

The Y in Google: Attracting and Retaining the Millennials

Introduction

Emphasizing that her faith in the future of Michigan's economy is grounded in investing in high-tech firms, encouraging entrepreneurship and attracting talent, Michigan's Governor Jennifer Granholm said that Ann Arbor's recent attraction of search engine giant Google is "the most obvious example of what we are trying to build, as we reshape the next Michigan. We love the Michigan that has been, and is -- we love our auto economy -- but we know we have to enlarge and diversify the economy to keep young people here."¹

Google has been touted as flying the flag of hope for Michigan's economy, a state which over the course of the last decade has struggled to keep young talent from fleeing its lakeside borders. U.S. Census Bureau figures estimate that 42,600 college-educated youth left Michigan between 1995 and 2000, while only 26,600 moved in, reducing the state's population of that demographic by more people than in any other state during that time, except Pennsylvania.² So, what can we learn from Google, one of the most sought after employers for college graduates today, that will help us not only hold on to Michigan's grads, but also attract talent from across the country?

Background

Over the past nine years, Google has built the dominant Internet-search engine, redefined the concept of advertising and taken on the mammoth mission of "organizing the world's information and making it universally accessible and useful."

Exhibit 1: Google Quick Facts

Industry	High Tech
2006 Revenue:	\$ 10.6 B
U.S. Employees	10,000
Headquarters	Mountainview, CA
CEO	Eric Schmidt
Founded	1998
Website	http://www.google.com

As a first step to fulfilling that mission, Google's founders Larry Page and Sergey Brin developed a groundbreaking approach to online search that began in a Stanford University dorm room and has spread across the globe. This incredible growth is exemplified by the fact that since going public in 2004, Google's stock price has soared from \$85 to a high of over \$550 in July of 2007.

The company's livelihood is mostly dependent on its online advertising revenue, mainly gleaned from its AdWords product. AdWords enables advertisers to reach potential customers by displaying ads for products that are related to the keywords that an individual types into the Google search engine.

Recently, Google had been seeking an additional AdWords office location. In the summer of 2006, it announced that the office would be located in Ann Arbor, Michigan. Granholm said Google cofounder Larry Page, a University of Michigan graduate, played a major role in the company's decision to come to Ann Arbor. Today, the Michigan AdWords office is growing at an enormous rate. The office, which started with 8 employees in September of 2006, is slated to grow to 1,000 over the next five years.

Awards

¹ "Google shows off its Ann Arbor offices," Metromode, 22 May 2007

<http://www.metromodemedia.com/innovationnews/Google0020.aspx>

² Stringer, Kortney, Tablac, Angela, "Google brings in new jobs and hope: Ann Arbor HQ Could Reverse Brain Drain," Detroit Free Press, 12 Jul 2006

Google has not only recently brought hope to Southeastern Michigan, but it has also caught the attention of scholars and business gurus around the world because it is setting new standards for management and employee satisfaction. In 2007, it held the coveted #1 spot on Fortune magazine's "Best Places to Work" list. Other surveys and lists profile it as one of the most sought after employers in the world. See **Exhibit 2** below for an overview of some of Google's most recent awards.

One-half of the awards shown below indicate that Google is a workplace that satisfies the demands of young workers. The people who make up the generation that is currently entering the workplace are known as Generation Y or the Millennial Generation, and they are notoriously difficult to please. According to Bruce Tulgan, author of *Managing the Generation Mix*, "This is a different kind of worker...they are not going to come in and figure it out and keep their heads down and their mouths shut."³ They expect extensive benefits, flexible working hours, and an environment where they feel that they are creating societal value. This may seem like a demanding bunch, but if they are satisfied they will reward their employers with creativity, technological savvy, the ability to work collectively, and the drive to overachieve.

Exhibit 2: Google's Accolades

- #1 on Fortune's "Best Places to Work"
- #1 on "Undergrads' 25 Most Wanted Employers"
- #1 MBA survey - "Top employers"
- #2 Business Week's "Most Innovative Companies"
- #5 Financial Times' "Best Places to Work in the US"
- #13 Business Week's "Best Places to Launch a Career"

Of course, all of these awards surface the question of why and how one organization can be so incredibly successful. Well, despite the press that Google's lava lamps, bean bag chairs, and video games have received, there is a much more deeply-rooted culture that supports employee's well-being by making them feel valued and ensuring them that they are contributing to a better world – essential attributes for attracting today's young talent.

Tangible Benefits

On the surface, it can seem as if Google's success is directly linked to the zany perks such as the Wii video game room in its Ann Arbor office. Attributing employee satisfaction to these types of unique attributes makes it difficult for more traditional organizations to attempt to replicate Google's success.

At Google Ann Arbor, although the conference room with the garage door is a fun spectacle to show visitors, it is probably not as critical in the equation of employee satisfaction as Google's benefits of real substance. Going above and beyond traditional employers, Google provides a full range of flexible work programs, benefits to part-time employees, and profit-sharing programs for employees at all levels. The part-time benefits are a rarity, but are one way that companies can retain talent that could be lost to "the mommy drain." A 2005 survey of HR professionals indicated that only 33% of their organizations had a policy allowing part-time work for professionals.⁴ In addition, Google's stock options, which are offered even to entry-level employees, are a rare perk, especially due to the fact that the stock price has gone up 400% since its inception.

³ Rose, Barbara, "Generation Y a learning experience for firms," Chicago Tribune, 4 March 2007

⁴ Erin White, "Build a Case Before Asking to Work Less," Wall Street Journal, 24 October 2006

Author Gurnek Bains, CEO of YSC, a leading corporate psychology consulting company, has just published an influential book entitled *Meaning Inc., The Blueprint for Business Success in the 21st Century*. He believes that one of the key success factors for businesses in the 21st Century is, “an innovative approach to benefits and the treatment of people that makes them feel special.”⁵ The benefits that Google offers its employees, especially those belonging to the coddled Generation Y, assures them that they are truly valued, no matter their time commitment or tenure.

So, if you believe that offering your employees a video game room or the freedom to bring their dogs to work will solve your recruitment and retention problems, think again. If you want happy, healthy, and loyal employees, the first lesson to learn from Google is that you need to offer concrete benefits to make your employees at all levels feel valued.

Balancing Work and Life

According to a recent article in the Detroit Free Press, “the main reason young employees are heading for the exits, oddly enough, is the very thing boomers thrived on: the perpetual work day.” Google has realized that one of the keys to its success is honoring the fact that Generation Y employees expect to have more flexibility when it comes to balancing their work and their lives.

Of the 37,000-plus undergraduates surveyed by talent research firm Universum this year, the number one career goal of these students is to “balance personal and professional life”, whereas “building a sound financial base” ran a distant third.

Although perks such as healthy meals, doctors, and exercise equipment on site might seem superfluous, the idea behind them is to allow Googlers to lead a more balanced life. Most people ignore the importance of healthy food, seeing a doctor, and taking care of their physical well-being when stress at work is high. Google cannot promise a stress-free environment, but offering these services allows its employees to have a healthy balance between work and life.

With 85 million baby boomers on the brink of retirement, Gen Y employees will have many choices when it comes to companies to join over the course of their infamous “job hopping” careers. Time Magazine reports that Generation Y is forcing companies to think more creatively about work-life balance. The employers who do are winning in the war for young talent.⁶

Do No Evil

Dan Pink, author of *A Whole New Mind* and *Free Agent Nation*, believes that a strong driver of workplace satisfaction is whether or not individuals feel like they're contributing to society. He says that today's workers “want something more than the paycheck, more than the money... it's about a sense of purpose, a cause greater than themselves.”⁷ It has been widely recognized that Generation Y workers, more than past generations, carry this value of social responsibility.

The Universum survey of undergraduates also confirmed that organizations who excel at this balancing act will be ahead of the pack when it comes to attracting young talent. “Companies with corporate cultures that stress social responsibility, diversity, and the environment, all values that align with those of the twenty-something generation, stand to get the lion's share of interest from job seekers.”

⁵ “Today's Most Successful Companies Create Meaning for Stakeholders, Says New Book by Leading Experts in Corporate Psychology; Resulting Commitment of Employees Seen to Drive Better Business Results,” PR Newswire, 5 March 2007

⁶ Trunk, Penelope, “What Gen Y Really Wants,” Time. New York: 16 Jul 2007

⁷ Sostek, Anya, “Good Workplaces Not That Hard to Find,” Pittsburgh Post-Gazette, 20 March 2007

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So how does Google’s brand stand out against other employers when it comes to tugging at the heartstrings of today’s youth? One part of it is that Google assures its workers that they are an integral player in overcoming the vast information asymmetry that exists in the world. In addition, Google shows concern for the societal impact of its business. It has pledged to become carbon neutral

by the end of 2007 and has created a non-profit arm (google.org) aimed at tackling climate change, global public health, economic development and poverty.

According to a May 2007 BusinessWeek article, the organizations that ranked the highest on their “Undergrads’ 25 Most Wanted Employers” list were those “organizations that do good and companies that are doing well.”⁸ Google has managed to fit both of those molds, and not surprisingly, it ranked as the #1 most coveted employer on the list.

Bains, again in his book *Meaning Inc.*, also believes that the companies that will succeed in this century will be those that provide meaning for their employees. He states that:

The creation of meaning directly drives commitment and engagement and this has a tangible and demonstrable impact on business results... creating a sense of meaning for people will be what makes the difference for most companies in the future.

Bains mentions Google as a prime example of an organization that has created this meaning for its employees. He says that we can learn how to recruit and capitalize on today’s talent by adopting the key attributes of Meaning Inc. companies, shown in **Exhibit 3** below:

At Google, a sense of purpose permeates through the organization’s culture. Even employees working in AdWords in Ann Arbor feel that they are making a difference, somewhat by giving small businesses the ability to reach audiences affordably, but more so by powering a network that is fostering greater

Exhibit 3: Key Attributes of a 21st Century Workplace

1. An invigorating **sense of purpose** that makes people feel they are changing society as opposed to only servicing needs
2. The courage to **set extremely stretching goals** and to be ground-breaking in the pursuit of their core purposes
3. An innovative approach to benefits and the **treatment of people that makes them feel special**
4. A **culture that allows people to be themselves** and feel they are using their distinct talents
5. A concern for the **societal impact of business activities**
6. Excellent **long-term performance** coupled with a willingness to sacrifice short-term gains that conflict with core purposes and values"

⁸ Gerdes, Lindsey, “Undergrads’ 25 Most Wanted Employers; Organizations that do good and companies that are doing well both rank high with students, according to Universum’s latest findings,” 14 May 2007, BusinessWeek Online

access to information across the globe. This mission-driven culture, combined with the social and environmental concerns of Google's leaders, assures employees that they are working for a company that is doing good in the world, a top priority for the Millennials.

Conclusion

As two-thirds of the students at the top three Michigan universities say they plan to leave the state after graduation or aren't sure what they'll do, we need to learn from Google.⁹

Google has managed to couple record-breaking financial success with a workplace that is sought after by employers and employees alike. Maybe the best lesson that can be learned from this remarkable organization is that those two concepts, economic success and employee satisfaction, are intimately connected. By offering competitive benefits, flexible working programs, on-site services, and a sense of meaning to its employees, Google has successfully won over the hearts and minds of today's brightest talent.

⁹ "Two-thirds of Undergrads Plan to Leave State," 9 & 10 News, Detroit, MI, 30 April 2007