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Anxious millennials seek stability, opportunities to work with employers to effect change

A stressful 2016 tempers optimism, according to annual Deloitte global survey

- *Millennials are concerned about a world that presents numerous threats and want multinational businesses to do more to alleviate society's biggest challenges*
- *Respondents increasingly question their personal prospects*
- *Those who enjoy flexible working arrangements express higher levels of performance, loyalty, and trust*

NEW YORK, Moscow, 31 January 2017 - A turbulent 2016—punctuated by terror attacks in Europe, Brexit, and a contentious US presidential election—appears to have rattled millennials' confidence, according to Deloitte's sixth annual Millennial Survey. They indicate they're less likely to leave the security of their jobs, more concerned about uncertainty arising from conflict, and not optimistic about the directions their countries are going. The findings were revealed through a survey of nearly 8,000 millennials from 30 countries.

Millennials in emerging markets generally expect to be both financially (71 percent) and emotionally (62 percent) better off than their parents. This is in stark contrast to mature markets, where only 36 percent of millennials predict they will be financially better off than their parents and 31 percent say they'll be happier. The US is the only mature market where a majority of millennials expect to be better off than their parents. In only 11 of the 30 countries covered does a majority expect to be "happier" than their parents.

"This pessimism is a reflection of how millennials' personal concerns have shifted," **explains Punit Renjen, Deloitte Global CEO.** "Four years ago, climate change and resource scarcity were among millennials' top concerns. This year, crime, corruption, war, and political tensions are weighing on the minds of young professionals, which impacts both their personal and professional outlooks."

Deloitte CIS CEO, Ian Colebourne, commented, "It is encouraging to see that in Russia 81 percent of millennials say that businesses have a positive impact on the wider society in which they operate compared with 76 percent globally, though there needs to be some closing of the gap for the 35 percent of those who feel enabled to contribute to charities and good causes at work compared with the 54 percent globally. Millennials constitute a large part of our firm and we believe in empowering them to make an impact that matters."

Millennials' anxiety may be partially responsible for more young professionals wanting to remain in their jobs. Last year, the "loyalty gap" between those who saw themselves leaving their companies within two years and those who anticipated staying beyond five years was 17 percentage points. This year, the balance of millennials looking to "leave soon" is only seven points.

The desire for security is also apparent in the finding that, while millennials perceive across-the-board advantages of working as freelancers or consultants—from the opportunity to work in different industries, to learning new skills, to the ability to travel or work abroad—nearly two-thirds said they prefer full-time employment. Among 18 areas of personal concern measured, unemployment ranked third.

Making an impact through their employers

Millennials feel accountable for many issues in both the workplace and the wider world. However, it is primarily in and via the workplace that they feel most able to make an impact. Opportunities to be involved with “good causes” at the local level, many of which are enabled by employers, provide millennials with a greater sense of influence. This local, small-scale change has a ripple effect that cascades from the individual to the broader workplace to society at large.

More than half of millennials say they are provided with opportunities to contribute to charities/worthwhile causes in their workplaces. “The survey’s findings suggest those given such opportunities show a greater level of loyalty to their employers, which is consistent with the connection we saw last year between loyalty and a company’s sense of purpose,” explained Jim Moffatt, Deloitte Global Consulting CEO. “But, we are also seeing that purpose has benefits beyond retention. Those who have a chance to contribute are less pessimistic about their countries’ general social/political situations, and have a more positive opinion of business behavior.”

In general, millennials say they intend to stay longer with employers that engage with social issues, such as education, unemployment, and health care, and those most optimistic about their countries’ progress are more likely to report their employers getting involved with wider social and economic issues.

Millennials’ attitudes on business overall continue to improve. For the third year in a row, more respondents believe businesses behave ethically and that their leaders are committed to improving society, and fewer feel businesses are purely profit-driven and prioritize their agendas with little regard for society.

While six in 10 people surveyed say multinational businesses have made a positive impact on the challenges millennials say are their greatest concerns, they believe large organizations can do much more.

“The events of last year were a wake-up call for business and government leaders,” said Renjen. “The business community can, and must, address millennials’ pessimism by doing more for society. We’re in the best position to address many of society’s most challenging problems and lead the way in creating an economy that works for everyone.”

Flexibility improves performance, retention

Overall, 84 percent of millennials report some degree of flexible working in their organizations, and 39 percent say their organizations offer highly flexible working environments. They believe flexible working arrangements support greater productivity and employee engagement while enhancing their personal well-being, health, and happiness.

Those in highly flexible organizations appear to be much more loyal to their employers and are two-and-a-half times more likely to believe that flexible working practices have a positive impact on financial performance than those in more restrictive organizations. Three-quarters of those offered flexible working opportunities say they trust colleagues to respect it, and 78 percent feel trusted by their line managers.

Additional findings from the survey include:

Automation brings threats and opportunities. There is no doubt automation brings with it some trepidation—40 percent of those surveyed see it posing a threat to their jobs; 44 percent believe there will be less demand for their skills; a majority believe they will have to retrain; and 53 percent see the workplace becoming more impersonal and less human. Conversely, many respondents—especially those considered “super-connected” millennials—see automation as providing opportunities for value-added or creative activities, as well as the learning of new skills.

Seeking directness and passion, not radicalism. Surveyed millennials, in general, do not support leaders who take controversial or divisive positions, or aim for radical transformation rather than gradual change. They are more comfortable with plain, straight-talking language from both business and political leaders.

Skepticism of business-government collaboration. With respect to meeting society's challenges, millennials are equally split between those that believe businesses and governments work well together (49 percent) and those that don't (48 percent). Further, only 27 percent of respondents consider citizens/society to be the ultimate beneficiaries when businesses and governments work together.

GenZ's creativity and skills are welcomed. Millennials tend to have a broadly positive opinion of GenZ (those currently aged 18 or younger), believing the group to have strong information technology skills and the ability to think creatively. Six in 10 millennials believe GenZ will have a positive impact as their presence in the workplace expands; this belief is higher in emerging markets (70 percent) than in mature markets (52 percent).

About the Deloitte Millennial Survey

The research findings are based on a study conducted by Deloitte Global of nearly 8,000 millennials representing 30 countries around the globe during September 2016. Screening questions at the recruitment stage ensured that all respondents were millennials—were born after 1982, have obtained a college or university degree, are employed fulltime, and predominantly work in large (100+ employees), private-sector organizations.

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