fact that an employee might leave, you actually increase the likelihood” that he or she will stay on, said Ben Casnocha, a co-author of the book and Mr. Hoffman’s former chief of staff. Employers should make clear that “if it makes more sense for you to leave [than stay], that’s OK,” he added.

Toby Murdock, CEO of Kapost, a Boulder, Colo. marketing-software firm, said he has adopted that mind-set. “It is a very fluid marketplace for young people,” said Mr. Murdock, 41. “Let’s be honest about that instead of trying to deny it.”

He wants young workers to consider his company a career accelerator, rather than a parking lot. That attitude has given Kapost a reputation as a career launchpad, Mr. Murdock said, and helps the company attract a stream of ambitious young candidates.

Investor-research firm Cognolink also touts its ability to boost young people’s careers.

Kapost's CEO Toby Murdock, left, and executive Christine Viera with Bean the dog during a lunch break. *PHOTO: CHRIS SCHNEIDER FOR THE WALL STREET JOURNAL*

"My goal is to train them so well that people are going to come and want to head-hunt them away," said Bryan Lewis, chief operating officer of the 285-person firm, which has offices in London, New York, Shanghai, Hong Kong and Mumbai. "I expect that, and it makes me proud," he said. If an employee hesitates to pursue an attractive opportunity elsewhere, "I'll fire them so that they have to go take it," Mr. Lewis said.

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Corrections & Amplifications:
Bryan Lewis is chief operating officer of investor-research firm Cognolink. An earlier version of this article misspelled his name Brian. (May 7, 2015)

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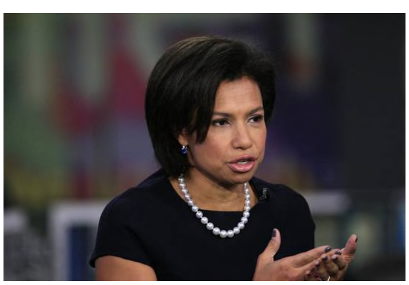

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