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Around the time the millennial generation started flooding the workforce, alarms were sounded. Managers were told to be wary of these 20-something new hires, who were likely to jump ship at the first hint of something better. More recently, however, studies have started to dispel the myth of the itinerant millennial. Using data from the U.S. Bureau of Labor Statistics, for example, the website FiveThirtyEight.com has shown that millennials change jobs less frequently than gen Xers did at the same age.

This disconnect between perception and reality is rooted in common stereotypes about millennials (whom we define as those born between 1980 and 2000). Among the most damning? They are inherently disloyal to their employers. Our research suggests that it's time to change the conversation. Whether the millennial generation, which recently became the largest generation in the U.S. workforce, is loyal or not is not the point. Loyalty isn't driving them to stay, nor is lack of loyalty driving them to go. Their motivations, instead, are deeply rooted in the economic and social conditions that have shaped their youth and early adulthood. Company leaders need to understand these drivers and focus their talent strategies accordingly. If they do, they just may find their millennial employees to be their most enduring.

We've studied 25,000 millennials in 22 countries, 78 percent of whom held professional, managerial, or executive positions. Through our surveys, interviews, and focus groups, we found that many are perfectly willing — even eager — to stay. In fact, in all countries where we surveyed employees (except Singapore), at least 40 percent of millennials see themselves staying at their current organization for a minimum of nine years — a much longer period than the 16 months to three years that's often reported. The same is true for more than 60 percent of millennials in Canada, Mexico, the Netherlands, Spain, the U.K., Brazil, the U.S., and Germany. Moreover, 44 percent of our millennial respondents say they would be happy to spend the rest of their career with their current organization. Of course, this number is relative — we also surveyed and interviewed 29,000 older employees, and found that 55 percent of gen Xers and 66 percent of baby boomers under 60 years old make the same assertion. But it's an important finding, given millennials' reputation for opportunism.

One 27-year-old told us she had no intention of leaving her current job, despite the long hours and the fact that at her current level, she could earn more somewhere else. Her decision had nothing to do with loyalty or devotion to the organization or its mission. Rather, it had everything to do with her long-term goals. She believes that if she stays she will get raises over time that will help ensure financial stability, and that when she wants to start a family, she will have built up enough status within the organization to seek out greater flexibility without fear of negative consequences.

Her response was fairly common, and reflects what our analysis revealed to be two of the primary motivations of millennial employees when it comes to career-related decisions: They are concerned about financial security, and they believe work–life integration is easier to attain when you stay with one organization for many years.

Money Stress

Many millennials grew up or entered the workforce during the Great Recession. They saw their friends, colleagues, or parents lose their jobs, or a substantial portion of their retirement savings. Millennials are also entering the workforce with huge levels of student loan debt, and are aware of the drag it will be on their finances. Eighty-four percent

Illustration by Karolin Schnoor

of our millennial respondents are worried about ensuring financial stability during retirement, and 56 percent feel stress about paying down their debt.

As a result, many millennials are focused on finding a job that is stable — preferably recession-proof — and that pays well enough that they can cover their bills and save. Once they find that, they would prefer to stay put. Their risk-averse tendencies inform their decisions: A different job may be more exciting, but that doesn't mean they think it is in their best long-term interest. (One offshoot of this trend is concerning: In January 2015, the *Wall Street Journal* reported that young entrepreneurs were becoming an "endangered species" in the United States.)

Company leaders can help young employees gain a greater sense of security. For starters, companies need to compensate their people well — including people at the bottom. We have talked to executives who are having difficulty filling roles, but who tell us that they won't increase the compensation being offered. "That's the market price for the job," they say. "Why should I pay more?" But paying people well from the beginning, and providing generous increases over time, can alleviate financial stress. It can help employees focus on doing high-quality work rather than spending time searching for a new job. And it saves companies from the hiring and training costs that result from frequent employee turnover.

Organizations can also help reduce employees' concerns about retirement, by more actively helping them save. Some companies have implemented initiatives that require employees to opt out of contributing to their retirement plan (rather than having them opt in), which has been shown to increase savings. Retirement plans that increase the employer match as employees save a higher percentage of their salary would also encourage savings.

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To help ease the burden of millennials' college loan debt, employers can implement loan repayment assistance programs. Such programs already exist in some public-service fields, such as medicine and teaching. But imagine if this were to become more widespread. Companies could commit to paying off part of employees' student loans for every year of service. It would be a different type of bonus structure — one that might appeal to millennials looking ahead to a decade or more of student loan payments. Other younger employees are wondering how they can afford to go back to school to advance at work. Tuition-reimbursement programs that help pay for additional education may appeal to these workers.

Flexibility Matters

Millennials have come of age during a time when dual-career couples and single-parent households are common in economically developed countries. As a result, they are entering the workforce concerned about how they can manage their work and personal lives so neither suffers.

Although recent research by Harvard Business School and the Pew Research Center indicates that millennial women may be more likely than were gen X women to temporarily step off their career track, other millennials are eyeing a different approach. Like the young woman mentioned above, they want to establish themselves at an organization when they are young, building a strong reputation. They believe that when they eventually start a family there will be fewer repercussions from requesting flexibility than there would be for a new employee. That potential fallout is a real concern for millennials: One-third of those we surveyed believe they would be perceived as less dedicated if they used flexibility programs.

This mind-set has its downsides. Young employees shouldn't feel trapped. They should not feel that they need to stay for fear of not finding good leave programs or flexibility elsewhere. Companies that want to retain millennials should work to create the type of organization in which everyone's personal life matters — and people stay because they want to.

Companies need to implement policies that help employees manage their responsibilities at work and at home over the course of their career, such as giving them greater latitude to choose when and where work gets done. Among our millennial respondents, 95 percent said that they wanted the option of occasionally doing work from home or some other location outside the office.

But importantly, such policies need to be constructed so they benefit employees in a variety of personal situations, not just people with children. When only a specific group benefits, the policy may lose the support of everyone else, either through apathy ("It doesn't apply to me, so why should I care?") or antipathy ("Why is that group getting special treatment and I'm not?"). For example, a flexibility policy that applies to a working parent but not to an employee who wants to exercise, or who wants to participate in a community group, or who needs to care for a sick partner or relative, won't be generally supported. That said, some of the recent (though limited) trends toward increasing maternity and paternity leave certainly help millennials envision a future at their company. But such policies need to address more than the first few weeks or months after an employee has a child, and they need to be made available to a much larger segment of the working population.

Finally, managers have a substantial role to play in millennials' understanding that staying with the organization may be in their best long-term interest. When they see their manager "walking the talk" of having a successful career and a life outside work, that sends a very powerful signal and chips away at the flexibility stigma. But it requires managers to model the behaviors and not just pay lip service to balance while wasting employees' time with bad management practices.

The Real Millennials

The prudence that guides millennials' decisions can be a double-edged sword. If they believe that their current position puts their financial stability at risk, or if their work–life balance is out of whack, millennials are highly motivated to look elsewhere. In fact, 23 percent of the millennial employees we surveyed who say they want to stay with their current company for the rest of their working life also say they are currently looking for a position in another organization (compared with only 7 percent of gen Xers and 4 percent of baby boomers under 60 years old). They don't want to job-hop — but they will.

It's time for company leaders to get to know the real millennials, and ensure their organization is prepared to meet their needs. When they do, everyone wins: Organizations benefit when turnover of talented employees is reduced and when institutional knowledge is retained and developed over many years, and companies become better places for people to work. ✚

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