

THE YOUNG & TALENTED: STEPS TO ATTRACT MILLENNIAL ADVISORS

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Some call them millennials, others call them Gen Y. Some even call them echo boomers, because their parents are part of the baby boom generation.

Whatever you choose to call them, this group, made up of people born roughly between 1977 and 1992, makes up the largest proportion of the U.S. labor force. This means that you probably have at least one working for you right now or, if not, your next hire may well be one. So understanding what they want from their jobs is becoming increasingly more important.

Millennials have been portrayed by some as spoiled, lazy and entitled, but the reality is actually much different. In fact, in some ways millennials have an edge over the rest of the workforce. They are tech savvy, able to handle multiple tasks simultaneously and are the most educated generation in history.

Understanding millennials and the distinctive qualities they bring to the workplace is essential for the long-term success of your business. I recommend focusing on five key workplace areas as you seek to engage and motivate your growing millennial team.

COACHING GEN Y

Millennials were raised with constant coaching and feedback, and expect that to be the case at work as well. When done well, coaching will keep them engaged in their work.

This does not need to be time-consuming or overly formal. Try sending a quick email or text message, or have a two-minute conversation to give feedback and encouragement. You can easily course-correct performance early on by doing so.

Millennials value autonomy: they want to be given an assignment and be trusted to complete it correctly and on time. No one likes to be micromanaged — millennials least of all — and doing so is a sure way to lose their loyalty and their engagement. Educate and teach them so they have success in their jobs instead of micromanaging everything they do.

Unlike their predecessors, millennials don't view managers as experts because they can access information instantly through a variety of online sources. Instead, they view managers more as coaches and advocates. So once you have hired these talented people, you need to provide them with learning opportunities and guidance, and then step out of their way to watch them flourish.

MILLENNIALS AND COLLABORATION

Millennials were raised under heavy supervision. This generation didn't grow up in a world like the one I came into, where we left the house on our bikes on a summer morning and returned in the evening just in time for dinner. They were driven to soccer practices and music lessons, and most summer days were spent at a carefully selected camp.

But their early — constantly supervised — exposure to team sports has made them the best team players and collaborators in generations. If your firm's purpose and goals are understood by millennials, they will be natural

collaborators. Make sure you are clear about deadlines and business boundaries that need to be respected.

Boomers and Gen Xers take an individualistic approach to life and work, but millennials crave collaboration and team-based work projects. So teach your employees how and when to collaborate. Offer collaborative roundtables that encourage innovative thinking across generations. Make collaboration part of everyone's job description; recognize and reward employees for collaboration through your compensation program.

PERFORMANCE MEASURES

Millennials were raised with a lot of structure and are accustomed to understanding how they will be judged and assessed. They expect these metrics to continue in the workplace. So, clearly and consistently define job goals and measurements.

Start by creating distinct job descriptions that would help them understand what their role is and what each job requires in terms of experience and skill base.

From there, use the job descriptions to develop performance goals, which communicate what is expected above and beyond the basic job tasks. Goals should be linked to targeted objectives. Also, reveal to employees how their performance contributes to the firm's overall performance.

When asked what matters most to millennial employees, the greatest number of respondents (23%) said it was "the ability to make an impact on the business," according to a 2015 study conducted by FutureStep. So linking an individual's performance to your firm's strategic initiatives will go a long way in attracting and retaining millennial recruits and employees.

CAREER TRACKS

Millennials love to learn new things and to grow in their jobs and responsibilities. Smart companies provide their employees with a steady flow of new assignments and learning opportunities; ensuring that people don't get stuck in work ruts with little hope of advancing their knowledge or responsibilities. While baby boomers and Gen Xers want job security and structure, millennials seek employability and flexibility. They want to continually learn and add to their skills in meaningful ways.

In addition, smart managers support and provide their people with valuable and timely performance feedback. Well-executed career tracks provide a defined plan for progress, development and growth over the employee's career. The plan should cover the progression of the skills, and experience needed, such as education, certifications (CFP, CFA), time in job requirements, sales and marketing, financial management, compliance and risk management, and people management experience.

When designing career tracks, make sure to include rewards that are particularly meaningful to employees. Find out how they respond to possible opportunities for more responsibility and opportunities in — and outside — the firm. Also stress flexibility and support of work/life balance and, of course, cash rewards.

COMPENSATION PLANS

Many millennials entered the workforce during the Great Recession, and they saw their parents, colleagues and friends lose their jobs and financial stability. As a result, millennials are already worried about ensuring their financial stability during retirement. Adding to their financial stress is the fact that this generation has on average \$20,000 in student loans after graduating from college; so paying down their debt is a priority.

It is my recommendation that you offer a mix of competitive cash compensation (base salary plus incentives or bonuses) as well as medical and retirement benefits. Firms that pay cash compensation at the industry median or slightly above will create a recruitment edge in attracting the best and brightest of this generation and thus,

retaining them.

Most importantly, when it comes to compensation design, keep it simple and structured. Often, millennials are in their first full-time jobs and don't really know what to look for or ask when it comes to their compensation. Simplicity and transparency — letting them know exactly what is expected and what are their returns — are key elements of a successful compensation plan. Implementing a structured plan will make team members feel secure and give your organization a leg up on the competition.

Don't overlook the fact that millennials often value flexibility about hours and dress codes, access to fitness or health awareness programs, technical gadgets and even the right to listen to their iPods while working. They are continuous learners, so offer them educational reimbursement and other structured training programs.

Creating an organizational culture that is flexible and relaxed, has open communication, encourages sharing and innovation, and offers flexibility is a good step to keeping millennials engaged. Millennials want fun; a less formal atmosphere may help foster it.

Open and honest communication is highly valued by millennials and they expect it from their leaders. Therefore, when focusing on creating a comfortable culture, consider not just the formal surroundings but also the nature and tone of how you communicate. Good communication will also help them understand their role in the organization and may break down some of the distrust of the business environment that this generation has.