Deloitte.

The 2016 Deloitte
Millennial Survey
Winning over the next
generation of leaders

Introduction

Millennials, in general, express little loyalty to their current employers and many are planning near-term exits. This "loyalty challenge" is driven by a variety of factors. Millennials feel underutilized and believe they're not being developed as leaders. They continue to express positive views of businesses' role in society; they have softened their negative perceptions of corporate motivation and ethics, and cite a strong alignment of values. However, Millennials feel that most businesses have no ambition beyond profit, and there are distinct differences in what they believe the purpose of business should be and what they perceive it to currently be. Millennials often put their personal values ahead of organizational goals, and several have shunned assignments (and potential employers) that conflict with their beliefs.

These findings are drawn from Deloitte's fifth global Millennial Survey, which this year focused on Millennials' values and ambitions, drivers of job satisfaction, and their increasing representation on senior management teams.

Millennials represent an increasing share of the workforce (evidenced by a recent analysis from Deloitte University Press[1] that showed Millennials "have recently inched past the other generations to corner the largest share of the US labor market"), and a growing number now occupy senior positions. They are no longer leaders of tomorrow, but increasingly, leaders of today—as such, their views on how business does and should conduct itself are of more than academic interest. We see that Millennials are taking their values with them into the boardroom. As the Millennial generation gets older, a larger proportion are also becoming parents; the opinions of Millennial moms and dads are also covered in the current study.

As with previous surveys in the series, we collected the views of nearly 7,700 Millennials representing 29 countries around the globe. All participants were born after 1982, have obtained a college or university degree, are employed fulltime, and predominantly work in large (100+ employees), private sector organizations (see note on methodology).

This summary explores the factors that underlie the loyalty challenge and offers suggestions, based on respondent responses, that could help earn that loyalty back.

[1] Dr. Patricia Buckley, Dr. Peter Viechnicki, and Akrur Baruahttp, "A New Understanding of Millennials: Generational Differences Reexamined"

Research scope
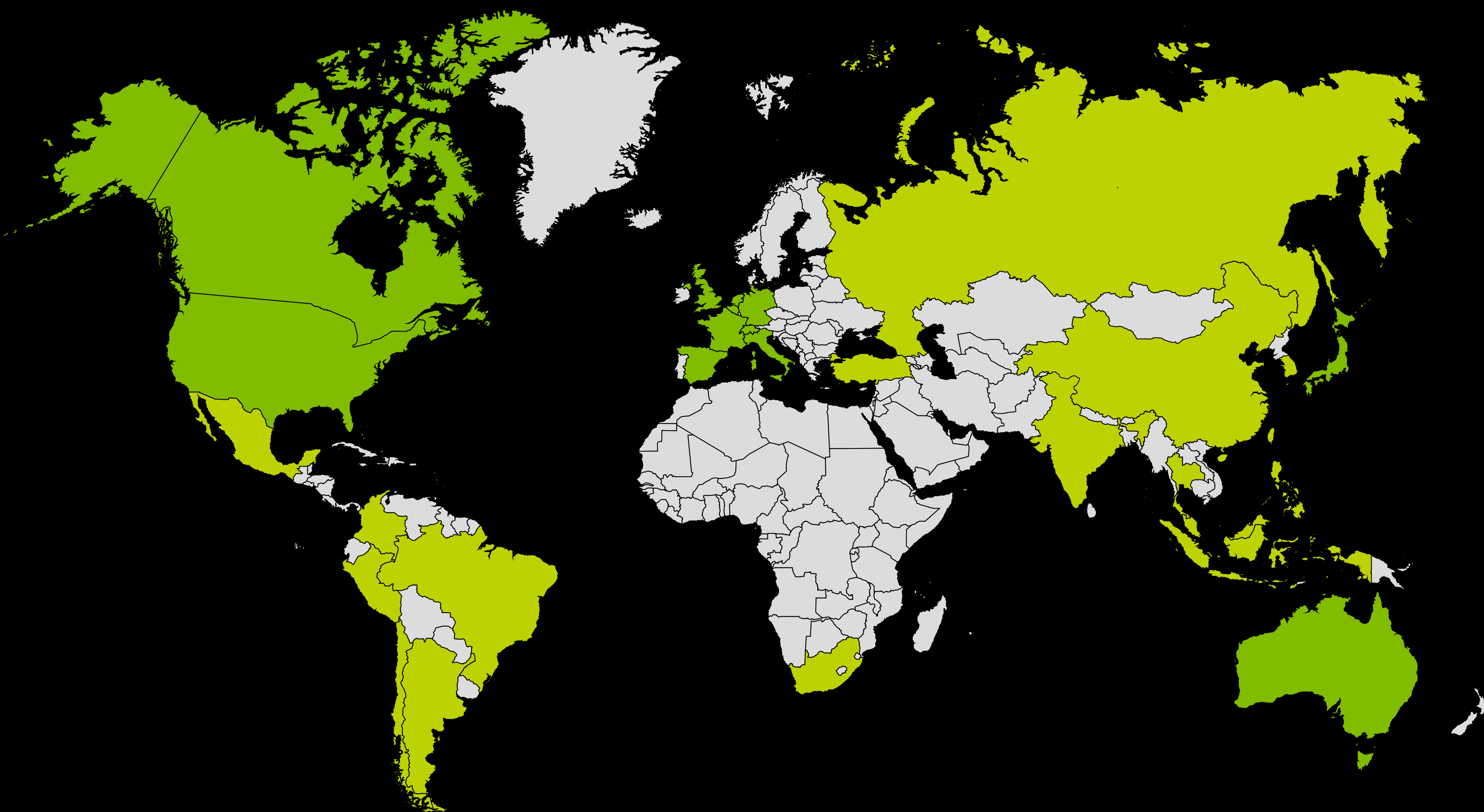
EMERGING MARKETS
Interviews achieved: 4,300

Argentina | 300
Brazil | 300
Chile | 300
China | 300
Colombia | 300
India | 300
Indonesia | 300
Mexico | 300
Malaysia, Thailand and
Singapore (MTS) | 300
Peru | 200
The Philippines | 300
Russia | 300
South Africa | 200
South Korea | 300
Turkey | 300

DEVELOPED MARKETS
Interviews achieved: 3,392

Australia | 300
Belgium | 200
Canada | 300
France | 300
Germany | 300
Italy | 300
Japan | 300
Spain | 300
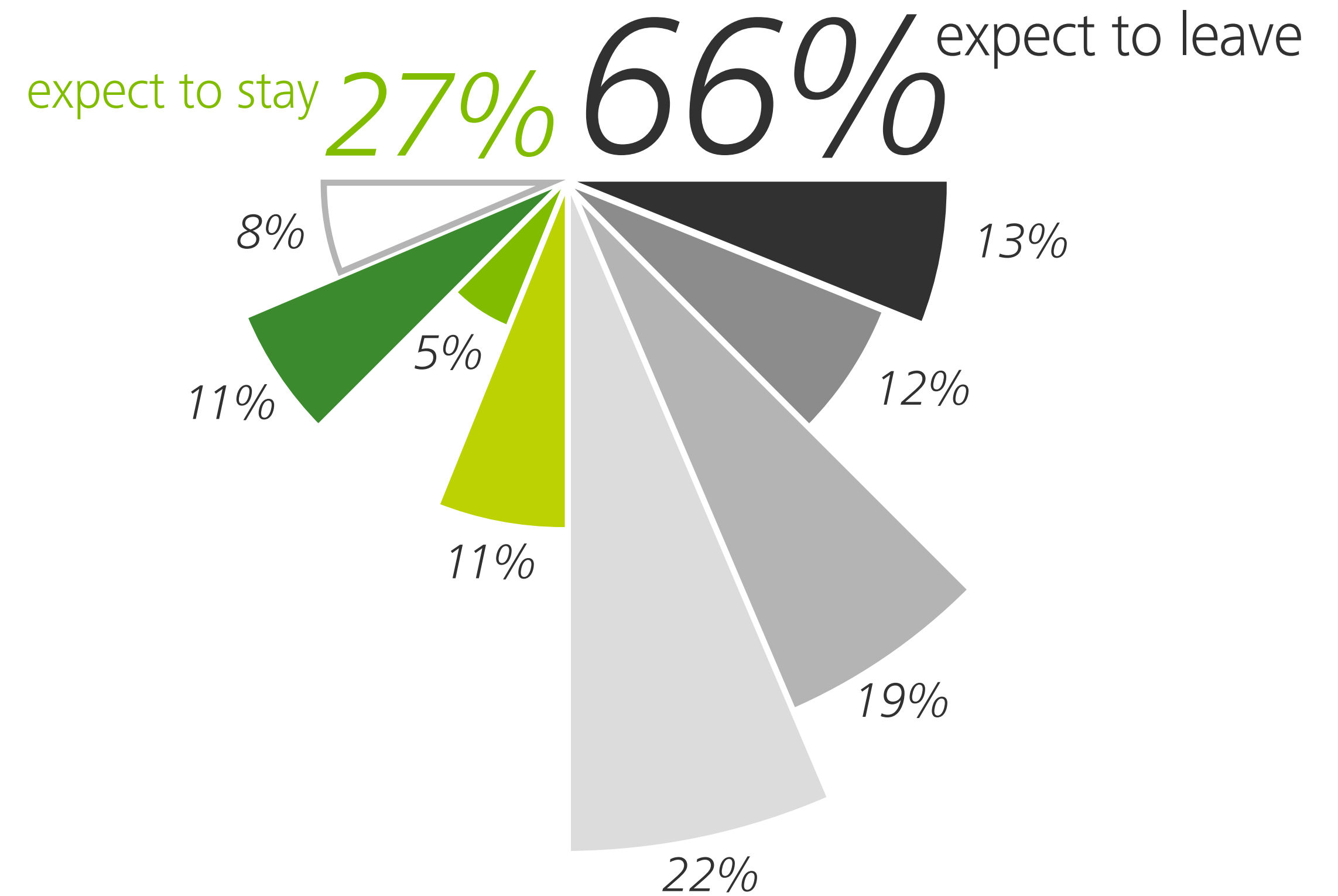Switzerland | 192
The Netherlands | 300
UK | 300
US | 300

Part one
Many Millennials have one foot out the door

During the next year, if given the choice, one in four Millennials would quit his or her current employer to join a new organization or to do something different. That figure increases to 44 percent when the time frame is expanded to two years. By the end of 2020, two of every three respondents hope to have moved on, while only 16 percent of Millennials see themselves with their current employers a decade from now. This remarkable absence of loyalty represents a serious challenge to any business employing a large number of Millennials, especially those in markets—like the United States—where Millennials now represent the largest segment of the workforce.

Figure 1: Two in three Millennials expect to leave by 2020
Percentage who expect to leave in the next…

- ● ≤ 6 months
- ● 6 months to 1 year
- ● > 1 to 2 years
- ○ > 2 to 5 years
- ● > 5 to 10 years
- ● > 10 years
- ● Would never leave
- ○ Don't know

expect to stay **27%**   **66%** expect to leave

8%
5%
11%
11%
13%
12%
19%
22%

Q. If you had a choice, how long would you stay with your current employer before leaving to join a new organization or do something different?

In each of the 29 countries where Millennials were surveyed, a majority believe they will have left their organizations before 2020 has passed. The percentages range from the low 50s in Belgium (51 percent), Spain (52 percent), and Japan (52 percent) to more than three-quarters in Peru (82 percent), South Africa (76 percent), and India (76 percent). In general, the intention to move on is greater in emerging (69 percent) rather than mature economies (61 percent). Regionally, Latin America (71 percent) has the highest figure and Western Europe (60 percent) the lowest. Meanwhile, within the regions, we see outliers that suggest this is not merely a function of the current economic climate. For instance, in the UK, 71 percent indicate an expectation of moving on.

Figure 2: Millennials in emerging markets are the least loyal to their current organizations
Percentage who expect to leave in the next five years

Emerging markets   Developed markets

Peru	82%
South Africa	76%
India	76%
Colombia	75%
South Korea	74%
Chile	71%
United Kingdom	71%

Latin America	71%
Emerging markets	69%
Argentina	67%
China	65%
The Philippines	64%
United States	64%
Indonesia	62%

Canada	61%
Developed markets	61%
Russia	61%
Western Europe	60%
Japan	52%
Spain	52%
Belgium	51%

See country classification here.
Q. If you had a choice, how long would you stay with your current employer before leaving to join a new organization or do something different?

When looking at demographic subgroups, we find that Millennials who are parents show somewhat more loyalty than those without children; 32 percent of the former intend to remain with their current employers for five years or more, compared to 24 percent of the latter. This is a statistically significant difference. That said, twice as many (64 percent) Millennial parents expect to leave their current employer before 2021 as to stay beyond this date. Women (67 percent) are slightly more likely to leave within the next five years than men (64 percent).

Even those Millennials in senior positions express the intention to leave their organizations relatively soon. In this current survey, approximately one in five respondents are either the head of a department or division (12 percent) or have a position within his or her senior management team or board (7 percent). Clearly, Millennials no longer have the *potential* to shape the fortunes of their organizations; many are already in positions to do so. However, while they occupy such influential positions and have presumably enjoyed satisfactory career trajectories, a majority

(57 percent) believe they will leave their current businesses before year-end 2020. While this naturally represents gains for new employers, this is a significant amount of senior talent (and investment) to be walking out the door.

Lack of loyalty may be a sign of neglect

While many Millennials have already attained senior positions, much remains to be done. More than six in ten Millennials (63 percent) say their "leadership skills are not being fully developed." In some markets, such as Brazil and the southeastern Asia nations of Malaysia, Singapore, and Thailand, the figure exceeds 70 percent. Unfortunately, little progress is being made in this area. In the 2013 survey, 49 percent of respondents thought their organizations were doing all they could to develop their leadership skills. Meanwhile, last year we observed that "regardless of gender or geography, only 28 percent of Millennials feel that their current organizations are making 'full use' of the skills they currently have to offer."

Last year, when asked to rate the skills and attributes on which businesses place the most value (and are prepared to pay the highest salaries), Millennials pointed to "leadership" as being the most prized. This was mentioned by 39 percent, but only 24 percent thought this was a strong personal trait of theirs upon graduation (a gap of 15 percentage points). Millennials fully appreciate that leadership skills are important to business and recognize that, in this respect, their development may be far from complete. But, based on the current results, Millennials believe businesses are not doing enough to bridge the gap to ensure a new generation of business leaders is created.

Of great significance in the current survey results is the finding that 71 percent of those likely to leave in the next two years are unhappy with how their leadership skills are being developed—fully 17 points higher than among those intending to stay beyond 2020. As Figure 3 shows, the most loyal employees are more likely to agree that:

- There is a lot of support/training available to those wishing to take on leadership roles; and
- Younger employees are actively encouraged to aim for leadership roles.

Meanwhile, the least loyal employees are significantly more likely to say that:

- I'm being overlooked for potential leadership positions; and
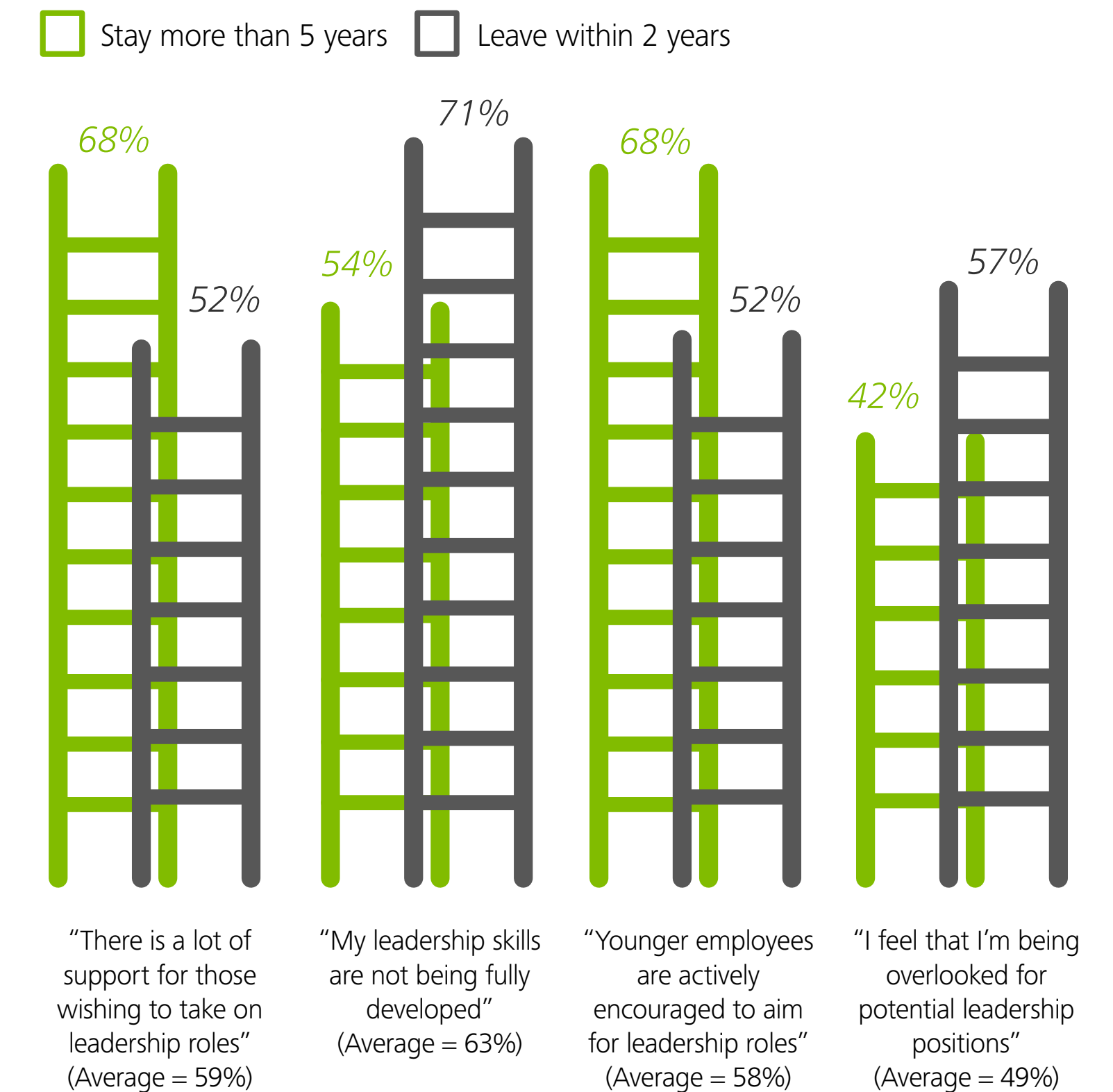- My leadership skills are not being fully developed.

It is encouraging to report relatively small gender differences in consideration for senior roles. However, the absolute figures are disappointing—50 percent of male and 48 percent of female respondents say they are "being overlooked for potential leadership positions."

While consideration (or a lack of it) may be equal, the reality is that Millennial men (21 percent) are significantly more likely than women (16 percent) to say they lead a department or are members of the senior management team. Could this reflect continuing gender bias or situations in which women feel less encouraged in seeking senior roles?

For example, in 2015 we reported a significant gender gap of six points between the proportion of men (27 percent) and women (21 percent) who rated their leadership skills as strong.

Figure 3: Supporting leadership ambitions builds loyalty (yes really!)
Percentage agreeing with each statement

□ Stay more than 5 years □ Leave within 2 years

68%	71%	68%	57%
52%	54% 52%	52%	42%
"There is a lot of support for those wishing to take on leadership roles" (Average = 59%)	"My leadership skills are not being fully developed" (Average = 63%)	"Younger employees are actively encouraged to aim for leadership roles" (Average = 58%)	"I feel that I'm being overlooked for potential leadership positions" (Average = 49%)

Q. "Thinking about the support your organization offers you in regards to taking on leadership positions, to what extent do you agree or disagree with the following statements?

Part two
Shared goals, different focus—the "sustainability gap"

Millennials continue to express positive views of business, and their opinions regarding businesses' motivations and ethics showed stark improvement in this survey. However, much skepticism remains, driven by the majority held belief that businesses have no ambition beyond profit. Almost nine in ten (87 percent) believe that "the success of a business should be measured in terms of more than just its financial performance." This is a widely held belief; only in Germany (22 percent) and South Korea (30 percent) do more than a fifth of Millennials say business success should be measured in purely financial terms.

Business has a positive impact on society

Millennials continue to hold business in high regard: three-quarters (73 percent) maintain that it has a positive impact upon wider society. This figure is unchanged since 2013 (when we first asked the question) and shows that, despite a downturn in certain local and regional economies, Millennials remain upbeat about businesses' potential to do good. This positive evaluation is, perhaps naturally,

Figure 4: Millennials believe businesses to be more ethical and society-focused than a year ago, but remain wary of motivations
Percentage who said businesses…

Focus on their own agenda rather than considering the wider society

64%
2015 = 75%

Behave in an ethical manner

58%
2015 = 52%

Leaders are committed to helping to improve society

57%
2015 = 53%

Have no ambition beyond wanting to make money

54%

● Agree ● Disagree

Q. Thinking about businesses around the world, would you agree or disagree that, on balance, the following statements describe their current behavior?

most evident among those in senior positions (83 percent), but also peaks among Millennial parents (81 percent), the "*super-connected Millennials*" (87 percent), and "*active citizens*" (76 percent). These latter two groups represent those making significantly more use of social media or who volunteer, campaign, donate, or more actively engage with social, environmental, or political affairs. As such, it is encouraging that such Millennials are pro-business rather than anti-business.

Millennials in our survey also believe businesses are behaving in an increasingly responsible manner. On balance, Millennials still believe that businesses focus on their own agendas—but compared to 2015, they are significantly less likely to say this. Meanwhile, they are more likely than last year to agree that businesses "behave in an ethical manner" (58 percent versus 52 percent) and that "their leaders are committed to helping improve society" (57 percent versus 53 percent). There is still much to be done, though, as a majority (54 percent) believe businesses around the world have "no ambition beyond making money."

Not impressed by the "buzz" around a business

Millennials judge the performance of a business on what it does and how it treats people. For example, among those saying business "means more than a healthy balance sheet," more than six in ten would reference the quality of its products and services (63 percent) or levels of employee satisfaction (62 percent). A majority (55 percent) focus on customer loyalty/satisfaction. Innovation and efficiency also rank highly.

Millennials are less impressed by the sheer scale of a business, its age, or the general buzz that surrounds it. Based on a stereotypical view of Millennials, the profile or "positive energy" around a business might be thought of as being highly important to them.

However, at 27 percent, the "buzz" around a business ranks 14th of the 15th attributes measured (and only 13th among those most engaged with social media). Millennials' views of what businesses should strive to achieve have remained consistent over time. In last year's study, we compared purpose—what businesses *should do*—versus impact—what they *are doing*—and found that Millennials consider businesses to be underperforming by 10 percentage points at improving livelihoods, and underperforming by 12 percentage points on social/ environmental benefit. In contrast, there was a perceived overemphasis in areas of profit generation (+10) and wealth creation (+13). As noted later, Millennials very much believe that business success is built on a foundation of long-term sustainability rather than pursuing short-term profit maximization.

For long-term success, put employees first

In previous surveys, Millennials have told us that businesses' greatest contribution was the financial benefit associated with job creation—but they see this as an outcome rather than a guiding principle of business conduct. So, to better understand their values, we asked Millennials, "What are the most important values a business should follow if it is to have long-term success?" They responded that businesses should put employees first, and they should have a solid foundation of trust and integrity. Customer care and high-quality, reliable products also ranked relatively high in importance. Attention to the environment and social responsibility were also mentioned by a significant number of Millennials. It's noteworthy that few (5 percent) of those answering thought profit-focused values would ensure long-term success.

Figure 5: The values that support long-term business success are people treatment, ethics, and customer focus

26%
Employee satisfaction/
loyalty/fair treatment

25%
Ethics/trust/
integrity/honesty

19%
Customer care/
focus

13%
Quality/
reliability

Environmental
impact
8%
Corporate
social
responsibility

Good
products
7%
Efficiency/
adaptable/
moves
with the
times

Innovation
6%
Respect

Q. In general terms, what are the most important values you think a business should follow if it is to have long-term success?

Some of the most noteworthy comments were:

"Ensuring employees feel comfortable—that is a successful company; where people are free to perform their tasks and duties regardless of time and space"
(Female, Mexico)

"Setting long-term goals that both improve the business and treat employees with respect and integrity"
(Male, Canada)

"The most important values are integrity, a customer-first strategy, and long-term goals"
(Male, Singapore)

"To be fully transparent and strive for fairness and equality in all aspects of their workings"
(Male, UK)

"Following environmentally sustainable practices and offering employees a good work/life balance"
(Female, Australia)

"The most important values are honesty, reliability, and respect."
(Female, Spain)

"The key values for long-term success are social responsibility, employee satisfaction, and a good working environment"
(Male, Peru)

"Respect for people and the environment"
(Female, Brazil)

"Fair competition and a harmonious social environment. A sense of innovation is also particularly important"
(Male, China)

"Important values include low staff turnover, quality of service or products, environmental protection, and employee satisfaction"
(Female, Chile)

Values guide where Millennials work, what assignments they will accept

Millennials want to contribute to the positive impact they believe business has on society, but in so doing, they wish to stay true to their personal values. Seven in ten (70 percent) Millennials believe their personal values are shared by the organizations they work for. This rises to 80 percent among the most senior Millennials and 82 percent for those intending to stay for at least another five years. This is a strong indication that Millennials choose employers whose values reflect their own—a concept reinforced by the finding that, globally, 56 percent of Millennials have "ruled out ever working for a particular organization because of its values or standard of conduct."
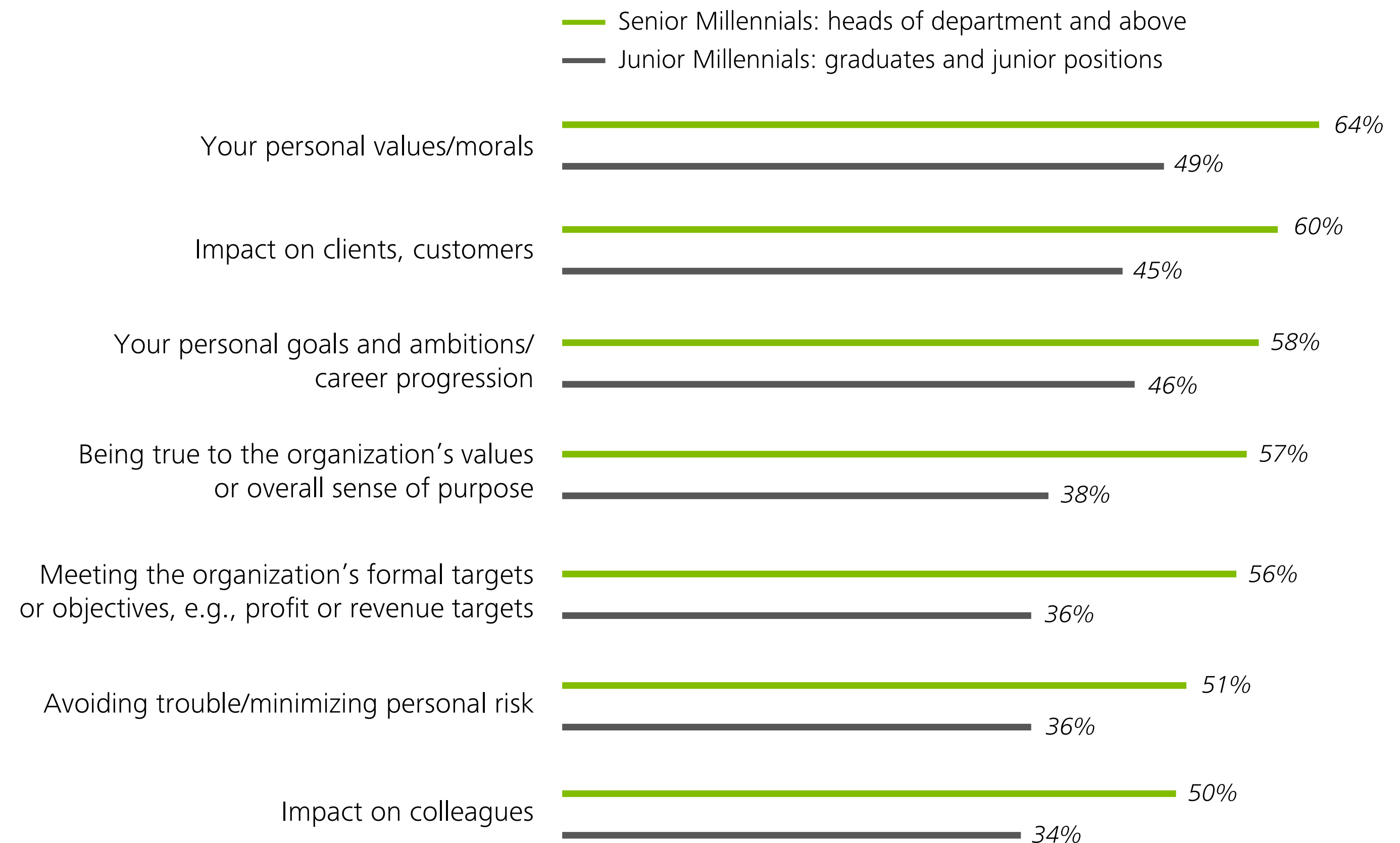
This strong degree of alignment with their employers does not mean Millennials are a benign workforce. Almost half (49 percent) have "chosen not to undertake a task at work because it went against their personal values or ethics." This increases to 61 percent among those in senior positions. Geographically, the level of "refusal" ranges from 20 percent in Japan to 71 percent in Colombia, and is generally high in Latin America. So, while they may judge the impact of business to be positive, and think business behaves in an ethical manner, most Millennials have no problem standing their ground when asked to do something that conflicts with their personal values.

When asked to state the level of influence different factors have on their decision making at work, "my personal values/morals" ranked first. Over half (55 percent) said this had a very high degree of influence, with "personal goals and ambitions and career progression" (51 percent) ranking second. "Meeting the organization's formal targets or objectives" ranked only fifth of the seven factors measured.

This emphasis on personal values continues into the boardroom; the rank order of priorities does not change for senior Millennials. As such, we can expect Millennial leaders to base their decisions as much on personal values as on the achievement of specific targets or goals.

Figure 6: Personal values have the greatest influence on Millennials' decision making
Percentage who said factor is "very influential" when making decisions at work

Senior Millennials: heads of department and above
Junior Millennials: graduates and junior positions

Your personal values/morals
64%
49%

Impact on clients, customers
60%
45%

Your personal goals and ambitions/ career progression
58%
46%

Being true to the organization's values or overall sense of purpose
57%
38%

Meeting the organization's formal targets or objectives, e.g., profit or revenue targets
56%
36%

Avoiding trouble/minimizing personal risk
51%
36%

Impact on colleagues
50%
34%

Q. How much influence do the following factors have when you are making decisions at work?

Aligned values, but mismatched purposes

This year's survey results suggest Millennials don't see their organizations as reflecting the core values they believe to lie behind long-term success—resulting in a significant gap between where Millennials believe emphasis should be placed and what they perceive to be the case.

There are five key areas where Millennials believe businesses' sense of purpose should be far greater than is currently the case. Shown in the top-left quadrant of Figure 7, these areas include: improving the skills, income, and "satisfaction levels" of employees; creating jobs; and impacting positively on users of their goods and services. Diametrically opposed is the emphasis on profit and business expansion.

These sentiments are consistent with the results from last year's survey. Then, we identified a "leadership gap"—differences between the priorities Millennials would have if they led their organizations and where they believed their senior leadership teams to be focused. As is the

Figure 7: Millennials would prioritize the sense of purpose around people rather than growth or profit maximization

High Millennial priority

Top-left quadrant (Low employer priority / High Millennial priority):
- Providing a good income to our employees
- Being the best possible place to work
- Improving the skills of our workforce
- Providing services/goods that make a positive difference to people's lives
- Generating and supporting jobs

Top-right quadrant (High employer priority / High Millennial priority):
- Being as efficient as possible
- Ensuring the long-term future of our company/organization
- Continuous improvement/increasing knowledge in our area of activity
- Making the best possible products/being the best business in our area of activity

Low employer priority

High employer priority

Bottom-left quadrant (Low employer priority / Low Millennial priority):
- Making a positive contribution to local communities/society
- Collaborating with other organizations to create new ideas/better solutions
- Improving/protecting the environment

Bottom-right quadrant (High employer priority / Low Millennial priority):
- Making money/maximizing profit
- Growing the business/becoming bigger e.g., entering new international markets
- Being well-known/increasing our public profile
- Creating wealth/contributing to economic growth

Low Millennial priority

Q. Thinking about your place of work, how strong is the sense of purpose around the following objectives?
Q. And for you personally, where would you like the strongest sense of purpose to be in your organization?

case this year, the earlier research told us that Millennials would place far greater emphasis than current leaders on "employee wellbeing" and "employee growth and development." They would be less focused on "personal income/reward" or "short-term financial goals."

Millennials who enter the boardroom and those in senior positions have a desire to rebalance business priorities by putting people before profit. Similar to those in more junior roles, members of senior management teams would personally like to see a greater sense of purpose around "being the best possible place to work" and "providing a good income to employees." They are more aligned than junior employees regarding "maximizing profit," "being the best in their organization's area of activity," and "expansion"—but this doesn't detract from the sense that Millennials' "people-first" values will remain with them as they take on greater levels of responsibility.

Taken together, the preceding findings paint a clear picture of what Millennials believe the foundations of business success to be. This generation evaluates such success in ways that go beyond a focus on financial performance, increasing the focus on activities and behaviors that support long-term sustainability. The potential for a "profits-first" approach to alienate Millennials is highlighted by its relationship to a range of variables in our dataset. We see, for example, that where Millennials feel their organizations put "financial performance before everything else," only 20 percent intend to stay for more than five years (compared to the average of 27 percent). Significant differences are also seen with overall levels of employee satisfaction (42 percent in the "profits-first" business versus an average of 53 percent) and value alignment (61 percent versus 70 percent).

As we observed in 2015, Millennials recognize, absolutely, that financial success is one of the elements that characterize a "leading organization," but on its own is insufficient. Profit is combined with three other of the "Four Ps": people (employees and in wider society); products; and purpose, which, in combination, provide a platform for long-term success.
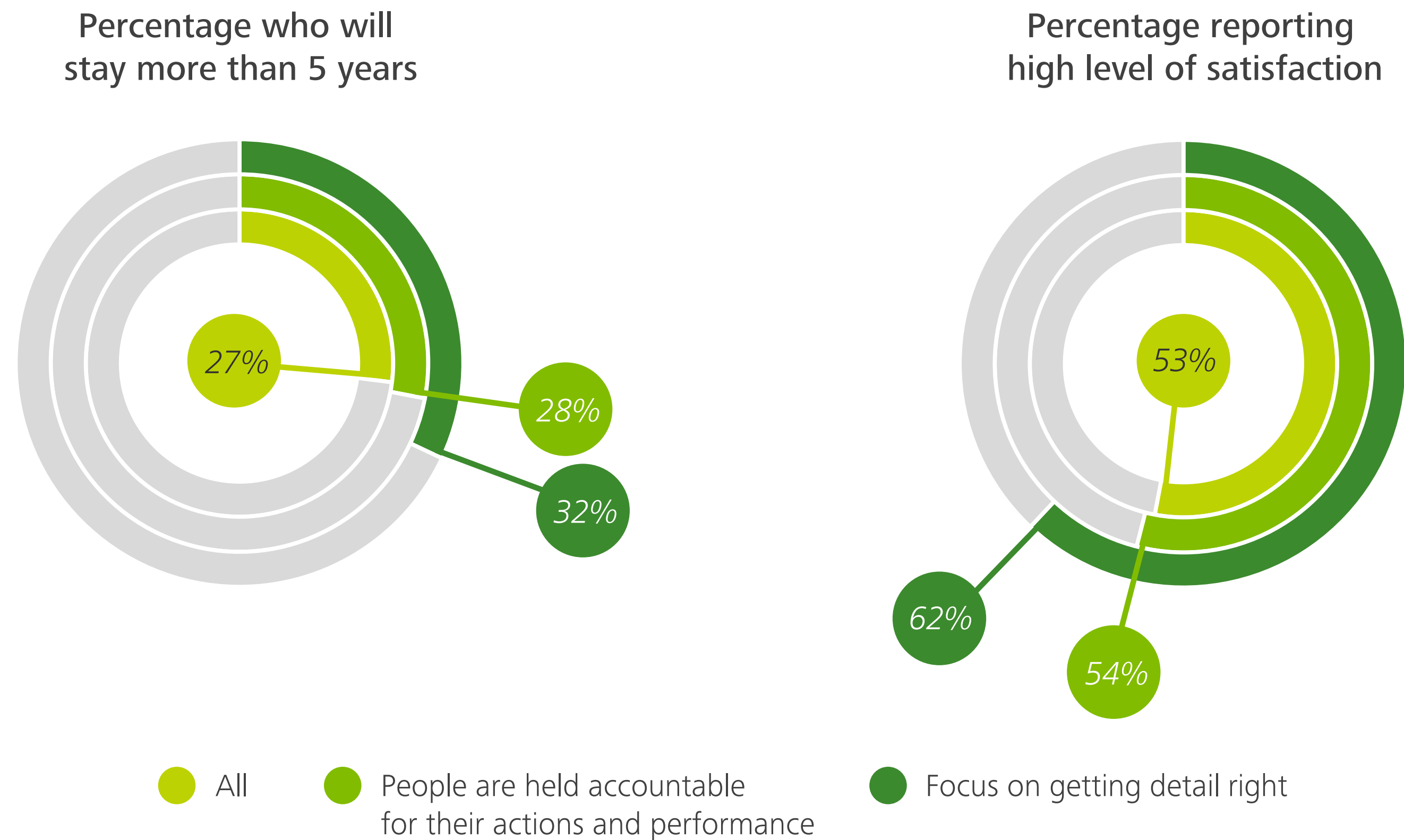
Millennials are not naive, though. While they certainly wish to see a greater focus on the needs of the individual, whether employees or those who use their products and services, they simultaneously demonstrate an appreciation of business fundamentals. This generation is acutely aware of the impact of the Great Recession and closely attuned to changing economic conditions (see Economic Outlook section). They, therefore, recognize the importance of ensuring the long-term success of a business and its ability to support and create jobs.

We see this demonstrated by Millennials' alignment with their senior leadership teams with respect to the priority given to increasing efficiency, ensuring organizations' long-term futures, continuous improvement, and a desire to be the best businesses in their specific area of activity. Again, this reflects last year's study where we found Millennials sharing their leaders' sense of priority over:

- Investing in growth/driving business initiatives;
- Dealing fairly with suppliers;
- Developing new/innovative products and services;
- Making positive impact on customers; and
- Ensuring the long-term future of the organization.

Millennials are, thus, in broad alignment with senior executives on initiatives that support long-term success, suggesting that they value approaches that directly impact individuals via jobs, income, skills, or quality products. As reported above, Millennials are not anti-profit and recognize money making as a vital component of business success. They would simply advise against placing too much emphasis on short-term profit maximization.

Figure 8: Being held accountable doesn't reduce loyalty or satisfaction

Percentage who will stay more than 5 years

27%
28%
32%

Percentage reporting high level of satisfaction

53%
62%
54%

● All   ● People are held accountable for their actions and performance   ● Focus on getting detail right

Q. Which of the following words or phrases match the "culture" within your current organization?

We further observe Millennials' appreciation of business fundamentals in data taken from questions on business culture and their recognition of the need for accountability and attention to detail. While Millennials wouldn't wish to work in a highly regimented and controlled environment, they understand the need for people to be held accountable for their actions and performance. Levels of job satisfaction are as equally high as elsewhere, where this is a feature of an organization's culture, while loyalty is similarly unaffected by holding people to account.

Where holding people to account is a characteristic of an organization, respondents are just as likely (54 percent) as the survey average (53 percent) to say there are high levels of job satisfaction. It is also the case that holding people to account for their actions does not appear to diminish loyalty. Where such accountability is evident (28 percent), Millennials are just as likely as average (27 percent) to stay with an organization for five years or more.

Personal goals are fairly traditional

Perhaps just as surprising as the finding that Millennials aren't particularly influenced by the buzz around individual businesses or employers, survey respondents also indicate little desire to be famous, have a high profile on social media, or accumulate great wealth.

Instead, in broad terms, Millennials' personal goals are more traditional. They seek a good work/life balance, they want to own their own homes, they desire a partner for life, and they strive for financial security that allows them to save enough money for a comfortable retirement. The ambition to make positive contributions to their organizations' success and/or to the world in general also rates highly.

Part three
Bridge the gaps, retain the talent

The link between Millennials' loyalty and their feelings about business are not a coincidence. Thus, those organizations that "do the right thing" may be less likely to lose their Millennial employees. Our survey provides some ideas as to how this "brain drain" can be arrested, with three key actions suggesting themselves:

- Identify, understand, and align with Millennials' values;
- Satisfy the demands Millennials have of employers; and
- Support Millennials' ambitions and professional development.

We have observed that loyalty to an employer is driven by understanding and support of Millennials' career and life ambitions, as well as providing opportunities to progress and become leaders. Having a mentor is incredibly powerful in this regard.

Encourage mentorship

In a recent LinkedIn article, Deloitte Global CEO, Punit Renjen, said: "There is really no secret (to success) and there surely are no shortcuts. In my case, it was a pretty simple equation: hard work + some lucky breaks + great mentors." The last of these, the positive impact of the mentor, is clearly highlighted by our findings. Among those who have somebody acting as their mentor, more than nine in ten describe the quality of advice (94 percent) and the level of interest shown in their development (91 percent) as "good." Among those with mentors, 83 percent are satisfied with this aspect of their working lives.

Where it exists, mentoring is having a positive impact and six in ten (61 percent) Millennials are currently benefiting from having somebody to turn to for advice, or who helps develop their leadership skills. Again, this varies by market and appears more prevalent in emerging (67 percent) rather than mature (52 percent) economies. Mentorship levels are particularly low in Australia, Germany, Canada, The Netherlands, and France, where only a minority of

Figure 9: Millennials with a mentor are receiving good advice and feel somebody is interested in their professional development

- I have a mentor
- My mentor provides good advice
- My mentor is interested in my personal development
- I am satisfied (with mentoring)

91%
83%
61%

94%
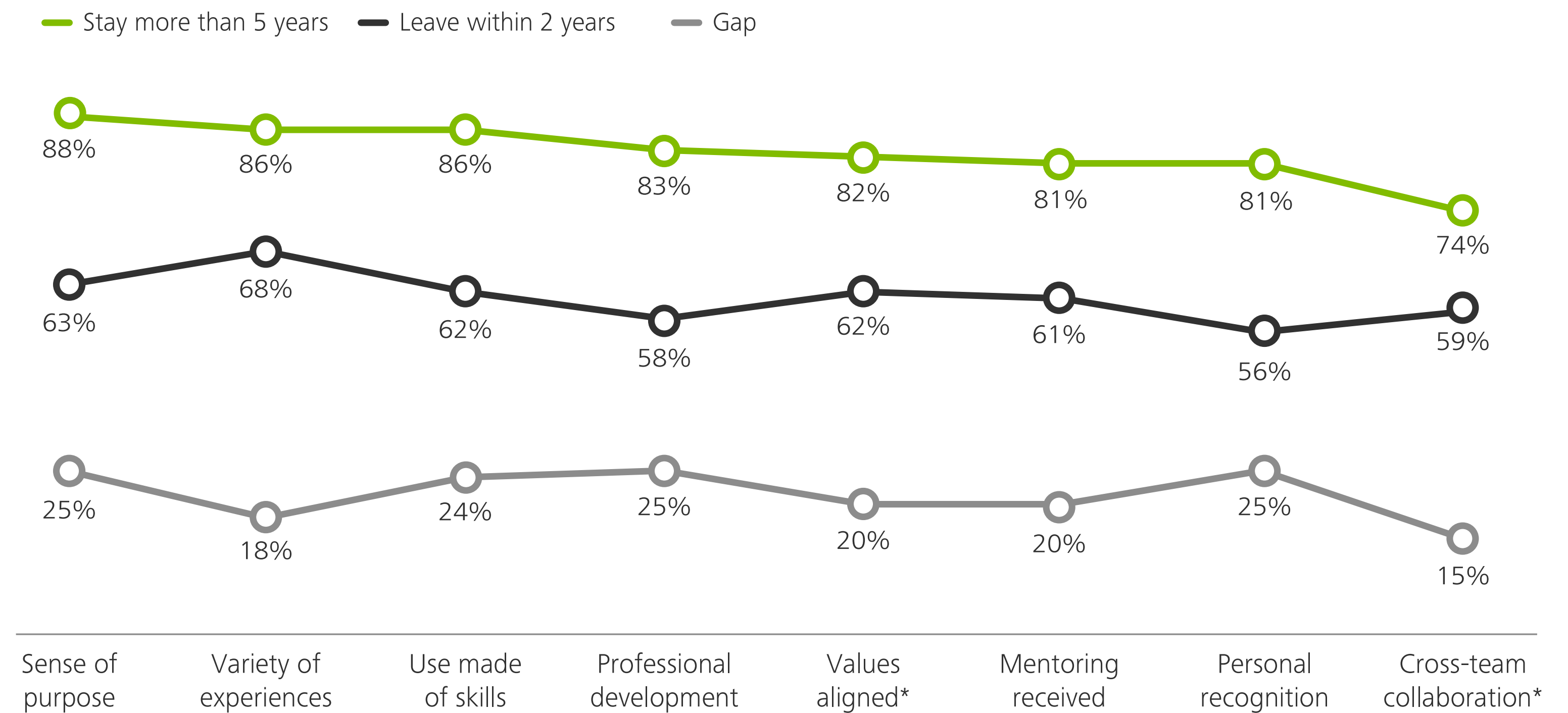My mentor provides good advice
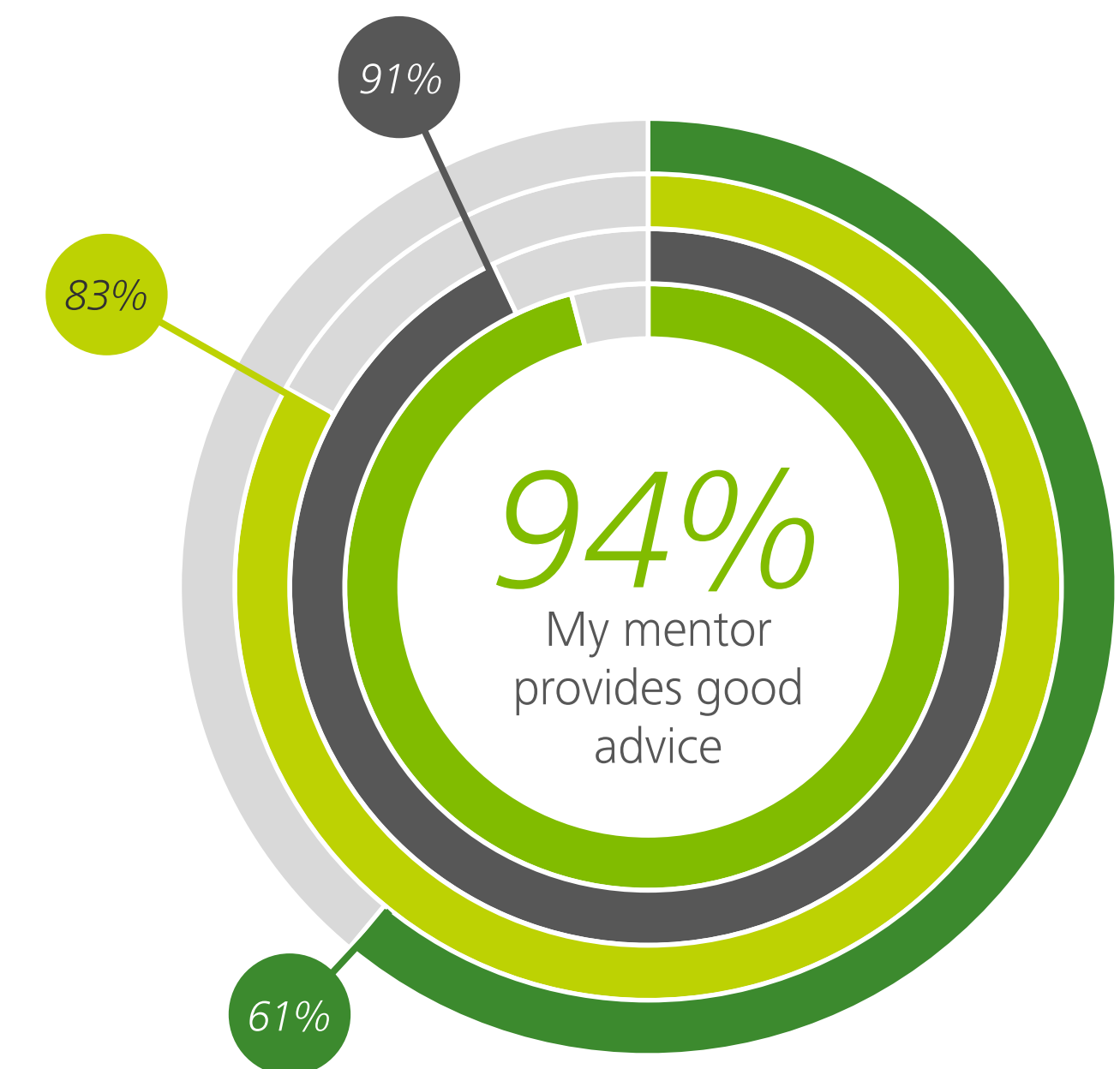
Q. Overall, how would you rate your mentor, in terms of the quality of advice they give/ the level of interest they show in your personal development (% Good)?. Q. How satisfied are you with mentoring received from senior colleagues (% Satisfied)? Mentoring received from senior colleagues (% Satisfied)

respondents said they have mentors. Improving these levels cannot not only advance the careers of Millennials, but it will also go some way toward strengthening loyalty. Those intending to stay with their organization for more than five years are twice as likely to have a mentor (68 percent) than not (32 percent). Among those intending to leave within two years, the ratio of those with (56 percent) and those without (44 percent) a mentor is much lower.

Have purpose beyond profit

Corporate values that are shared with and believed by Millennials also promote loyalty—particularly when employers demonstrate a strong sense of company purpose beyond financial success. As Figure 10 illustrates, Millennials intending to stay with their organization for at least five years are far more likely than others to report a positive culture and focus on the needs of the individual.

Figure 10: Those likely to remain longest share their organization's values, and are more satisfied with its sense of purpose and support of professional development
Percent satisfied with each aspect/describes* their organization

━━ Stay more than 5 years ━━ Leave within 2 years ━━ Gap

| Sense of purpose | Variety of experiences | Use made of skills | Professional development | Values aligned* | Mentoring received | Personal recognition | Cross-team collaboration* |

Stay more than 5 years: 88%, 86%, 86%, 83%, 82%, 81%, 81%, 74%

Leave within 2 years: 63%, 68%, 62%, 58%, 62%, 61%, 56%, 59%

Gap: 25%, 18%, 24%, 25%, 20%, 20%, 25%, 15%

Q. How satisfied are you with the following aspects of your current working life?

Provide developmental opportunities

While correlation is obviously not the same as causation, it is likely no coincidence that where Millennials are most satisfied with their learning opportunities and professional development programs they are also likely to stay longer. It is, therefore, disappointing that less than a quarter (24 percent) of Millennials are "very satisfied" with this aspect of their working lives. This figure is significantly higher if:

- An employee's values are aligned with his or her organization's (30 percent versus 10 percent where they are not);
- An employee intends to remain for more than five years (36 percent versus 17 percent for those staying less than two);
- There is a high level of cross-team collaboration (30 percent versus 12 percent where there is not); and
- An employee feels in control of his or her career (28 percent versus 11 percent among those who do not).

Create the "perfect" job, environment

It has been widely reported that Millennials are generally impatient for promotion, dependent on praise, shocked by criticism, and—in the minds of older generations—not prepared to make the effort required for career success. To help address such criticisms, we used our latest survey to discover, in an objective and statistically robust manner, what Millennials most want from a job.

Using a trade-off technique, we presented respondents with 14 factors they might consider when choosing whether to work for an organization. These were presented in groups of four, with each respondent asked to select which of the quartet would represent his or her strongest and weakest reasons for selecting a job. Random groups of four were presented until, in effect, each of the 14 factors had been traded off against all others. This provides a more objective measure than simply asking people to place 14 items in order of preference. The results are revealing.

Pay and financial benefits drive Millennials' choice of organization more than anything else.

This single factor accounts for more than a fifth (22 percent) of the combined level of influence of the 14 factors measured. This was found to be true in each of the 29 markets covered, so it would appear to be a universal truth of Millennial recruitment. However, organizations cannot afford (in all senses) to engage in a bidding war for Millennial talent. There is a limit to what an organization can pay and, while compensation may be the strongest single driver of employer choice, it does not work in isolation. If a candidate is choosing between organizations offering similar financial incentives, other factors come into play. Understanding these factors as a package will help employers attract and retain Millennial talent.

As Figure 11 illustrates, **when salary or other financial benefits are removed from the equation, work/life balance and opportunities to progress or take on leadership roles stand out**. Those factors are followed by flexible working arrangements, deriving a sense of meaning, and training programs that support professional development. An employer that can offer these is likely to be more successful than its rivals in securing the talents of the Millennial generation.

On the other hand, they will find it hard to become an employer of choice if they attempt to differentiate primarily by means of their growth records, market leadership, use of technology or, least influential of all, the reputation of their senior executives. That said, should a leadership team bring its organization into disrepute, it is highly likely— given Millennials' values—that this will drive candidates away. This would be especially true of super-connected Millennials, who place a relatively large emphasis on the behavior of business leaders when measuring corporate success.

Figure 11: In most markets, work/life balance comes before career progression when evaluating job opportunities
Relative degree of importance (excluding salary)

Good work/life balance	16.8
Opportunities to progress/be leaders	13.4
Flexibility i.e., remote working, flexible hours	11.0
Sense of meaning from my work	9.3
Professional development training programs	8.3
The impact it has on society	6.8
The quality of its products/services	6.4
Strong sense of purpose	6.2
Opportunities for international travel	5.9
Fast growing/dynamic	4.4
A leading company that people admire	4.3
Invests in and uses the latest technology	4.1
The reputation of its leaders	3.1

Q. For each of the following groups of four, please indicate what would be the strongest reason for choosing to work for an organization and what would be the weakest.

This broad pattern of preference is observed across all markets, although some variation is seen. The opportunity for career progression is the number one priority (after salary) in Argentina, Peru, Mexico, India, Colombia, South Africa, and China. By contrast, it is only the sixth strongest driver in Japan and fourth strongest in South Korea and Belgium.

Analysis of demographic groups shows a generally large degree of consistency between genders and also between parents and nonparents. However, there are some subtle variations in how the different elements combine to make up the perfect job. All four groups (men, women, parents, and nonparents) rate salary as their most influential factor when choosing whether to work for a particular organization. Removing this from the equation sees work/life balance emerge as the top priority for each group; but, it carries more weight among women and also, perhaps surprisingly, nonparents.

Women are as equally likely as men to rate opportunities for career progression and leadership roles as a major factor; the genders are also aligned on the value of professional development support, impact on wider society, and opportunities to travel. Where differences do appear, and this is in degree of influence rather than rank order, women place greater emphasis on flexible working opportunities and the ability to derive a sense of meaning from their work. Men, meanwhile, prioritize a number of external factors linked to an organization's reputation. These are not top-ranked factors but, perhaps mindful of what others would think if they worked for a particular organization, men would be more likely to consider the following when deciding who to work for:

• Investment/use of technology;

• Being fast-growing/dynamic;

• Quality of products/services;

• Being a leading company that people admire; and

• The reputation of its leaders.

Flexible working: Striking a balance

Writing on LinkedIn, Adam Henderson of *Millennial Mindset* asked, "If you can't trust your employees to work flexibly, why hire them in the first place?" He continued, "A flexible approach to work also helps businesses retain their best talent as they are giving their employees an option to do great work, but in a way that fits their lifestyles, providing a win-win scenario for all."

Our survey explored the issue of flexible working in some detail and found that while most (70 percent) were able to access email and relevant applications from mobile devices—and also, within limits, work flexible hours (67 percent)—only a minority (43 percent) were allowed to work from home or other locations where they felt most productive. In just five markets (South Korea, Indonesia, India, The Netherlands, Belgium) could a majority work from home if they wished. The opportunity to enjoy this flexibility and level of trust is also relatively high among: senior executives (56 percent); organizations with high employee satisfaction (51 percent);

organizations actively supporting leadership roles (50 percent); parents (49 percent); men (47 percent); and those intending to stay more than five years (46 percent). The current level of flexibility is not consistent with Millennials' desires. Fully 88 percent wish they could, within certain limits, have greater opportunity to start and finish work at the times they choose. Meanwhile, 77 percent wish to have greater mobile connectivity, such as via tablets and smartphones. But, the greatest gap between current supply and demand surrounds the issue of remote working—fully 75 percent would like to start to, or more frequently, work from home or other locations where they feel more productive. This is nearly double the proportion that currently do so (43 percent).

Such measures would most likely increase levels of satisfaction and, in Millennials' opinions, boost productivity. Of course, they have a vested interest in saying so, but a majority (51 percent) expect productivity to increase if people in their organizations could work from home or places other than the main location.

Figure 12: Millennials would like more opportunities to work remotely—and think it will boost productivity
Percentage who said…

- Currently offered
- Would like to start/do more
- Positive impact on productivity

"Work from home or other locations where you feel you can be most productive"
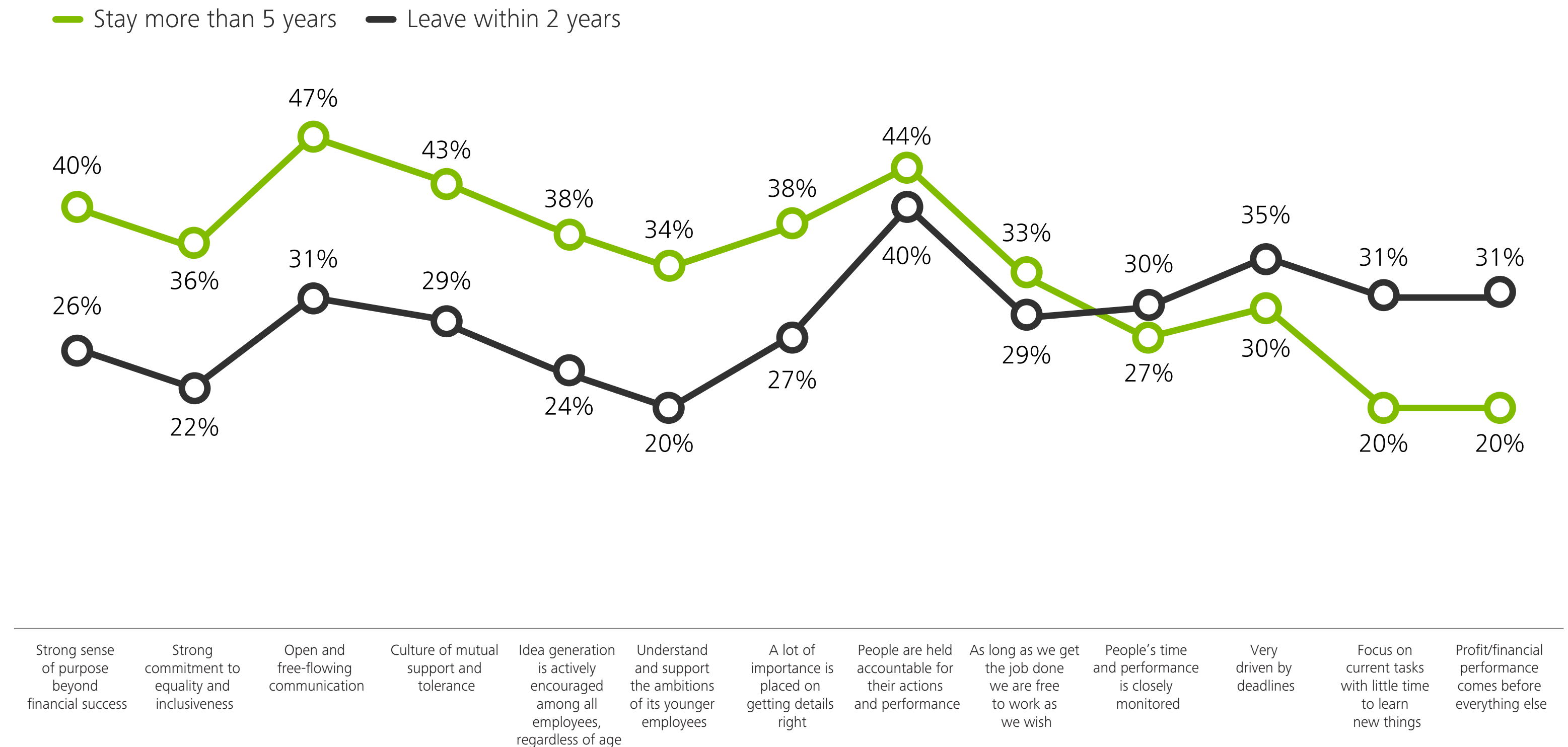
75%

51%

43%

Q. Which of the following are you able to do in your current job? / Which of the following would you like to start or do to a greater extent than is currently possible at your current organization? / What impact would it have on productivity if people in your organization were more able to do the following?

Our survey points to additional organizational traits and behaviors that promote a sense of positivity among Millennials. **They are more likely to report high levels of satisfaction where there is a creative, inclusive working culture (76 percent) rather than a more authoritarian, rules-based approach (49 percent)**. More specifically, in organizations with high levels of employee satisfaction, Millennials have a much greater tendency to report:

- Open and free-flowing communication (47 percent versus 26 percent where employee satisfaction is low);

- A culture of mutual support and tolerance (42 percent versus 25 percent);

- A strong sense of purpose beyond financial success (40 percent versus 22 percent);

- The active encouragement of ideas among all employees (38 percent versus 21 percent);

- A strong commitment to equality and inclusiveness (36 percent versus 17 percent); and

- Support and understanding of the ambitions of younger employees (34 percent versus 15 percent).

Figure 13: Strong sense of purpose, inclusiveness, and open communications are higher where employees intend to stay longer
Percentage of Millennials who said that...

Legend: — Stay more than 5 years — Leave within 2 years

Stay more than 5 years: 40%, 36%, 47%, 43%, 38%, 34%, 38%, 44%, 33%, 27%, 30%, 20%, 20%
Leave within 2 years: 26%, 22%, 31%, 29%, 24%, 20%, 27%, 40%, 29%, 30%, 35%, 31%, 31%

Categories: Strong sense of purpose beyond financial success | Strong commitment to equality and inclusiveness | Open and free-flowing communication | Culture of mutual support and tolerance | Idea generation is actively encouraged among all employees, regardless of age | Understand and support the ambitions of its younger employees | A lot of importance is placed on getting details right | People are held accountable for their actions and performance | As long as we get the job done we are free to work as we wish | People's time and performance is closely monitored | Very driven by deadlines | Focus on current tasks with little time to learn new things | Profit/financial performance comes before everything else
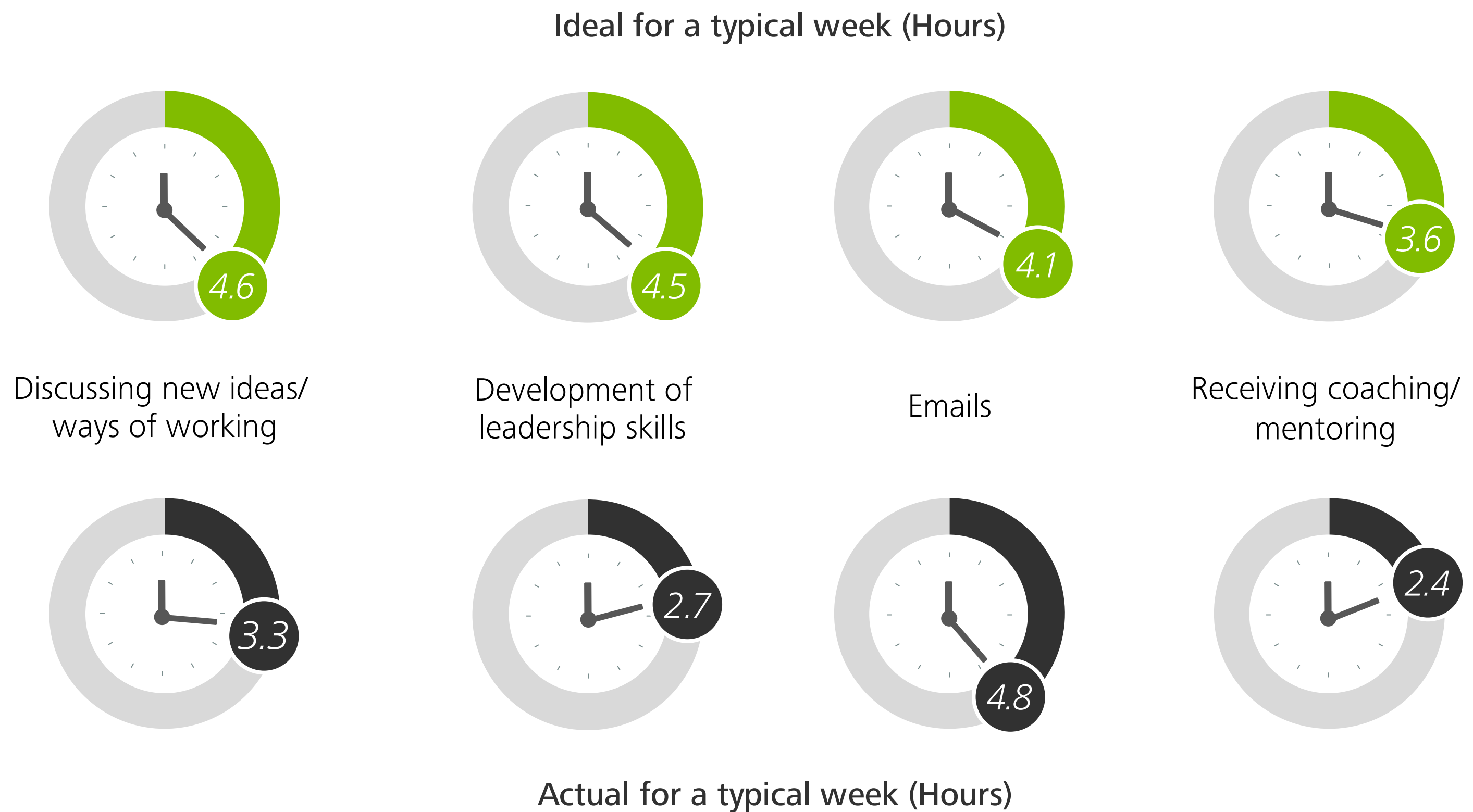
Q. Which of the following words or phrases match the culture within your current organization?

In turn, where these characteristics are evident within an organization, we observe stronger levels of loyalty. Figure 13 serves to underline the suggestions offered by the survey as a whole—**open communication, inclusiveness, and attention to the ambitions of Millennials really do foster loyalty**. In this particular case, having a strong sense of purpose beyond financial success is also a key driver of loyalty.

In the Millennials' ideal workweek, there would be significantly more time devoted to the discussion of new ideas and ways of working, on coaching and mentoring, and on the development of their leadership skills.

Figure 14: Ideal versus current number of hours spent on specific tasks
Number of hours currently/ideally spent on each task in a typical week

Ideal for a typical week (Hours)

| Discussing new ideas/ ways of working | Development of leadership skills | Emails | Receiving coaching/ mentoring |

Actual for a typical week (Hours)

Q. In a five-day workweek, how much of your time is typically spent on the following activities? / And what would be ideal amount of time you spend each week on each of these activities?

They would like to increase the time devoted to leadership skills development from 2.7 to 4.5 hours a week—an increase of two-thirds. To accommodate this, Millennials see an opportunity to decrease the hours spent on email and instant messaging.

Finally, Millennials want to feel in control of their careers. Most survey respondents expressed satisfaction in this area—almost three in ten (29 percent) say they have "total control" over their career paths. Adding the 48 percent who said they "have a large degree, but not complete control," more than three-quarters (77 percent) of Millennials feel their career paths are in their own hands and not influenced by others or outside events.

Millennial parents (82 percent) feel more in control than those without children, as are those most engaged with social media (87 percent). Meanwhile, this sense of control is greater in more holistic organizations that generally

try to do "the right thing." We, therefore, see Millennials expressing a greater sense of control if they work in organizations that support their ambitions, align with their values, feature a collaborative and trust-based working culture, and have a strong sense of purpose.

Those who feel in control appear to be a little more loyal.

So, rather than hastening their exits, empowering Millennials might help retain them. As we have seen, this is among the greatest talent challenges currently facing the world's employers, so is certainly to be encouraged.

Figure 15: Three-quarters of Millennials are confident and feel in control of their career paths
Percentage in control of their career paths

- I have total control
- I have a large degree, but not complete control
- It is mainly influenced by others or events outside my control
- It is totally controlled by others or outside events
- Don't know

3% 3%
29%
18%
Control
77%
No control
21%
48%
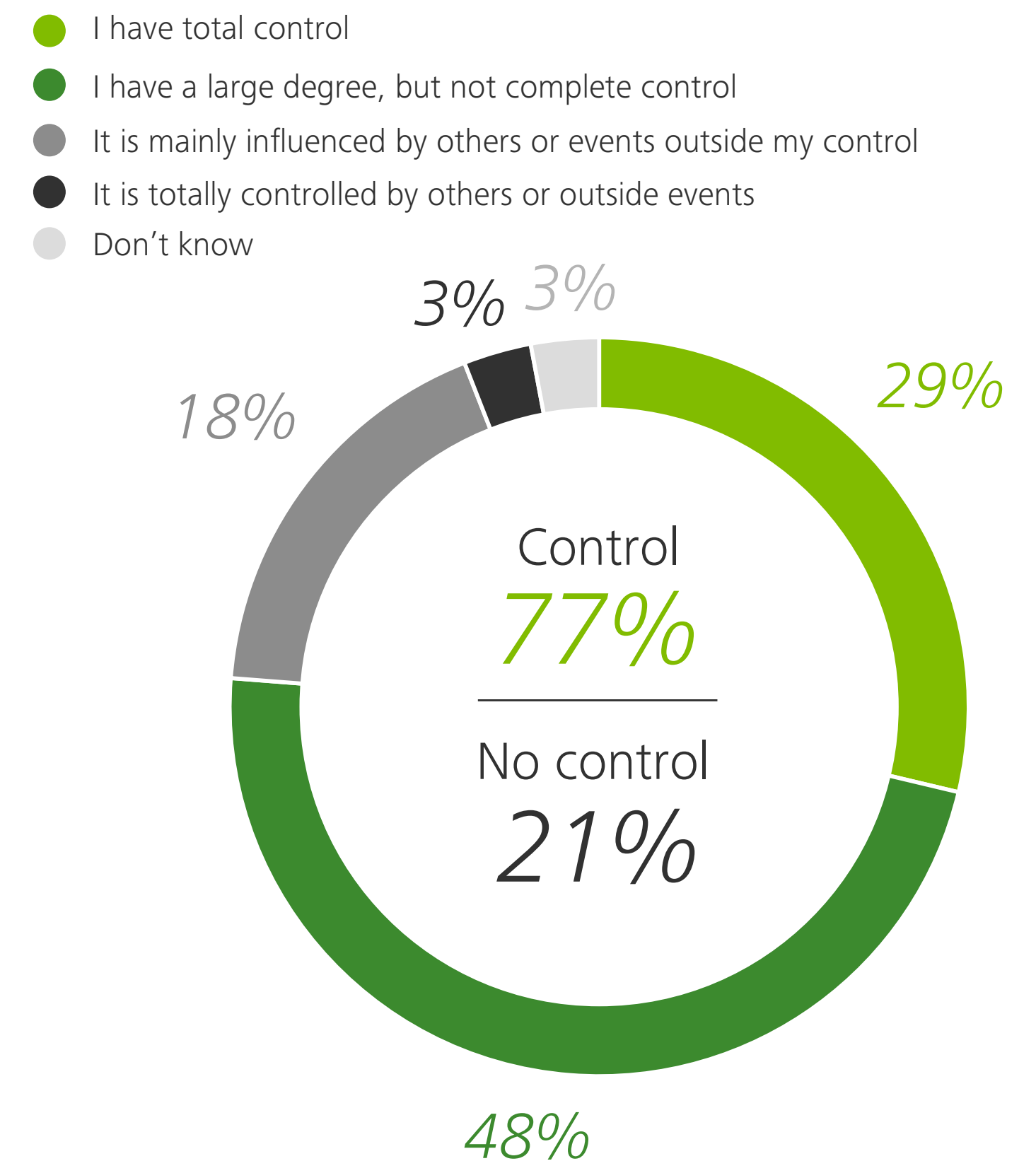
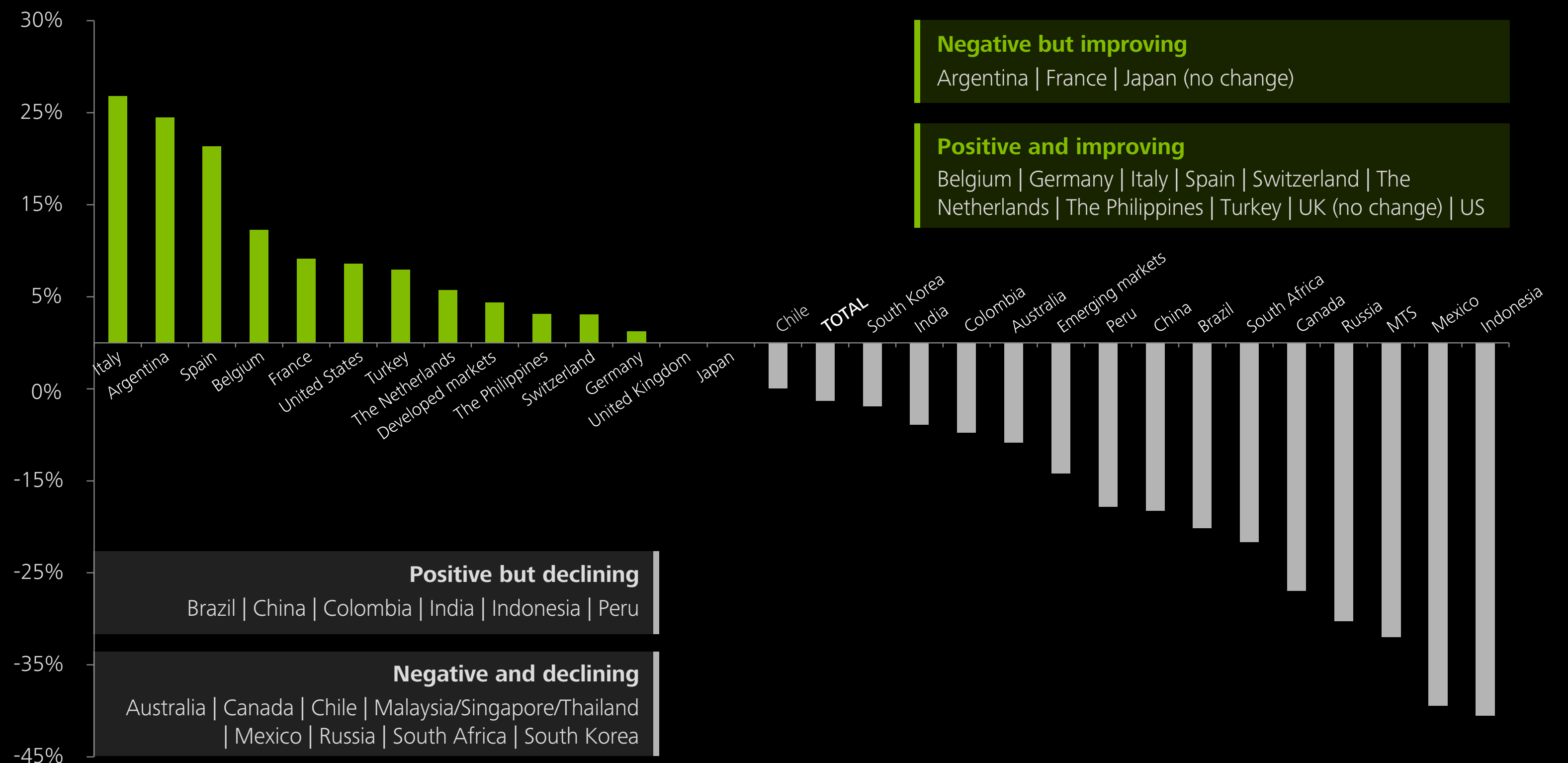Q. How much control do you feel that you have over your career path?

Millennials' economic outlook:
Storms ahead for emerging markets

Millennials provide a useful barometer of economic confidence and their current views of future performance are both striking and concerning.

They are likely to be particularly sensitive to economic conditions. Although our respondents are all employed full time and generally working in large organizations, they are a generation whose careers were at a relatively early stage when the Great Recession hit. Meanwhile, they will be more aware than most of the high levels of youth unemployment that persist. The average level for OECD countries is 15 percent and accounts for more than one in five 15-24 year olds in Spain (53 percent), South Africa (51 percent), France (23 percent), and Belgium (23 percent).

Our latest results show that, globally, Millennials on balance remain optimistic, but at the lowest level we have yet recorded. Across all 29 markets, 41 percent expect the overall economic situation in their countries to improve during the next 12 months while 30 percent foresee

Figure 16: Economic confidence: Levels of optimism
Change in Economic Optimism Index (2016 versus 2015)

Negative but improving
Argentina | France | Japan (no change)

Positive and improving
Belgium | Germany | Italy | Spain | Switzerland | The Netherlands | The Philippines | Turkey | UK (no change) | US

Positive but declining
Brazil | China | Colombia | India | Indonesia | Peru

Negative and declining
Australia | Canada | Chile | Malaysia/Singapore/Thailand | Mexico | Russia | South Africa | South Korea

MTS: Malaysia/Thailand/Singapore
Q. Taking everything into account, do you expect the overall economic situation in (NAME OF COUNTRY) to improve, worsen, or stay the same over the next 12 months?

deterioration; this gives a net optimism score of +11, which is six points below that seen in 2015. While disappointing in itself to observe such a drop, this figure masks some quite dramatic regional and local changes. For example, while China's Millennials, on balance, are still positive, their optimism score (+43) is 18 points below that recorded last year. Still greater drops are seen in Brazil (down 20 points to + 29) and Russia (down 30 to -23), while the greatest declines are recorded in Indonesia (down 41 to +28), Mexico (down 39 to -27), and Malaysia/Thailand/Singapore (down 32 to -6).

Optimism tends to be growing in mature economies (+4), but is declining in emerging markets (-14). The greatest upswing in optimism is seen in Italy (up 27 to +14) and seven of the ten largest improvements are in developed markets.

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