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Big demands
and high
expectations
The Deloitte
Millennial
Survey

January 2014
Executive summary



Big demands and high expectations: What Generation Y wants from business, government, and the future workplace

Big demands and high expectations summarize the results of this year's annual [Deloitte Millennial \(Generation Y\) Survey](#). Across the globe, 70 percent of tomorrow's future leaders might 'reject' what business as traditionally organized has to offer, preferring to work independently through digital means in the future. This and other findings in Deloitte's annual study of Generation Y point to significant challenges facing business leaders if they are to meet the expectations of the Millennial generation.

Millennials, who are already emerging as leaders in technology and other industries and will comprise 75 percent of the global workforce by 2025, want to work for organizations that foster

innovative thinking, develop their skills, and wish to see them make a positive contribution to society. The study also reveals that Millennials believe businesses are not currently doing as much as they could to develop their leadership skills and that they need to nurture their future leaders, especially as they cannot count on them biding their time until senior positions arise.

Other key findings from the survey include:

- **BUSINESS COULD ACHIEVE MORE.** While most Millennials believe business is having a positive impact on society by generating jobs (48 percent) and increasing prosperity (71 percent), they think business can do much more to address society's challenges in the areas of most concern: resource scarcity (68 percent), climate change (65 percent) and income equality (64 percent). Additionally, 50 percent of Millennials surveyed want to work for a business with ethical practices.

"To attract and retain talent business needs to show Millennials it is innovative and in tune with their world-view," said Barry Salzberg, CEO, DTTL. "Our society—globally—faces many critical issues and it's become clear no sector should 'go it alone.' By working together and combining their different skills, business, governments and non-government organizations (NGOs) have an opportunity to reignite the Millennial generation and make real progress in solving society's problems."

Barry Salzberg
Chief Executive Officer
Deloitte Touche Tohmatsu Limited

➤ **GOVERNMENT IS NOT DOING ENOUGH.** Millennials say government has the greatest potential to address society's biggest issues but are overwhelmingly failing to do so. Almost half felt governments were having a negative impact on areas identified as among the top challenges: unemployment (47 percent), resource scarcity (43 percent) and income inequality (56 percent).

➤ **ORGANIZATIONS MUST FOSTER INNOVATIVE THINKING.** Millennials want to work for organizations that support innovation. In fact, 78 percent of Millennials were influenced by how innovative a company was when deciding if they wanted to work there, but most say their current employer does not greatly encourage them to think creatively. They believe the biggest barriers to innovation are management attitude (63 percent), operational structures and procedures (61 percent), and employee skills, attitudes, and lack of diversity (39 percent).

➤ **ORGANIZATIONS MUST NURTURE EMERGING LEADERS.** Almost one in four Millennials are 'asking for a chance' to show their leadership skills. Additionally, 75 percent believe their organizations could do more to develop future leaders.

➤ **MILLENNIALS ARE EAGER TO MAKE A DIFFERENCE.** Millennials believe the success of a business should be measured in terms of more than just its financial performance, with a focus on improving society among the most important things it should seek to achieve. Millennials are also charitable and keen to participate in 'public life:' 63 percent of Millennials gave to charities, 43 percent actively volunteered or were a member of a community organization and 52 percent signed petitions.

"It's clear that Millennials want to innovate and businesses should be listening," said Salzberg. "Fostering a culture of innovation will not only help retain high-performing talent but it will also drive growth by creating opportunities for individuals to unlock the next game-changing innovations."

An ambitious vision of what business can achieve

Millennials most often cite four issues as the greatest challenges facing societies around the world: unemployment, resource scarcity, climate change/protecting the environment, and inequality of incomes and wealth. (Figure 1) Millennials feel these and other challenges should not be the exclusive province of either business or government. Both have important roles to play in addressing them.

Not surprisingly, almost 90 percent of Millennials feel business could do ‘a great deal’ or ‘a fair amount’ to address unemployment while roughly three-quarters say the same about inequality of incomes and wealth. (Figure 2) But Millennials have a much broader vision of the potential of business. More than 80 percent of Millennials believe business has the potential to address the other two top-rated challenges: climate change/protecting the environment and resource scarcity. In fact, more than half of Millennials feel business can develop products

and services or adopt behaviors that will have a positive impact on each of the 20 challenges included in the survey. In Deloitte’s 2012 survey, almost all Millennials said it is acceptable for business to make a profit from innovations that benefit society.

Millennials are even more positive about the promise of government, with roughly three-quarters or more saying it has the potential to address today’s challenges. (Figure 3) They not only believe government has the potential to address societal issues such as education, skills and training, and climate change/protecting the environment, but more than 80 percent also see an important role for government in economic issues such as unemployment and inequality of incomes and wealth.¹

Business has the potential to develop innovative products and services to help address the most important issues facing societies around the world.

The greatest challenges facing society are not the exclusive province of either business or government. Both need to work collaboratively to address them.

¹ The questions about the potential of government to address society’s challenges and the impact government is currently having on them were not asked in China.

Deloitte's prior survey found that Millennials believe solutions to society's challenges will not come from business and government acting on their own. Individual businesses will need to work with governments, universities, and non-profit organizations, as well as with other companies. The clear message is that businesses need to look outside the confines of their own enterprises and seek collaborative partners if they are to maximize the chances of finding innovative solutions to the issues facing society.

But its performance is falling short

While Millennials have a positive perception of business, most feel that it is not achieving its potential. Roughly three-quarters believe businesses have a positive overall impact on the wider society in which they operate. When it comes to specific challenges, Millennials think business is having a positive impact on such issues as education, skills, and training (38 percent net positive impact), stability of national economies (27 percent) and unemployment (12 percent).² (Figure 4) For several of the top-rated challenges,

however, more Millennials feel business is having a negative impact than a positive impact: inequality of incomes and wealth (-18 percent net negative impact), climate change/protecting the environment (-25 percent), and resource scarcity (-28 percent).

Millennials are even more critical of government. Government is seen as having a net negative impact on three of the top challenges: unemployment (-15 percent), inequality of incomes and wealth (-31 percent), and resource scarcity (-12 percent). (Figure 4) In some areas where government has traditionally had an important role, Millennials believe business is actually having a more positive impact including education, skills, and training (+38 percent net positive impact for business; +6 percent for government) and healthcare/disease prevention (+18 percent for business; +8 percent for government).

Although not fully achieving its potential, Millennials feel business is having a positive impact in areas traditionally seen as the responsibility of government such as education, skills, and training and healthcare/disease prevention.

² The "net impact" for each challenge is the percentage of respondents who said business (or government) is having a positive impact minus the percentage that said it is having a negative impact.

In their own words: The impact of business on society

MOST MILLENNIALS FEEL BUSINESS IS HAVING A POSITIVE IMPACT ON SOCIETY

BUT MANY DO NOT TRUST THE ACTIONS OR MOTIVES OF BUSINESS

Businesses are driving the growth of the economy.
Singapore

Businesses are essential to the economy and society itself. They underpin growth and innovation, provide jobs and services which keep the population moving forward. They are the precursors of modern technology and new innovation.
United Kingdom

Many large corporate businesses in the United States only promote the growth of the wealthy and give nothing back to the middle or lower classes. They care more about their bottom line and their shareholders than they do about contributing to charities.
United States

They create employment and can serve as role models and demonstrate how to produce/trade in a sustainable way.
Germany

Most businesses around the world are running their corporations with a single motive: to generate more profits. In an attempt to increase their bottom lines using resources like land, labour and capital in the short term [and] completely ignoring long term consequences of their decision. Although Corporate Social Responsibility has started with much fanfare, on the ground level noticeable changes have not yet been observed.
India

Technology is improving steadily, initially focused on generating profit for business but over time it seeps back into society offering new ways to tackle old problems. Overall making society more efficient and positively affecting the general population.
South Africa

I believe that companies and businesses only think about their immediate profits. They are not concerned with what tomorrow will bring and what the damage of their relentless search for capital will do to future generations.
Brazil

Business promotes the advancement of society very well, but current businesses pollute the environment, and have a money making black heart, squeezing employees.
China

Building an innovative organization

Who will generate the innovative solutions needed to address the challenges confronting societies around the world? Millennials most often cite business and individual entrepreneurs (44 percent), although substantial percentages expect either universities (23 percent) or governments (22 percent) to be the leading source of innovations. In fact, no group has a monopoly on creative approaches and new thinking. Innovative solutions are likely to come from many sources.

For Millennials, fostering innovative, ‘out-of-the-box’ solutions is more a matter of business processes than individual genius. Almost 60 percent of Millennials believe organizations can become good at innovation by following established processes and that innovation can be learned and is repeatable, rather than being spontaneous and random.

To encourage the innovative ideas of its professionals, whether Millennials or their older colleagues, businesses will need to examine their culture and practices. Roughly two-thirds of Millennials feel the outlook and attitudes of management are serious barriers to innovation, such as a reluctance to take risks; a reliance on existing products, services, and ways of doing business; and an unwillingness to collaborate with other businesses or universities. A similar percentage cite a variety of organizational barriers that impede new thinking including poor channels of communication across the organization, lack of a formal process to encourage innovation, and a poor organizational structure.

Attracting—and retaining—the best and the brightest

Millennials want to work for organizations that foster innovative thinking, develop their skills as leaders and wish to see them making a positive contribution to society. But many Millennials find business lacking in these areas.

Innovative solutions to society’s challenges will come from a variety of sources including business, government, universities, and nonprofit organizations.

As in the prior survey, an organization's support for innovation is important for Millennials. More than three-quarters of Millennials say they are strongly influenced by thoughts of how innovative an organization is when deciding if they want to work for it. Being seen as an innovative organization is even more important in attracting Millennials in emerging markets. A reputation for innovation is important for roughly 90 percent of Millennials in China and India when they choose an employer.

Only about half of Millennials feel the organization they work for encourages its people to suggest new ways of doing things or rewards them for innovative ideas. Further, many Millennials believe they are not being given the opportunity to develop professionally. Only roughly half of Millennials agree that their organization does all it can to develop their skills as a leader, while in France, Spain, South Korea, and Japan this figure was less than 40 percent. In developed markets, business faces an additional challenge with this generation:

rebuilding trust. While attitudes toward business in emerging markets are almost uniformly positive, many Millennials in developed markets have lost faith in the motives and actions of business. (Figure 5) Less than half of Millennials in developed markets believe that business shows a strong commitment to being sustainable, that its leaders are committed to helping to improve society, or that it behaves in an ethical manner.

Businesses that fail to address these concerns may find they will lose skilled professionals in the years ahead, as many of the most talented members of the Millennial generation decide to leave large organizations and instead work for themselves. Roughly 70 percent of Millennials see themselves as working independently at some point, rather than being employed within a traditional organizational structure. The danger of losing talented Millennials is even greater in emerging markets. While 52 percent of Millennials in developed markets expect to eventually work independently, this figure rises to 82 percent in emerging markets.

Roughly 70 percent of Millennials see themselves as working independently at some point in their lives, rather than being employed within a traditional organizational structure.

A new generation with new expectations

As they advance in their careers, hastened by the retirement of the large Baby-Boom generation, Millennials are rapidly assuming positions of greater responsibility. Business will gain a new generation of skilled professionals—provided it can meet their expectations.

Although Millennials value its role in creating jobs and expanding prosperity, they have larger ambitions for business. Millennials see a large gap between the potential of business to address the challenges facing society and the actual impact it is having. Fulfilling this potential will require businesses to do a better job of encouraging new thinking within their own organizations to develop innovative products and services, while also working collaboratively with government, with nonprofit organizations, and with other companies to develop creative solutions.

The stakes are high. Millennials are today forming impressions of business that will last a lifetime. Millennials want to leave their mark on the world by working for organizations that benefit society, encourage innovation, and provide them the opportunity to expand their skills. More than previous generations, they are ready to work independently if their needs are not being met by a traditional organization.

Businesses that can meet these higher expectations have the prospect of developing commercially viable products and services that benefit society, while attracting and retaining the most talented members of this emerging generation.



About the Survey

The survey gathered the views of more than 7,800 Millennials (those born in 1983 or later) who had a college or university degree and who were employed full-time. There were roughly 300 respondents each in 26 countries in North America, Western Europe, Latin America, and Asia-Pacific. The survey was conducted online from October 10 – November 11, 2013 and was compiled by Milward Brown.

The Millennials surveyed worked in organizations of a variety of sizes: less than 100 employees (26 percent), 100 to 999 (42 percent), and 1,000 or more (32 percent). The respondents were employed in various types of organizations including public-owned companies (20 percent), private-owned businesses (58 percent), public sector organizations (16 percent), not-for-profit organizations (3 percent), and other types (3 percent).

Figure 1

TOP CHALLENGES FACING SOCIETY IN THE NEXT 5–10 YEARS

- Economic
- Environmental
- Social
- Crime / Health / Education
- Political instability / Conflict / Terrorism
- Privacy / Cyber security

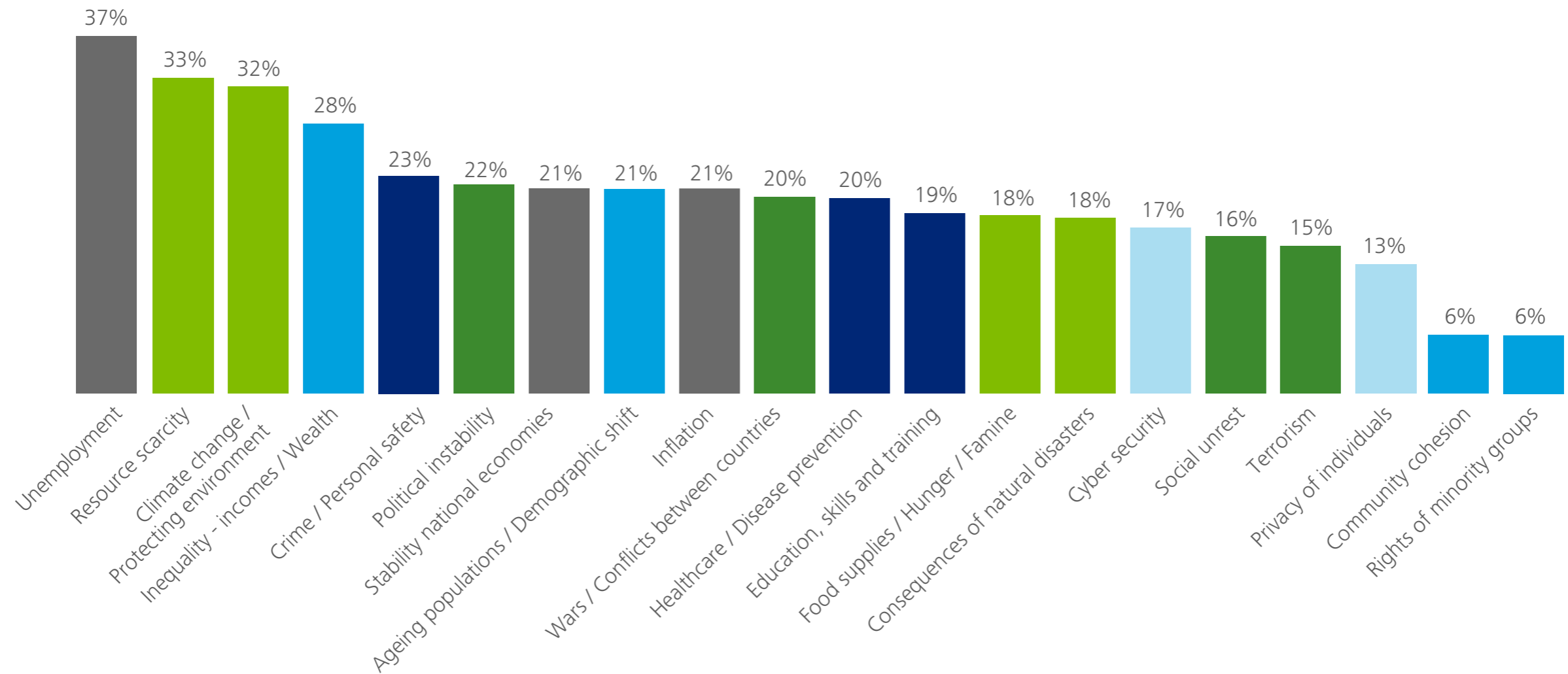


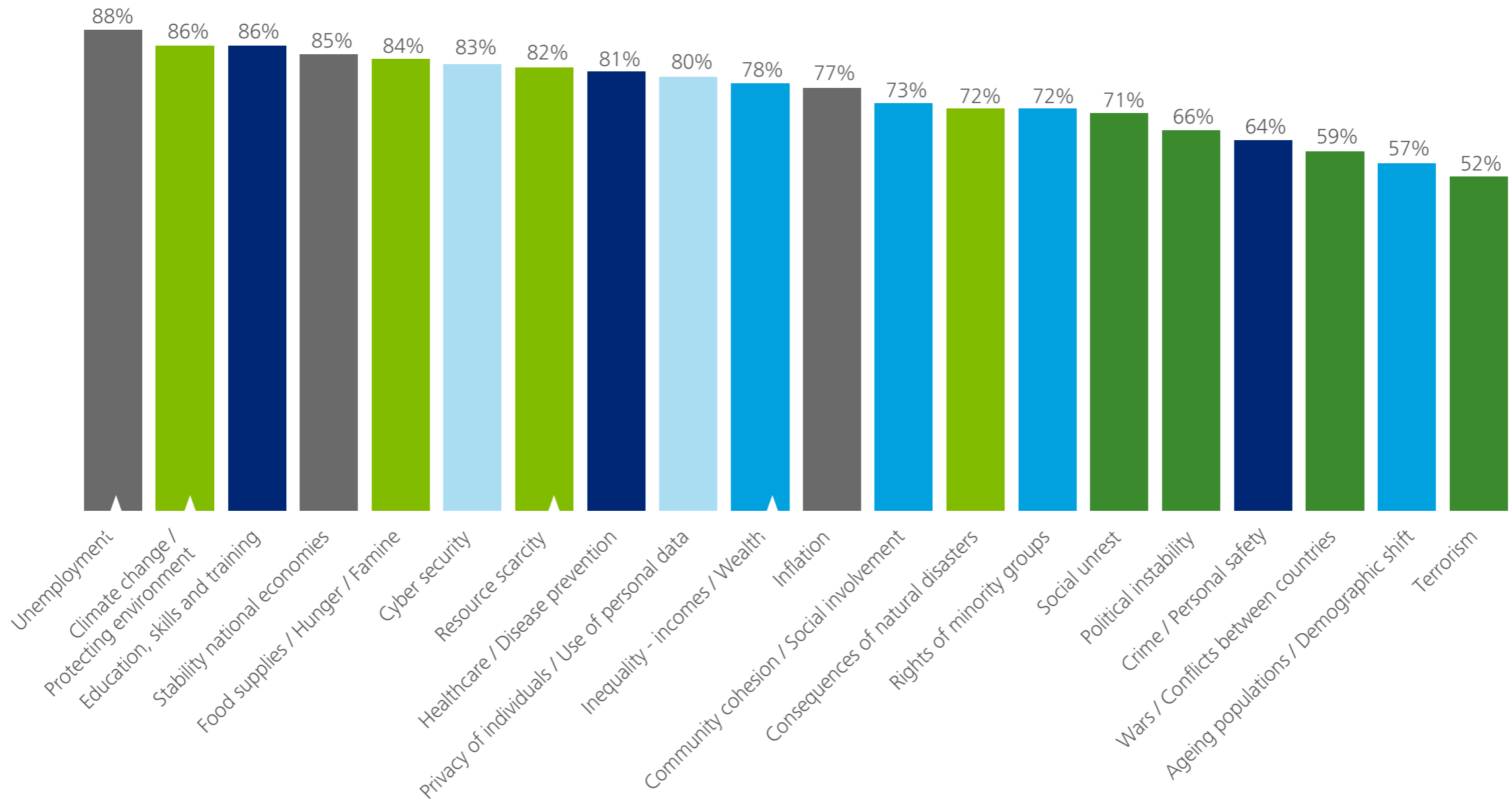
Figure 2

POTENTIAL OF BUSINESS TO MEET SOCIETY'S CHALLENGES

PERCENTAGE RESPONDING "A GREAT DEAL/FAIR AMOUNT"*

- Economic ● Environmental ● Social ● Crime / Health / Education
- Political instability / Conflict / Terrorism ● Privacy / Cyber security

☆ Top-rated challenge



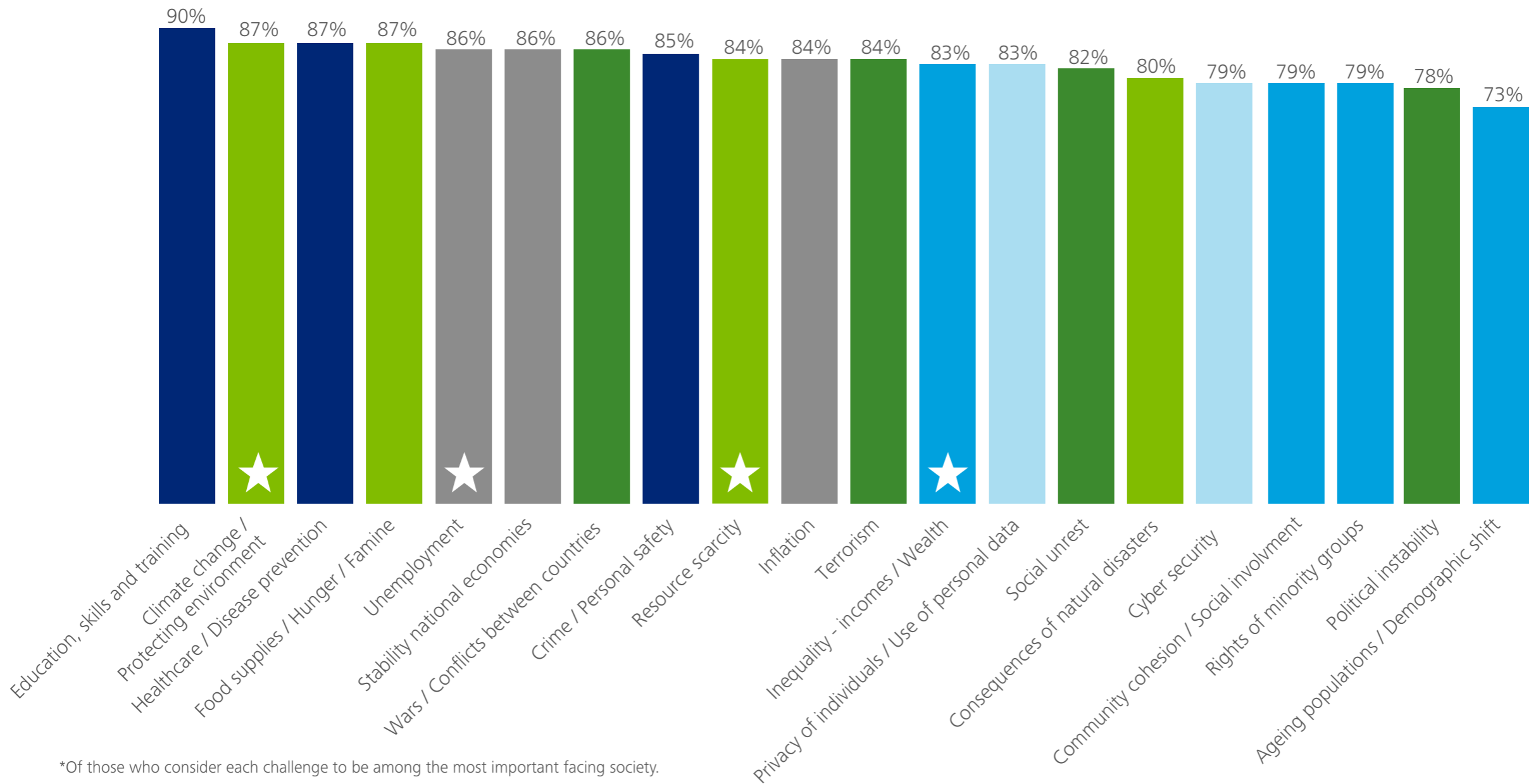
*Of those who consider each challenge to be among the most important facing society.

Figure 3

POTENTIAL OF GOVERNMENT TO MEET SOCIETY'S CHALLENGES

PERCENTAGE RESPONDING "A GREAT DEAL/FAIR AMOUNT"*

- Economic ● Environmental ● Social ● Crime / Health / Education
- Political instability / Conflict / Terrorism ● Privacy / Cyber security
- ☆ Top-rated challenge



*Of those who consider each challenge to be among the most important facing society.

Figure 4

IMPACT OF BUSINESS AND GOVERNMENT ON SOCIETY'S CHALLENGES

NET POSITIVE OR NEGATIVE IMPACT*

- Business
- Government
- ☆ Top-rated challenge

Net Impact = percentage responding "positive impact" minus percentage responding "negative impact"

*Of those who consider each challenge to be among the most important facing society.

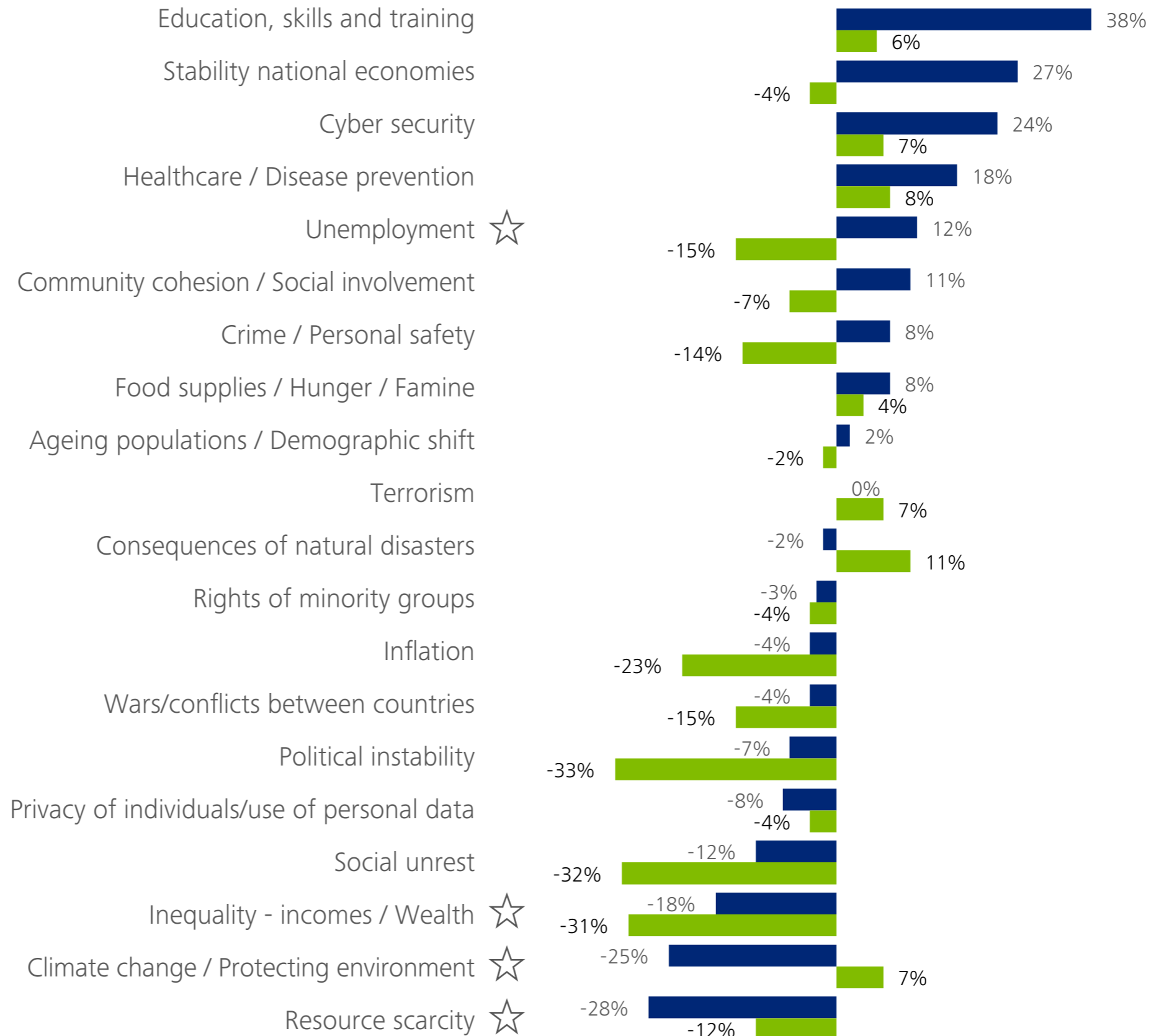
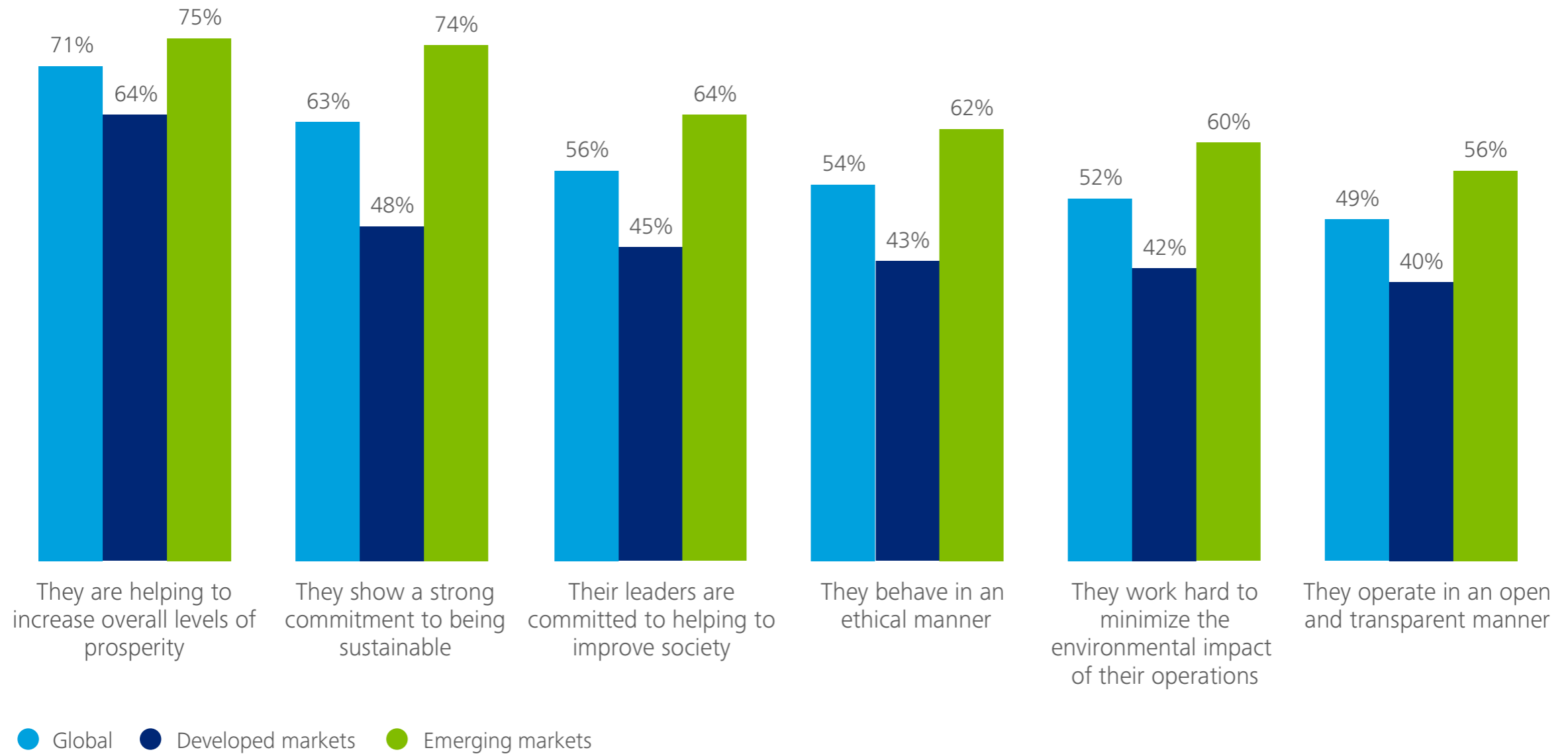


Figure 5

VIEWS OF THE MOTIVATIONS AND BEHAVIOR OF BUSINESS
PERCENTAGE AGREE



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