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The millennial mix: What leaders should know

Over the last two decades, as millennials have entered the workplace and evolved in their roles, many stereotypes have developed about the generation that reached adulthood around the turn of the 21st century. Commonly portrayed as idealistic and overzealous, millennials have often been unfairly characterized as valuing passion over performance and fulfillment over hard work—all while expecting the corner office.

Now that millennials are deeply entrenched in the workforce, do these stereotypes hold up? Are millennials really entitled, overenthusiastic, and extroverted, or are they more reserved and practical? How can CFOs and other business leaders better understand the particular work style traits of this generation? To find out, Deloitte LLP conducted a generational study[1] based on Business Chemistry®, a behavioral assessment framework that matches individuals to one—sometimes two—of four types: **Drivers**, who are experimental competitors; **Guardians**, who are detailed-oriented pragmatists; **Integrators**, who are empathic diplomats; and **Pioneers**, who are outgoing risk-takers.

And in this issue of *CFO Insights*, we'll look at where millennials fall in the Business Chemistry framework and outline some of the tactics CFOs might use to engage members of this generation in the workplace.

Myth meets reality

While the research confirms some of the common stereotypes about millennials, it also reveals some surprising results.

Millennials, the cohort sometimes referred to as Generation Me, are most likely to identify with methodical, risk-averse Guardians than with any other type (Figure 1). Given millennials' reputations for "thinking big" about their career aspirations and impact, this may seem counterintuitive. One possible explanation may be that, early in their careers, millennials were often relied upon—and rewarded for—their attention to detail and ability to follow a structured, methodical approach.

Drivers, the second most prevalent type among millennials, are characterized by their focus on outcomes and goals, which suggests millennials' preferences for practicality and action over talk and theory. Notably, less than one-third of millennials surveyed are Integrators—the type known for its focus on people. The smallest proportion of millennials surveyed are Pioneers, who are known for blue-sky thinking, networking, and spontaneity.

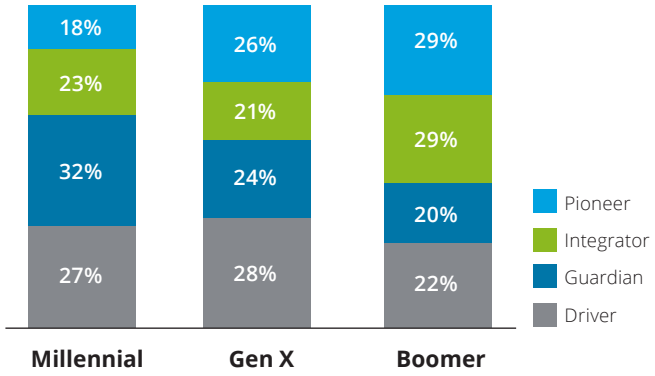
By contrast, according to the Deloitte study, baby boomers have a higher proportion of Pioneers and Integrators, both of which are the most nonlinear, ambiguity-tolerant, and networked types. Baby boomers are more likely to be expansive thinkers with a transformational approach, traits associated with Pioneers. Adding to this picture are baby boomers' overall preferences for involvement and self-actualization,[2] which align with Integrator leanings.

Finally, Gen Xers—those born between the baby boomer and millennial generations—represent a fairly even distribution of Business Chemistry types.

It is worth noting that stress levels also differ among generations. In analyzing those levels (see "Stressed out? How Business Chemistry can help you and your team"), Deloitte found that millennials experience the highest levels of stress overall, followed by Gen Xers and baby boomers. Across the Business Chemistry spectrum, millennial Integrators and Guardians—the types least likely to embrace risk—report the highest stress levels. Meanwhile, millennial Drivers and Pioneers—the most take-charge types—report less overall stress. They are also the types most likely to report being effective under moderate to high stress levels.

There are likely several reasons for high stress levels among millennials. For example, global conflict, the economic downturn, and terrorism on a worldwide scale have marked millennials' formative years.

Figure 1: Business Chemistry and generation



Source: Deloitte Greenhouse™ Experience

Engaging millennials in the workplace

Understanding millennials' work-style types is one way that CFOs can engage millennial workers. In addition, CFOs and other business leaders can consider the following measures to help make the most of millennial talent:

- **Be a coach first and manager second.** For many millennials, ongoing consultation is not a sign of weakness, but rather a real-time feedback loop used to self-correct. Finance leaders may want to consider serving as regular sounding boards, continually providing younger colleagues with helpful perspectives. This is especially important because millennials are the least likely of all generations to use stress-coping strategies such as pausing to consider the bigger picture, thinking through alternatives, and trying to look on the bright side, according to the Deloitte study. Managers who can coach their millennial workers toward these cognitive coping strategies are likely to benefit from less stressed and more productive team members.
- **Help create passion for the job.** Giving millennials dedicated time to customize part of their jobs can make them more than just employees; it can make them designers. Allowing them to craft their projects and titles can deliver some independence, allow them to convey their learning to others, and foster a deeper sense of job satisfaction. This can be particularly important to millennials who, according to the Deloitte study, are the most likely of respondents to thrive when they have work they enjoy.
- **Rethink leadership development programs.** Many corporate leadership programs are built on the idea that everyone advances by leading. According to the Deloitte study, millennials are more likely than other generations to aspire to be top performers, experts, or innovators, but not necessarily leaders. These aspirations may allow them more career mobility, so they can more easily transition from gig to gig. Finance leaders can consider shifting traditional leadership development programs toward a career-centered approach.
- **Communicate clearly.** One way to help engage millennial workers is through the use of clear, concise messages about company direction and progress. Finance leaders can aim to provide direct and transparent communications that dispel any ambiguity. With the millennial generation, no news is not necessarily better than bad news—and disingenuous or hypocritical communications will likely be noticed.
- **Loosen the tether.** More than any other generation surveyed, millennials are likely to cope with stress using strategies outside the office. Companies can benefit from allowing a more fluid, revolving-door approach to work and play. What may look like procrastination might actually be high-value time that refreshes millennials' energy levels, enabling them to attack their work with gusto.

Managing the mix

As the workplace evolves into one that is more transient, flat, and virtual, creating a sense of affiliation among millennial employees will likely be a looming challenge for employers. By understanding their work-style types and employing strategies to engage them, CFOs and other business leaders can help foster commitment and empowerment among this generation of employees.

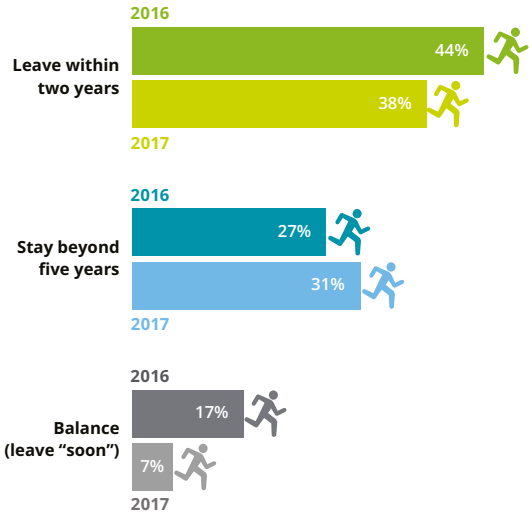
Millennials: Seeking stability in an uncertain world

Millennials appear to want the best of both worlds—freelance flexibility with full-time stability. They also believe that more flexible work environments correlate to higher levels of personal responsibility and accountability. Those are just some of the findings in the 2017 Deloitte Millennial Survey, which polled nearly 8,000 millennials across 30 countries. Some of the specific results include:

- In 2016, the gap between those who saw themselves leaving their companies within two years and those who anticipated staying beyond five years was 17 percentage points (see Chart 1). This year, the balance of millennials looking to leave "soon" is only seven points. While these results signal better news for employers, the 38% of millennials who would leave their jobs within two years, if given the choice, is still high.
- Irrespective of perceived across-the-board advantages[1] of working as freelancers or consultants, nearly two-thirds of millennials prefer full-time employment. The reasons most often given for preferring a permanent role are that it offers "job security" and "a fixed income."
- The proportion of respondents who say they are able, within certain limits, to start and finish work at times they choose is largely unchanged, rising to 69% from 67% between the 2016 and 2017 surveys. However, there is a significant expansion in the numbers able to work from locations other than their employer's primary site. The current figure of 64% is fully 21 points higher than last year's survey, reflecting how rapidly technology is facilitating mobile working, and how employers are becoming increasingly comfortable with such arrangements.
- Flexible work arrangements are also strongly linked to improved performance and employee retention. For example, in highly flexible working environments, the difference between those who see themselves leaving within two years (35%) is just two points above those anticipating to stay beyond five years (33%)—among those in the least-flexible organizations, there is an 18 point gap (45% versus 27%).

Chart 1. Twelve months later, millennials are a little more loyal (or perhaps less confident)

Percent of millennials who expect to...



Source: The 2017 Deloitte Millennial Survey

[1] By a factor of at least five to one, millennials believe that when compared with a permanent contract for a single employer, working as a consultant or freelancer would provide greater job satisfaction, an enhanced sense of responsibility, more opportunities to work abroad, and more opportunities to learn new skills or to work in different sectors.

For more information, view the full report at The 2017 Deloitte Millennial Survey

Endnotes

1. To explore various Business Chemistry types across generations, Deloitte conducted three online surveys.Between 2013 and 2016, 2,958 U.S.-based participants took an online Business Chemistry assessment. A second sample of 13,885 participants answered questions about career aspirations and priorities, and a third sample of 2,725 participants answered questions about stress levels and coping strategies.
2. Brent Green, "Marketing to Leading-Edge Baby Boomers: Perceptions, Principles, Practices, Predictions," Paramount Marketing Publishing. Inc., 2006.

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