



The 2017 Deloitte Millennial Survey

Apprehensive millennials:
seeking stability and opportunities
in an uncertain world

Introduction

“The future promise of any nation can be directly measured by the present prospects of its youth.”

John F. Kennedy

Deloitte’s latest millennials study looks at their world view and finds many, especially in developed economies, are anxious about their future. They are concerned about a world that presents numerous threats and question their personal prospects. By JFK’s measure, at least, many millennials are not sure they can trust the promises of their respective countries. However, there are strong reasons for optimism. And, as our millennials series has consistently found, the activities of businesses and the opportunities provided to their

workforces represent a platform for positive change. For businesses seeking to attract, develop, and retain millennial talent, this report offers a guide to their concerns and motivations. It reinforces the connection made between purpose and retention while outlining how increased use of flexible working arrangements and automation are likely to impact millennials’ attitudes and performance. Key findings include:

- Millennials in developed countries feel pessimistic, while optimism reigns in emerging markets. There are distinct differences as to what concerns millennials in each group.
- In the current environment, millennials appear more loyal to employers than a year ago. In a period of great uncertainty, stability is appealing and they would be inclined to turn down offers for freelance work or as consultants.
- Business is viewed positively and to be behaving in an increasingly responsible manner; but, millennials believe it is not fully realizing its potential to alleviate society’s biggest challenges.
- Businesses frequently provide opportunities for millennials to engage with “good causes,” helping young professionals to feel empowered while reinforcing positive associations between businesses’ activities and social impact.
- Built upon a solid, two-way exchange of trust, flexible working continues to encourage loyalty and make a significant contribution to business performance.
- Automation is rapidly becoming a feature of working environments. For some, it encourages creative thinking and provides opportunities to develop new skills. For others, automation poses a threat to jobs and is creating sterile workplaces.



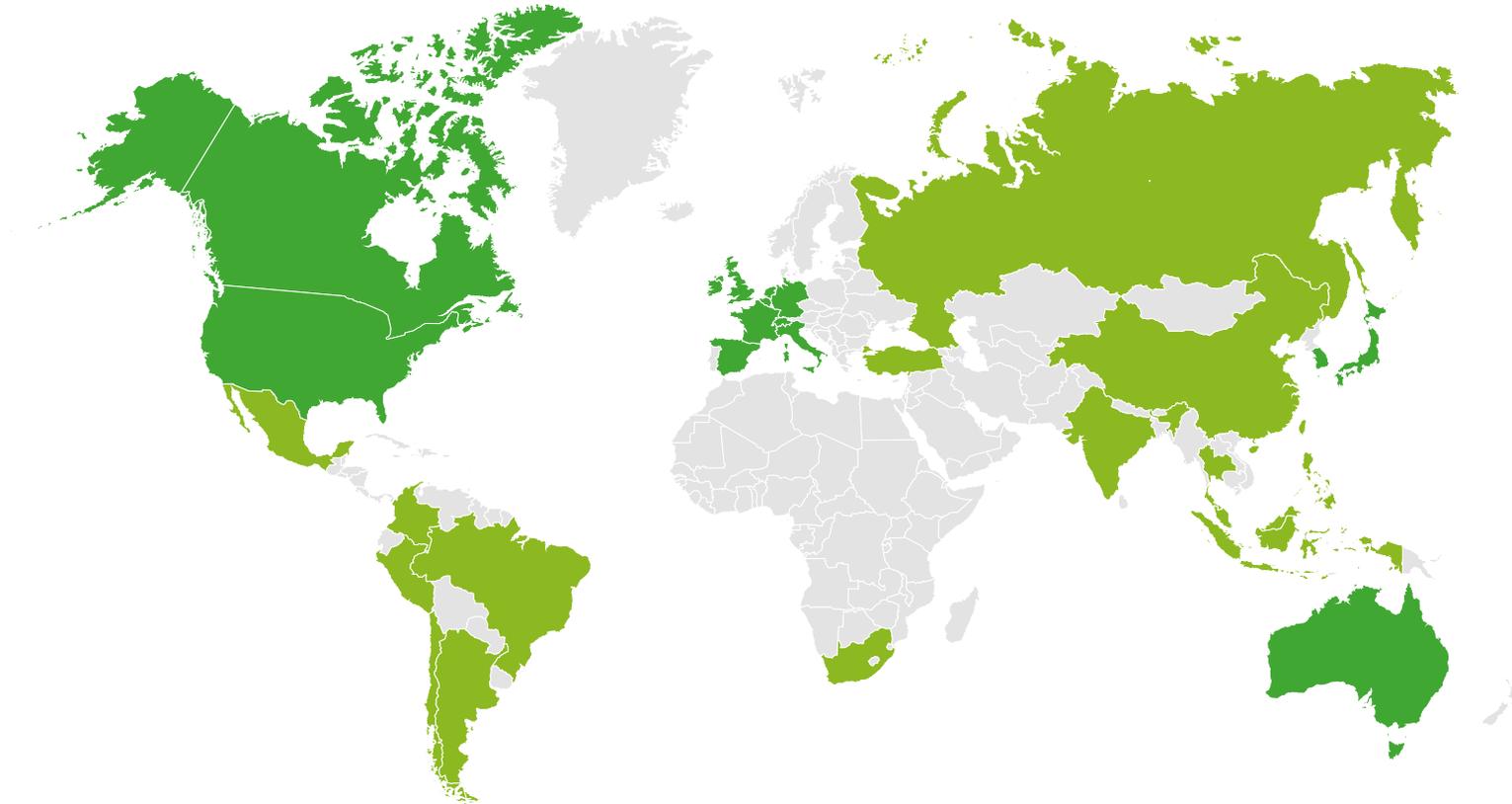
The 2017 report is based on the views of almost **8,000 millennials** questioned across **30 countries**. Participants were **born after 1982** and represent a specific group of this generation: those who have a **college or university degree**; are **employed full-time**; and, work predominantly in large, private-sector organizations (see note on methodology). This group is increasingly taking on senior positions¹ that provide platforms for promoting working environments and practices seen as most likely to address society's challenges.

This summary sets out the concerns of millennials, their expectations for the future, and how they believe business might help create the type of world they wish to inhabit. The outside world might be increasingly unstable, but millennials give reason to believe that, by working together, there is hope to improve performance of both business, as well as society as a whole.

¹In the current survey, 24 percent are in senior positions (head of department/division or member of senior management team/board) as compared to 19 percent in 2015. The Enlace-oDesk 2015 Millennial Majority Workforce survey revealed that 28 percent of millennial respondents indicated they are already in management positions. A full two-thirds say they expect to be in management by 2024. See more: Enlace-oDesk & Millennial Branding (2014), *2015 Millennial Majority Workforce*, <http://millennialbranding.com/2014/2015-millennial-majority-workforce-study/>

Research scope

Figure 1.



EMERGING MARKETS

Interviews achieved: 4,000

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

DEVELOPED MARKETS

Interviews achieved: 3,900

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

Total number of interviews: 7,900

Part one

Economic, social, and political sentiments: a chasm between the developed and developing world

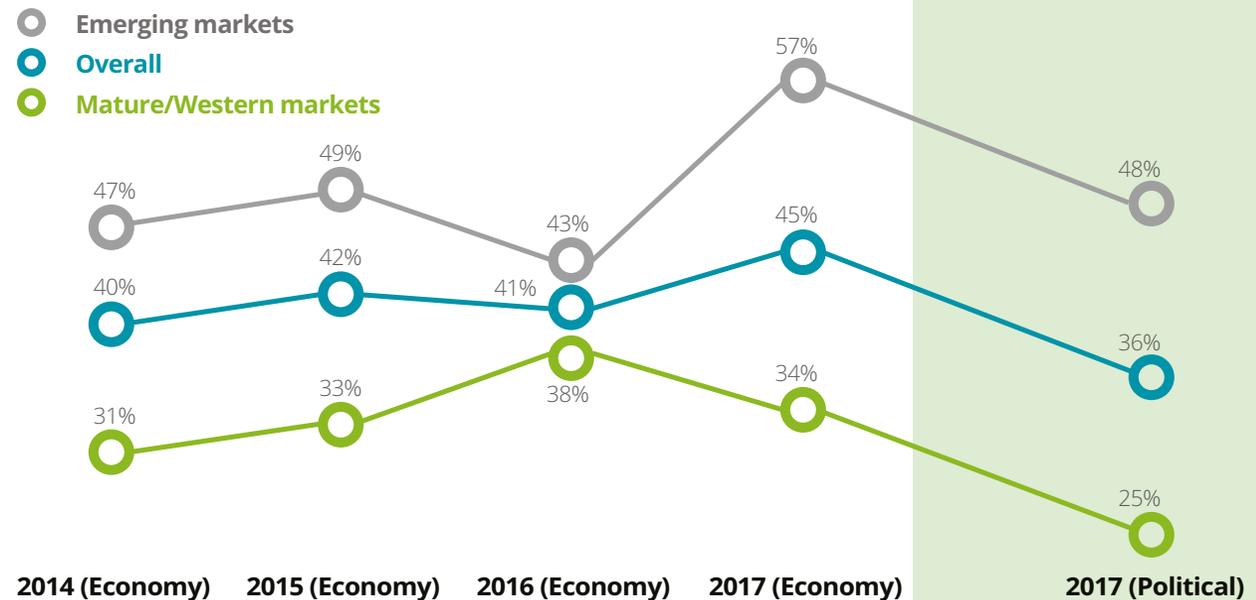
Throughout our millennials research series, we have regularly gathered opinions on current affairs. Typically, we've focused on economic confidence. But, given recent significant events across the world—from conflict and displaced populations in the Middle East to the UK's Brexit vote and the US presidential election—it seemed timely to gather millennials' views on a broader range of issues. As regards economic confidence itself, those in mature markets² are less optimistic than a year ago with barely one in three (34 percent) now expecting economic conditions to improve. By contrast, those in emerging markets are significantly more positive than in 2016 and, in fact, confidence levels are the highest recorded in this series.

Economic confidence is interesting in itself and the report's appendix contains details of how millennials' sentiments vary by country. However, when linked to data on "social" optimism and whether millennials expect to be financially and emotionally better-off than their parents, we obtain a more rounded picture of

their outlooks. Overall, only 36 percent of millennials expect the social/political situations in their countries to improve during the next 12 months. A minority (48 percent) in emerging markets foresee improvements while the proportion in mature economies is half that figure (25 percent). This lack of optimism regarding

"social progress" is most evident in the following markets: South Korea, Mexico, Belgium, France, Chile, Germany, Japan, UK, Australia, and Italy. Meanwhile, greater optimism is seen in the Philippines, Peru, Brazil, India, Indonesia, Turkey, Argentina, and Canada.

Figure 2. Diverging levels of economic optimism in developed and emerging markets, pessimistic on political/social progress
Percent that expects the overall economic, social or political situation in their countries to improve (next 12 months)



Q5: Taking everything into account do you expect the overall economic situation in your country to improve, worsen or stay the same over the next 12 months?

Q6: Taking everything into account do you expect the overall social/political situation in your country to improve, worsen or stay the same over the next 12 months?

² Mature markets covered are: Australia, Belgium, Canada, France, Germany, Ireland, Italy, Japan, Netherlands, South Korea, Spain, Switzerland, UK, and US. Emerging markets include: Argentina, Brazil, Chile, China, Colombia, India, Indonesia, Malaysia, Mexico, Peru, Russia, Singapore, South Africa, Thailand, The Philippines, and Turkey.

There is a general lack of optimism within mature markets regarding economic and social progress. Emerging markets are more optimistic on the former but, with a few exceptions, seem less convinced that social or political progress is being made. How do millennials think the current situation compares to that faced by their parents' generation? The answer, by and large, very much depends on where one lives. Millennials in emerging markets generally expect to be both materially and "emotionally" better off than their parents. This is in stark contrast to mature markets, where many millennials feel theirs is the generation where things very much stopped getting better. In fact, the US is the only mature market where a majority of millennials expect to be better off than their parents. Indeed, the balance of millennials in France, Japan, Belgium, South Korea, Italy, and Switzerland quite clearly expect to be worse off.³

As regards emotional well-being, when asked to think about the world in general and how they feel about the future, in only 11 of the 30 countries covered does

a majority expect to be "happier" than their parents. The perception that the previous generation enjoyed generally happier times is held most strongly within Japan, South Korea, and countries in mainland Europe (including France and Germany). Millennials in India, Colombia, China, Peru, the Philippines, and Indonesia are most convinced that they will be happier than their parents. In terms of overall confidence about the future, we observe general anxiety in mature markets and a more positive outlook in emerging markets. In very few markets, meanwhile, are millennials overly optimistic that social progress is being made. So, what might lie behind these sentiments? The answer lies, to some extent, in the things millennials say are of greatest concern to them. In mature markets (especially northern Europe), terrorism is a particular concern. Collectively, the broad spectrum of issues surrounding conflict and political tension is cited as a concern by almost six in 10 (56 percent) survey respondents. Taken together, these "conflict" issues

are the main concerns in mature markets and also a worry to many in emerging markets (42 percent)—although, within the latter, both crime/corruption (58 percent) and hunger/health care/inequality (50 percent) rank above them.



³ Nielsen's Global Consumer Confidence Trend Tracker supports this situation as well. The average figure for confidence in emerging markets is 97 percent while in mature market it is 85 percent. For more information visit Nielsen's Global Consumer Confidence Trend Tracker 2016 <http://www.nielsen.com/us/en/insights/dataviz/consumer-confidence.html>.

As a specific issue, unemployment continues to worry many millennials; with a quarter (25 percent) concerned, it ranks third of 18 items measured. Having lived through the “economic meltdown” that began in 2008, and with high levels of youth unemployment continuing to be a feature of many economies, it is natural that millennials will continue to be concerned about the job market. However, to put the survey results in context, in 19 of the 30 countries covered by the survey, terrorism is a bigger concern than unemployment. Of the 11 countries where unemployment is a bigger concern, only one, Spain, is a mature western market.

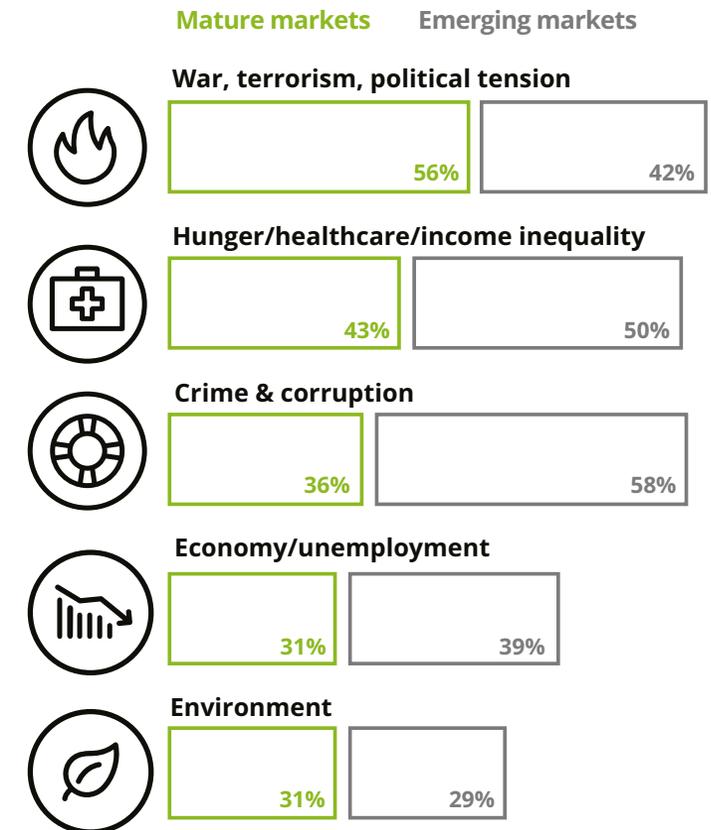
It is of note that environment/climate change lies toward the bottom of millennials’ personal concerns. That’s somewhat surprising, given that when we asked about the world’s greatest challenges in 2014, climate change and resource scarcity, taken together, topped the list. Also looking back to 2014, we see that “only” 15 percent identified terrorism as among the world’s

biggest challenges, whereas now the proportion personally concerned is double that figure (29 percent).

To summarize, millennials, especially those in mature European economies, have serious concerns about the directions in which their countries are going. They are particularly concerned about uncertainty arising from conflict, as well as other issues that include crime, corruption, and unemployment. But, the millennials covered by the survey are not mere observers; increasingly and collectively, they have the potential to change the world around them. This is especially true within the workplace—once again, business has the potential to be a force for positive change that shines through as a core belief of the millennial generation.

Figure 3. Conflicts issues primarily a mature market fear; for emerging markets, crime/corruption the #1 challenge

Percent of millennials personally concerned about these issues and challenges



Q8: Thinking about the challenges facing societies around the world (including your own), which three of the following issues are you personally most concerned about?

Part two

Business as a force for positive change

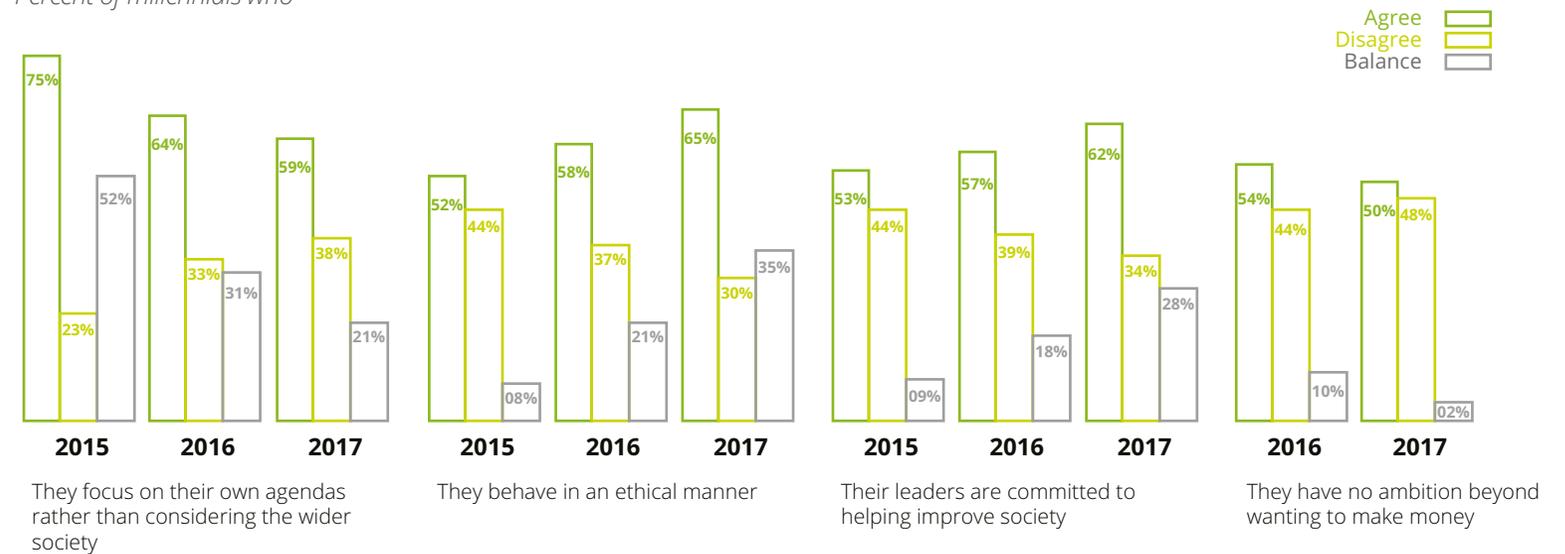
Since 2013, when we first asked millennials about the impact business has on wider society, they have given overwhelmingly positive responses. This continues to be the case, with 76 percent now regarding business as a force for positive social impact. Again, we see “super-connected millennials”⁴ (89 percent) and “active citizens”⁵ (80 percent) to be among the strongest advocates of business. With these two groups using significantly more social media or more actively engaging with social, environmental, or political affairs, it is a continuing source of encouragement that such millennials are pro-business. Indeed, both of these figures represent an increase since the last survey; we also observe a strong correlation between overall evaluations of business impact and levels of “social optimism.” Business and commerce might not be directly

responsible for political and social progress, but among those expecting such improvement, fully 88 percent say business, in general, around the world is having a positive impact on the wider society in which they operate. Meanwhile, we observe that within all demographic groups (gender, age, parental status, business sector, size of employer, etc.), a majority believes that business has a positive impact on society.

In addition to its overall impact, we also see continuing improvement in perceptions of how business conducts itself, with ratings on each of four measurements of business behavior increasing for the second consecutive year. As illustrated in Figure 4, more than six in 10 millennials (62 percent) consider business leaders as committed to helping improve society (a nine point increase since 2015). We see a still greater increase in the

Figure 4. While millennials' view of business behavior continues to improve...

Percent of millennials who



Q2. Thinking about businesses around the world, would you agree or disagree that, on balance, the following statements describe their current behavior?

⁴ “Super-connected” millennials are those identified in our data as being “highly connected” in relation to average social media usage in their own countries.

⁵ “Active citizens” are those identified as being most likely to have played an active role in a national, regional, or local campaign; actively followed a campaign or news story that concerns them; participated in a public demonstration, protest, or march; created social media content relating to an environmental, human rights, political, or social issue; boycotted or avoided the products of an organization for ethical reasons, etc.

proportion agreeing that “businesses behave in an ethical manner” (65 percent, up 13 points). Meanwhile, criticism of business is diminishing, with a 16 point drop (since 2015) in the proportion saying that businesses focus on their own agendas (rather than considering wider society).

Given the preceding findings of this report, it should come as no surprise that business leaders’ commitment to helping improve society is thought to be lower in mature markets (51 percent) than in emerging markets (73 percent). It is in a by-now-predictable group of countries where perceptions are lower (Belgium, South Korea, Netherlands, Italy, and Switzerland) and where business leaders as a whole are possibly failing to demonstrate their commitment to social improvement.

Unrealized potential of multinationals

Millennials see business as a broadly positive force that behaves in an increasingly responsible way. But, this generally positive evaluation is tempered when we consider the actual impact large enterprises are thought to make. As illustrated in Figure 5, large businesses are not thought to be fulfilling their potential to alleviate society’s challenges, while charities and local (smaller) companies are thought to be doing “as much as they can.” Six in 10 (59 percent) survey respondents believe multinational businesses have made a positive impact on the challenges millennials cited as their greatest concerns, e.g., economic and social progress, conflict, inequality, corruption, etc. However, this figure is significantly below those who believe such organizations have the potential to make a positive impact (74 percent). Overall, the impact gap (that between the potential and actual impact on issues of concern) stands at 15 points and is higher in mature markets (18 points)

than in emerging markets (12 points). However, this difference is less pronounced than that seen for other questions, and we see countries from both “blocs” among those recording the greatest impact gaps (France, Belgium, Italy, Chile, Germany, Argentina, and Spain).

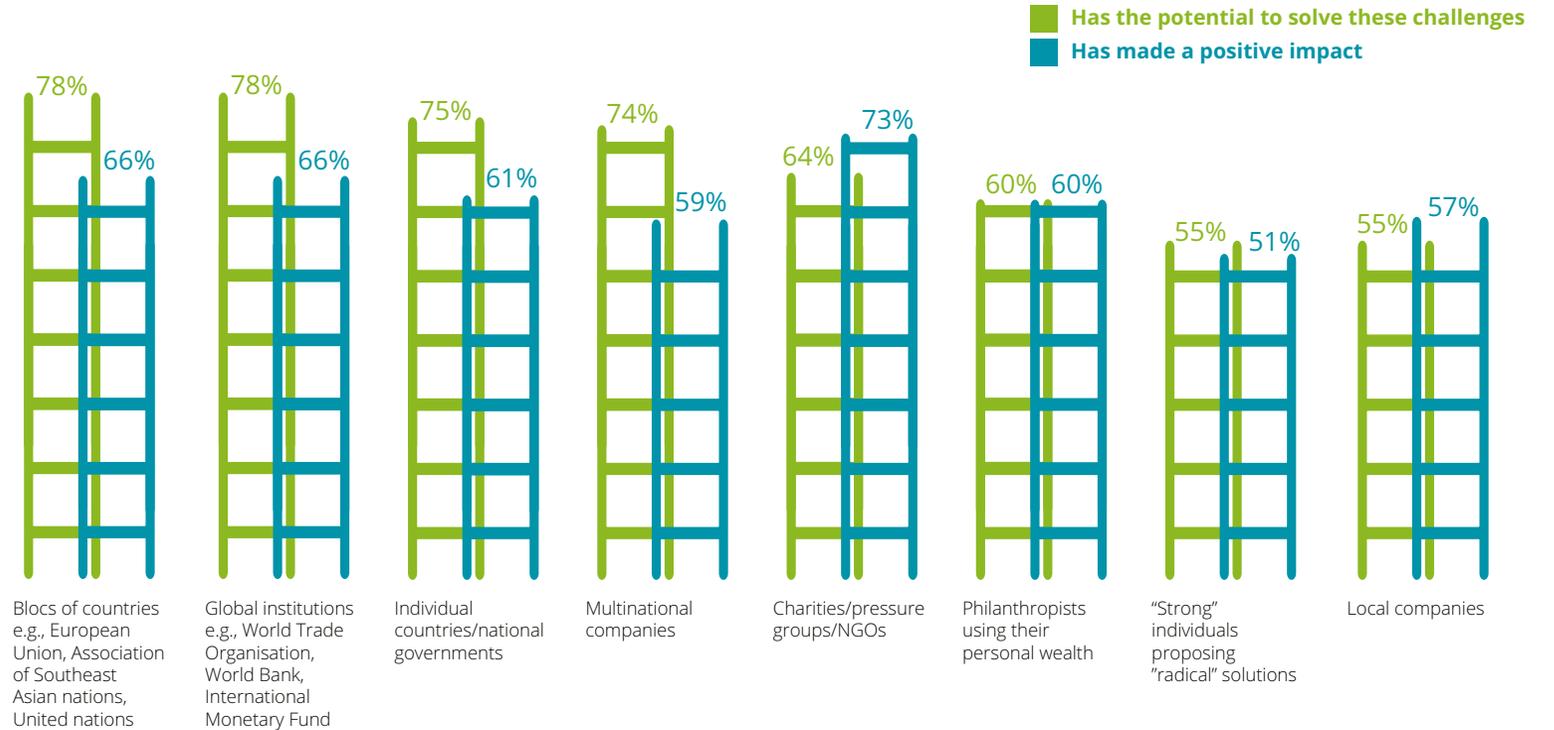
These findings echo sentiments expressed in our 2014 report. Then, we reported how a majority of millennials considered business to have the potential to address the economic, environmental, and social challenges of the time. In particular, they thought business could help with respect to: education, skills, and training; economic stability; cybersecurity; health care and disease prevention; unemployment; climate change; and unemployment. But, it was only for the first three that business was widely considered to be having a positive impact.



As Figure 5 illustrates, the potential of multinational companies to have a positive impact on issues of concern is regarded by millennials to be as high as that of individual countries, blocs of countries or global institutions such as the World Bank or International Monetary Fund. However, in the opinion of millennials, they are no more likely to have had a positive impact than are charities/advocacy groups, NGOs, or local companies. In contrast to multinationals and individual countries, both charities and local companies are thought to be exceeding their potential to address issues currently of concern to millennials.

Figure 5. Impact of business and national governments falling short of potential

Percent who feel...



Q9. Thinking about the challenges of greatest concern to you, do you feel the following institutions/groups of people have...?
 - The potential to solve to these challenges
 - The will-power/determination to solve these challenges
 - Had a positive impact by providing solutions to these challenges

Business-government collaboration: Mixed results

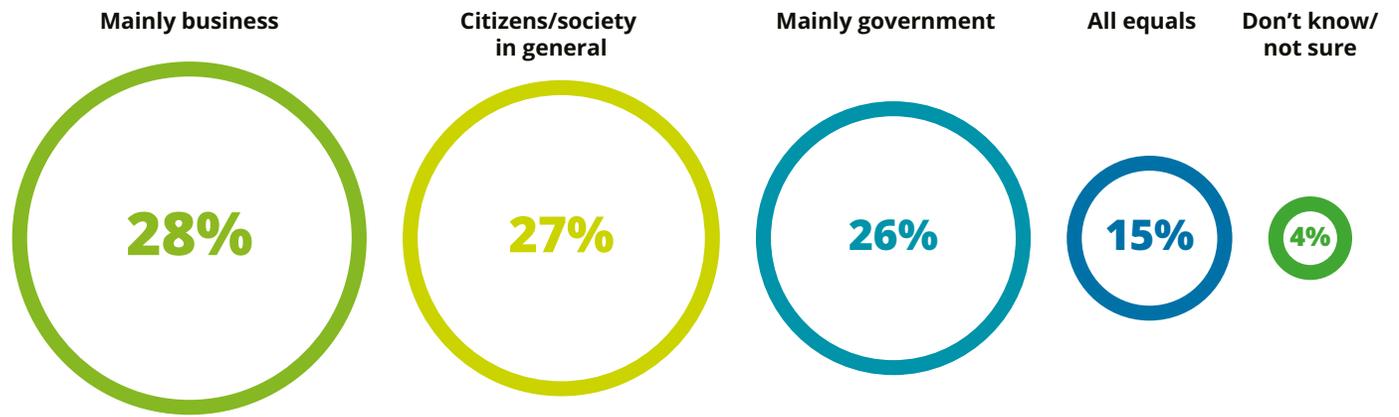
The idea that millennials consider local initiatives as a “better” alternative to the efforts of large, commercial organizations is supported by their responses to questions about business-government collaboration. Millennials are equally split between those saying the two are working well together (49 percent) and those saying they are not (48 percent). In certain markets millennials believe they are working well together. This includes the US, Canada, Switzerland, Australia, and the UK. However, in Chile, South Korea, Japan, Mexico, Russia, Spain, and Italy, no more than a third rate business-government co-operation positively.

While millennials are equally split between those saying business-government collaboration is “good” and those considering it to be “poor,” they also are unsure as to who benefits from such initiatives. Figure 6 shows only a quarter (27 percent) consider

citizens/society to be the ultimate beneficiaries when business and government work together, while 15 percent believe all stakeholders gain. Together, this suggests that only a minority of millennials believe it is “the people” who benefit most when businesses and governments work together on society’s challenges.

The preceding sections suggest millennials regard business as holding back from full engagement with social issues. Businesses might argue that addressing wider social issues is not their primary reason for being, but millennials do expect businesses to do more than simply seek financial success. Moreover, those businesses that do engage in issues of concern to millennials are more likely to gain their trust and loyalty.

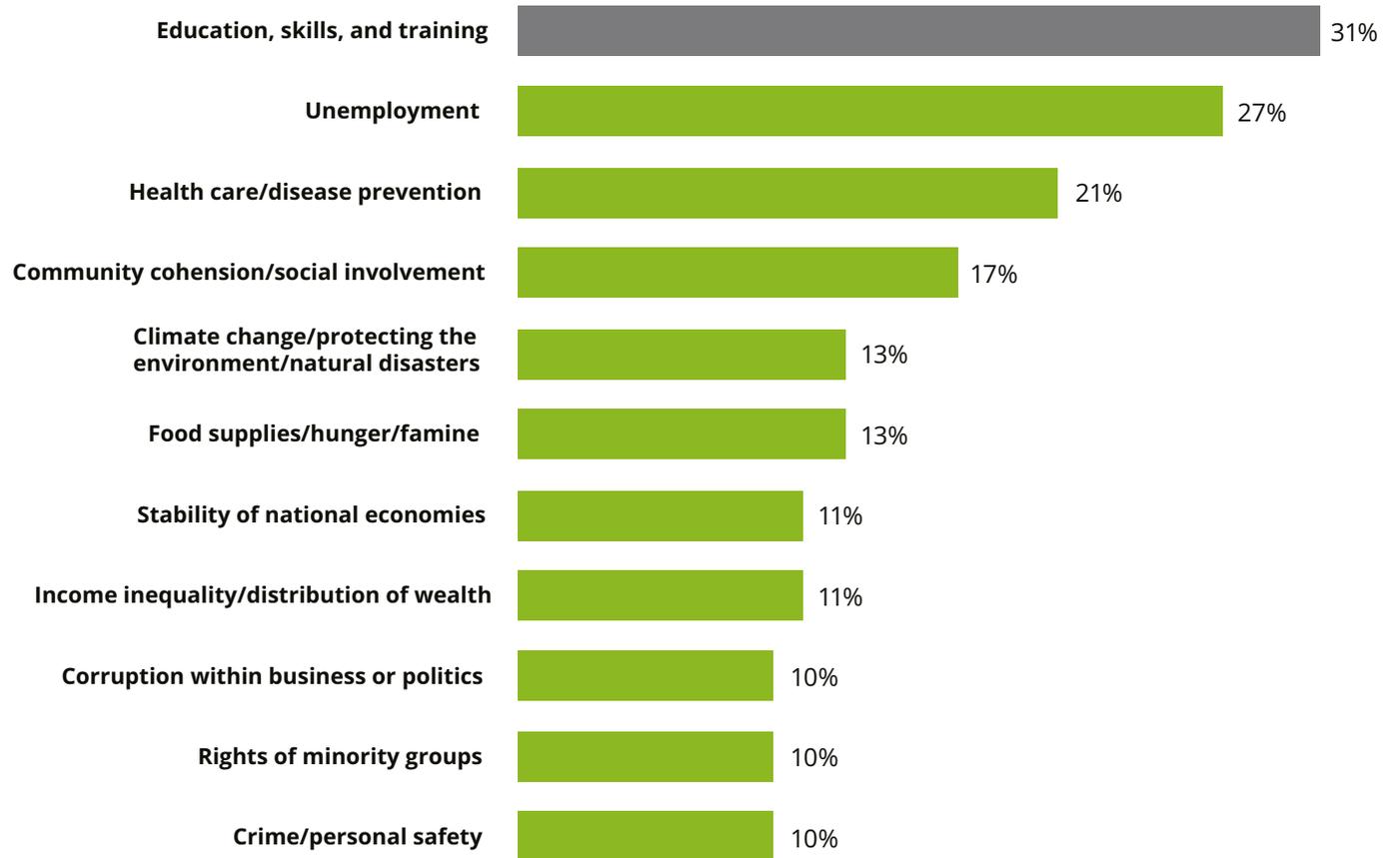
Figure 6. Ultimate beneficiaries of business-government cooperation difficult to identify
Percent saying beneficiaries are...



This year, as we have recorded in each and every one of our millennial surveys, almost nine in 10 (86 percent) believe the success of a business should be measured in terms of more than just its financial performance. It is, therefore, encouraging that the vast majority (82 percent) of millennials report their employers are directly involved in issues of personal concern, or are supporting charities and other social initiatives in the area. Such involvement is more prevalent in larger businesses with education, skills, and training being the areas of greatest focus.

Across organizations of all sizes, the most common issues with which businesses engage are education, skills, and training; unemployment; and health care/disease prevention. However, businesses are possibly falling short of their potential to address the societal challenges that are most important to millennials. In particular, only 10 to 13 percent of respondents feel their organizations are addressing income inequality/distribution of wealth, corruption within business or politics, or climate change and the environment.

Figure 7. Millennials' employers most supportive of education, employment, and health care initiatives
Percentage of employers currently addressing the following issues



Q14. Which of the following issues, if any, does your organization help to address by getting directly involved or by supporting charities and others working in that area?

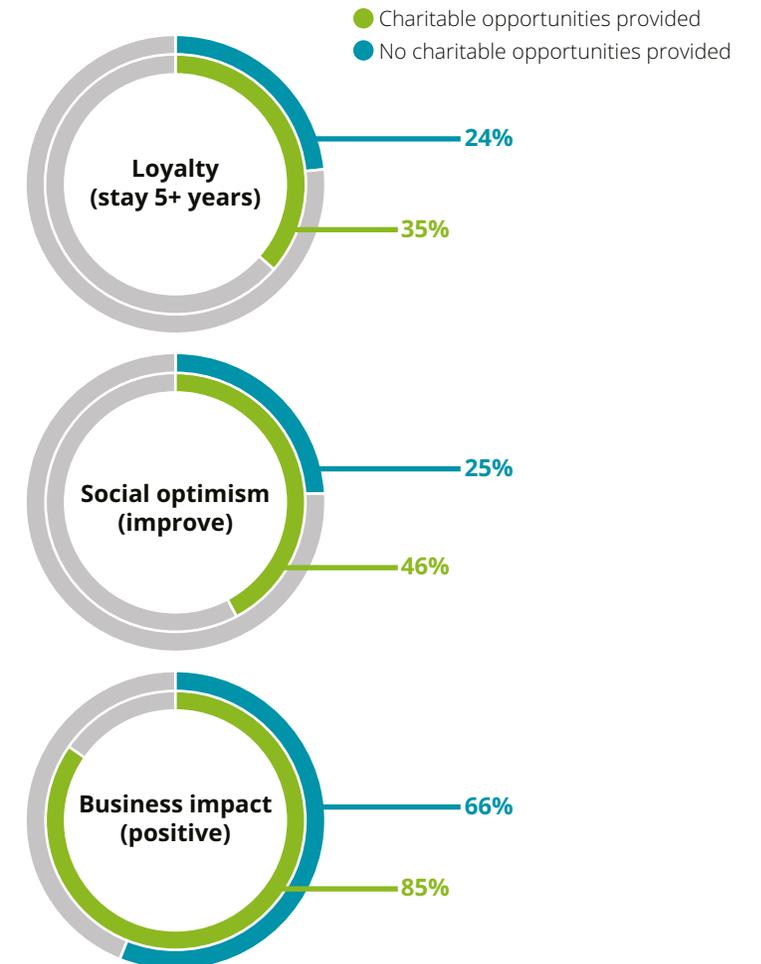
Of course, every issue can be considered worthy of support. The key point is that whatever the size of an organization or the issues with which it chooses to engage, there is a strong correlation with positive employee sentiment. For example, we see that millennials intend to stay longer with those employers that engage with social issues. Meanwhile, those most optimistic about their countries' progress are more likely to report their employers as involved with wider social and economic issues.

Millennials are a little skeptical with respect to the motivations of large, multinational businesses that support charities or otherwise contribute to social initiatives. When asked to judge their motivation on a scale ranging from one (purely to improve their reputations) to 10 (genuine desire to change things for the better), the average score is 5.4. Fewer than four in 10 (36 percent) give a score of seven or more. The corresponding figures regarding the motivations of their own organizations are 6.5 and 55 percent.

This suggests larger businesses need to communicate better and involve people more if millennials are to look more favorably upon businesses' corporate responsibility activities. It certainly seems to have significant impact when businesses give millennials the opportunity to get personally involved.

Just more than half (54 percent) of millennials are provided with opportunities to contribute to charities/good causes in their workplaces. That is by either having opportunities to support the causes they care about most, or those they would not otherwise have gotten involved with. Such activities could be considered laudable in their own right, but the relationship to other findings is noteworthy. For example, those provided with such opportunities in the workplace show a greater level of loyalty, have a more positive opinion of business behavior, and are less pessimistic about the general social situation.

Figure 8. Empowered * millennials more optimistic and loyal



Q18. Has your organization enabled you to support or contribute to charities/good causes' while at work?

*By empowered, we mean those that feel have an influence on their workplace and society

Part three

A sense of empowerment, millennials, and the “ripple effect”

Business involvement in social issues and “good causes” goes beyond the tangible impact made or the reputational benefit that might result; by involving employees in such initiatives, employers seem to be boosting millennials’ sense of empowerment. This is important to businesses for, as we saw in 2016, employees who feel their jobs have meaning, or that they are able to make a difference, exhibit greater levels of loyalty.

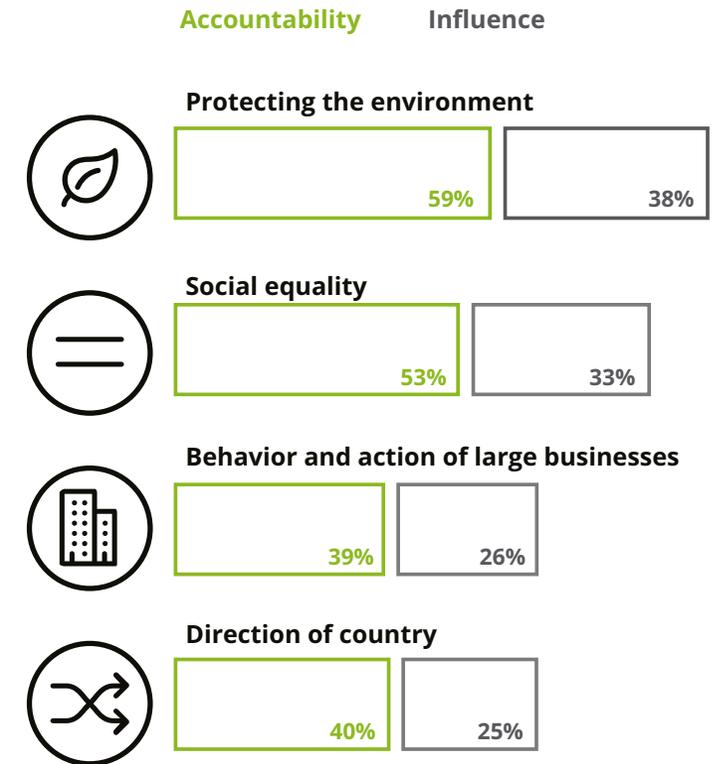
Many millennials feel unable to exert any meaningful influence on some of society’s biggest challenges; but, in the workforce, they can feel a greater sense of control—an active participant rather than a bystander. It is well documented⁶ that businesses with a genuine sense of purpose tend to demonstrate stronger long-term growth, and employees can usefully tap into this. Where workplace opportunities are offered, millennials are significantly more likely to say they can influence social equality, the environment, the behavior of big businesses, and even the overall

directions of their countries. Regardless of whether millennials, as individuals, can make a tangible difference on such large issue, the key point is that employers can provide a sense of empowerment and, hence, create a far more positive mindset. This can only be good for the overall performance of a business.

The latest survey tells us that millennials feel accountable, to at least a fair degree, for many issues in both the workplace and the wider world. However, it is primarily in and via the workplace that they feel most impactful. They feel they have more influence on their peers, customers, and suppliers than on leaders or “big issues,” and their influence can, therefore, be regarded as being exerted through smaller-scale, immediate, and local actions—more so when employers provide the requisite tools.

Figure 9. On “big issues”, millennials feel more accountable than influential

Percent with a great deal/fair amount of influence and accountability upon the following



Q21. To what extent do you feel you have an influence on the following activities / issues?
Q25. To what extent do you agree or disagree with the following statements about accountability in your workplace?

⁶ See, for example, “Grow” by Jim Stengel. This demonstrates how top-performing brands are built on ideals, higher-order purposes that transcend products and services. See more: Stengel, Jim (2011), *Grow: How ideals power growth and profit at the world’s greatest companies*, (New York: Crown Business).

As illustrated in Figure 9, millennials consider themselves to have a fair degree of accountability for many of the world’s largest challenges, even though they feel their influence has limitations. Thus, while six in 10 (59 percent) believe they have at least a fair amount of accountability for protecting the environment, fewer than four in 10 (38 percent) believe they can exert a “significant” level of influence. A similar gap is observed with respect to social inequality.

Being involved with “good causes” and not-for-profit organizations—whether directly or through opportunities provided by employers—helps millennials feel empowered and able to influence the world around them. A total of 77 percent have involved themselves in a charity or “good cause” with a quarter or more:

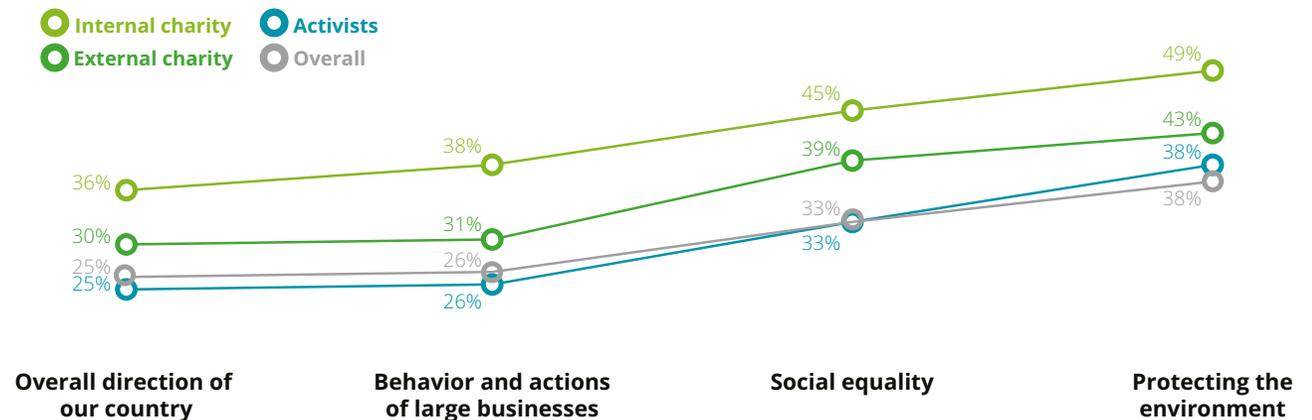
- Following or taking an active interest, e.g., via social media—**40 percent**
- Being an active volunteer/organizer—**30 percent**

- Supporting by becoming a member/making a regular donation, etc.—**30 percent**
- Raising money by sponsorship, organizing a collection, or by other means—**23 percent**

Millennials appear to consider the “charitable” route an impactful method of changing the world around them; this is clearly illustrated by the following graphic. Activists with a greater tendency to engage in direct

protest activities feel more influential than those who do nothing, but engagement with charities/good causes—either in their personal or working lives—seems the more efficacious. Smaller-scale activities at the local level, including in the workplace, provide millennials with a greater sense of influence and these activities, collectively, may make a much greater impact than trying to tackle issues “head on.” This local, small-scale change is what we term **“the ripple effect.”**

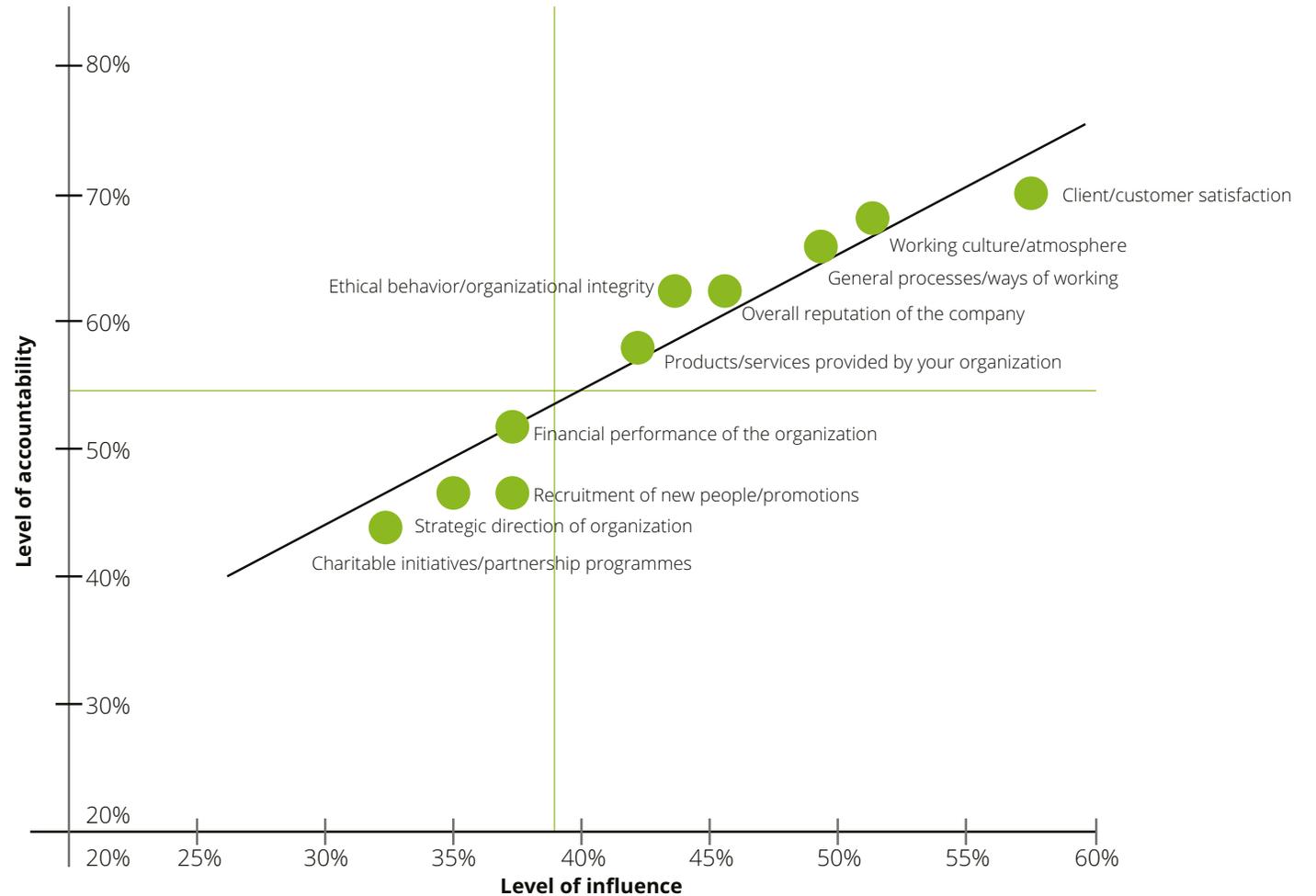
Figure 10. The ripple effect: Small-scale local initiatives have a greater impact than traditional “protests”
Percentage of great deal/fair amount of influence



Q21. To what extent do you feel you have an influence on the following activities/issues?

It is in the workplace where millennials feel most influential and, in turn, accountable. This is an important point for businesses to acknowledge as it offers a platform from which to build each employee's sense of purpose and, ultimately, a more engaged workforce. Millennials believe they have the greatest level of accountability for, and influence on, client satisfaction. Indeed, across the six most "important" aspects that we measured, perceived levels of accountability are very closely correlated with influence; for millennials in senior roles, there is even stronger alignment. Given this scenario, we might conclude that millennials are, on the whole, working in environments where they feel generally in control and empowered—something that contrasts, perhaps, with the less stable world that exists outside the workplace.

Figure 11. At work, accountability and influence are broadly balanced



Q21. To what extent do you feel you have an influence on the following activities/issues?
 Q24. How much accountability do you take for the following? By accountability we mean the level of personal responsibility you feel you have for ensuring they happen to the highest possible standard.

Part four

Millennials looking for directness and passion, not radicalism

The outcomes of the US presidential election, the UK's Brexit vote, and Italy's recent referendum have led many to conclude that new kinds of political and leadership styles are emerging. Some commentators have even hypothesized that we live in a "post-fact" world and that 2016 saw the emergence of popular support for a new style of leadership—one that rejects the globalization agenda, promotes local self-interests, and offers radical solutions in place of gradual change. Results at Italian, UK, and US polling stations suggest this may be the case within the wider population comprising people of all generations, from the economically active to the unemployed or retired. However, within the specific group of millennials covered by this study and interviewed in countries across the globe, most seem reluctant to embrace this "new agenda."

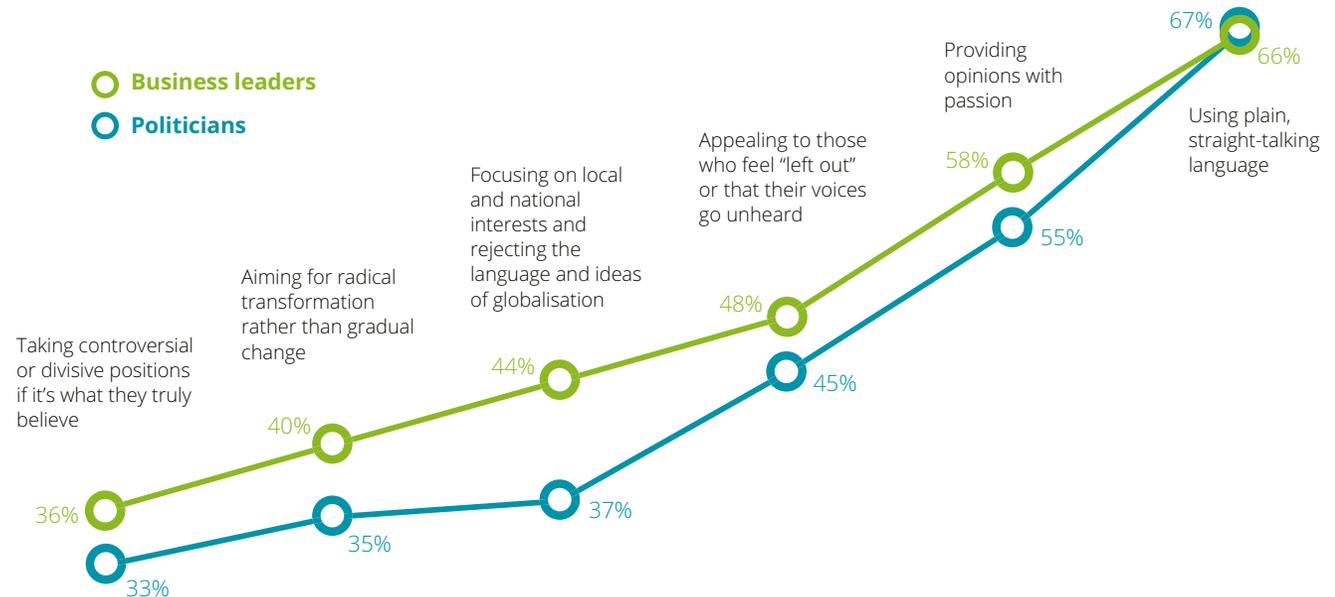
The millennials in this survey are all employed full-time and, in general, are engaged by organizations with large workforces. So, our respondents represent

a specific, but influential, section of the population. The ways in which these surveyed millennials like to see issues presented is similar when evaluating both politicians and business leaders. They are comfortable with plain, straight-talking language from either group. They are similarly accepting of people providing

opinions with passion and, by and large, those seeking to appeal to anyone who might feel "left out" or isolated. However, there is a general rejection—by millennials at least—of leaders who take controversial or divisive positions or aim for radical transformation (rather than gradual change).

Figure 12. Millennials appreciate plain talking and passion, but reject controversial positions or radical transformation

Percent who would approve political and business leaders thinking and speaking in the following ways



Q12a: In general do you approve or disapprove of political leaders thinking and speaking in the following ways?

Q12b: Businesses could, if they choose, take a similar approach. Would you approve or disapprove if business leaders started to think and speak in the following ways?

This varies by geography. Taking controversial positions is supported by a slim majority (51 percent) of surveyed millennials in the US. There is also *relatively* high support in the UK (48 percent) and France (46 percent), and across mature markets as a whole (36 percent), there is more acceptance of politicians who take controversial positions than there is in emerging economies (29 percent). The two groups of countries show a similar level of acceptance of business leaders taking such positions (37 percent versus 36 percent). Emerging markets are slightly more accepting of leaders who aim for radical transformation, but this approach is not supported by a majority. Irrespective of geography, it is clear—millennials appreciate straight-talking language and passion.

These findings echo our 2016 survey in which we investigated the impact of different management styles. That survey suggested that organizations taking an inclusive approach, rather than an authoritarian/ rules-based approach, are less likely to lose people. It also indicated employee satisfaction was high in 76 percent of organizations taking a “liberal/relaxed” approach to management; only in 49 percent of the more controlling, rules-based organizations were satisfaction levels considered to be high.

There are other findings in the current survey to suggest that millennials appreciate working in a collaborative and consensual environment rather than one that directly links accountability and responsibility to seniority (or pay). Although two-thirds (64 percent)

would like their senior leadership to take on higher levels of accountability, the majority also believes that people should either take collective responsibility (16 percent) or—irrespective of their positions or salaries—as much personal responsibility as possible (47 percent). Interestingly, only in Russia do a majority of millennials (65 percent) believe that level of responsibility should be directly linked to level of seniority or pay. The rejection of this view is strongest in Australia, South Korea, the UK, and Italy.

Part five

Stability, flexibility, and automation

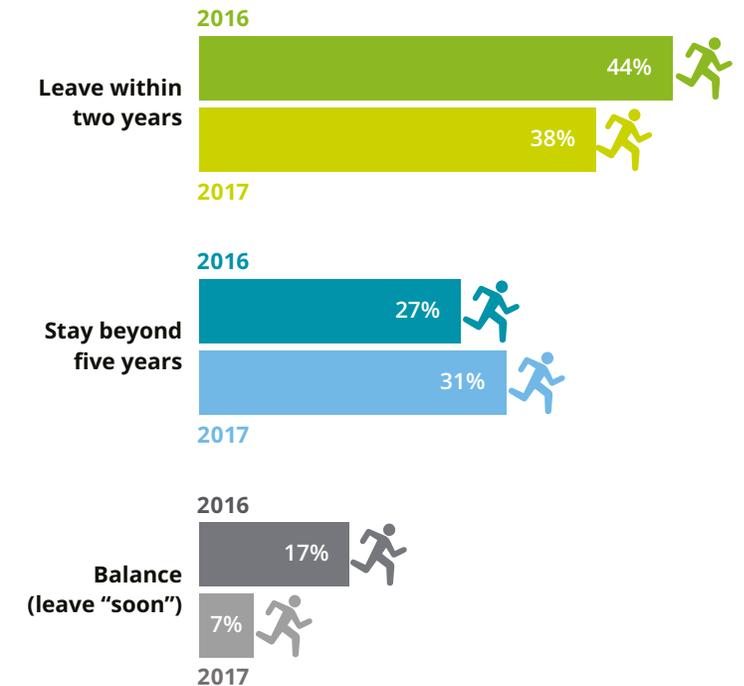
Increasing loyalty and a desire for certainty

We discussed earlier how millennials are concerned with a large range of global issues and, particularly in mature economies, have a generally pessimistic outlook regarding economic and social progress. Our data suggests these uncertain times might be driving a desire among millennials for greater stability. The 2016 Millennial Survey implied that young professionals lacked loyalty, as many anticipated leaving their employers in the next two to five years. After 12 months of political and social upheaval, especially in developed markets, those ambitions have been tempered.

Last year, 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. This year, the balance of millennials looking to leave “soon” is only seven points. The suggestion that millennials are showing signs of greater loyalty is far stronger in certain markets, with the balance looking to leave “soon” falling from 32 points to 12 points in the UK; from 18 points to 5 points in France; and, from 7 points to -3 points⁷ in the US. In fact, millennials in the US are now more likely to say they will stay beyond five years than to leave within two. While these results signal better news for employers, the 38 percent of millennials globally who would leave their jobs within two years, if given the choice, is still high.

Figure 13. Twelve months later, millennials are a little more loyal (or perhaps less confident)

Percent of millennials who expect to...

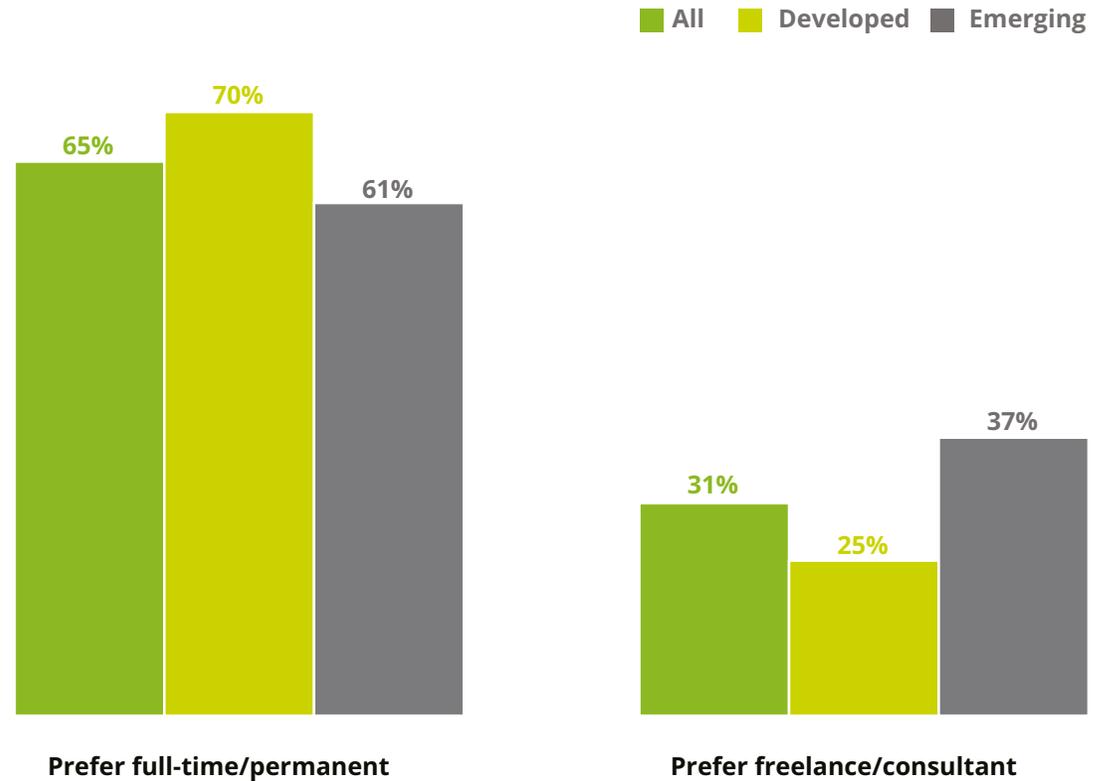


Q4: If you had a choice how long would you stay with your current employer before leaving to join a new organization or do something different?

⁷The negative balance of -3 means, in effect, that the proportion of US millennials intending to leave within two years (32%) is below the proportion intending to remain beyond five (35%)

We have reported how millennials seem especially concerned about issues that directly impact the individual or which create an atmosphere of threat and uncertainty. This anxiety might be why most would currently prefer a permanent, full-time job rather than working freelance or as a consultant on a flexible or short-term basis. Irrespective of perceived across-the-board advantages⁸ of working as freelancers or consultants, nearly two-thirds of millennials prefer full-time employment. This preference accounts for six in 10 (61 percent) within emerging markets and seven in 10 (70 percent) in mature economies. The reasons most often given for preferring a permanent role are that it offers “job security” and “a fixed income.”

Figure 14. Millennials looking for stability in an uncertain world (especially in mature economies)
Percent of millennials who would...



Q35. If you had a choice and assuming that each would earn you a similar amount of money, which of the two 'options' would you prefer?

⁸By a factor of at least five to one, millennials believe that when compared to 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.

Flexible working practices, loyalty, and the foundation of trust

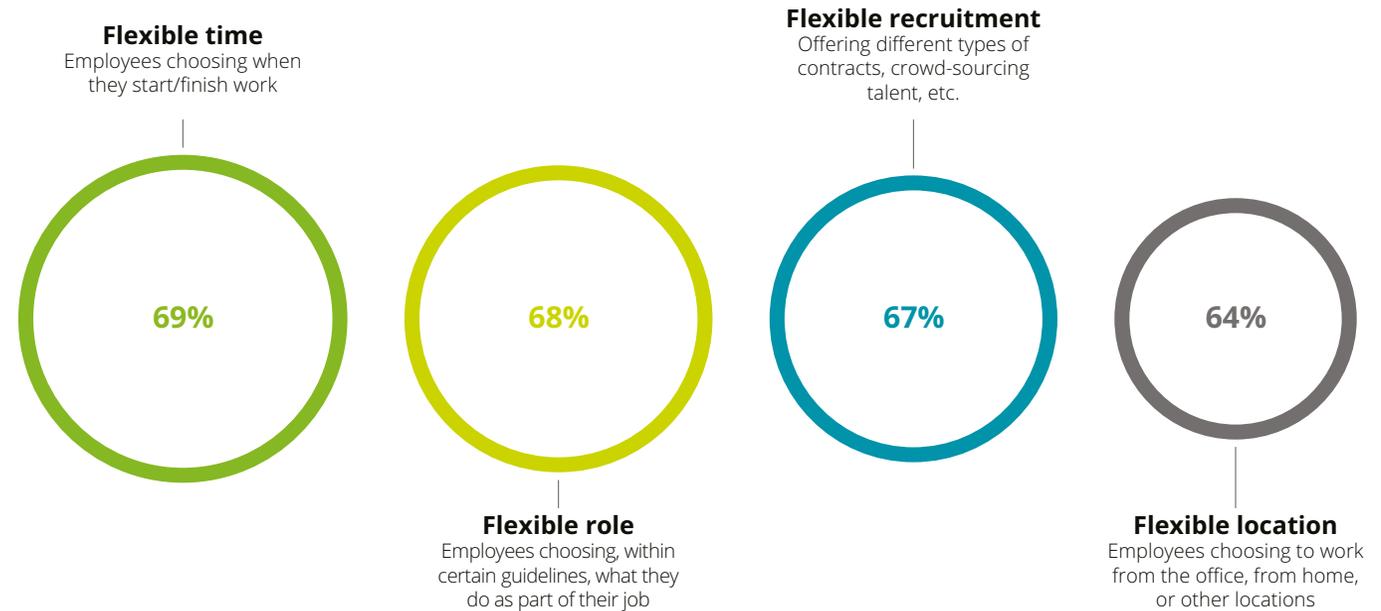
Within the workplace itself, flexible working continues to be a feature of most millennials' working lives and is linked to improved organizational performance, personal benefit, and loyalty. This year, we also observed the solid foundation of trust that enables organizations to increasingly offer and operate flexible working arrangements.

Compared to our 2016 survey (67 percent), the proportion able, within certain limits, to start and finish work at times they choose is largely unchanged. However, we see a significant expansion in the numbers able to work from locations other than their employer's primary site. The current figure of 64 percent 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.

Overall, 84 percent of millennials report some degree of flexible working in their organizations. Meanwhile, taking these four arrangements together, 39 percent of millennials say they work in organizations

that offer a highly flexible working environment, compared to about three in 10 whose workplaces feature moderate (31 percent) or relatively low levels (27 percent) of flexibility.

Figure 15. Globally, two-thirds of millennials say their employers have adopted flexible arrangements.



Q26. Many organizations are adopting 'agile' or 'flexible' working practices. This covers when, where and how their people work. To what extent has your own employer adopted the following working practices?

Such arrangements are not simply nice to have, but are strongly linked to improved performance and employee retention. For example, those in organizations that offer a high degree of flexibility in working arrangements seem to reward their employers with higher levels of loyalty. In highly flexible working environments, the difference between those who see themselves leaving within two years (35 percent) is just two points above those anticipating to stay beyond five years (33 percent)— among those in the least-flexible organizations, there is an 18 point gap (45 percent versus 27 percent). The difference is significant.

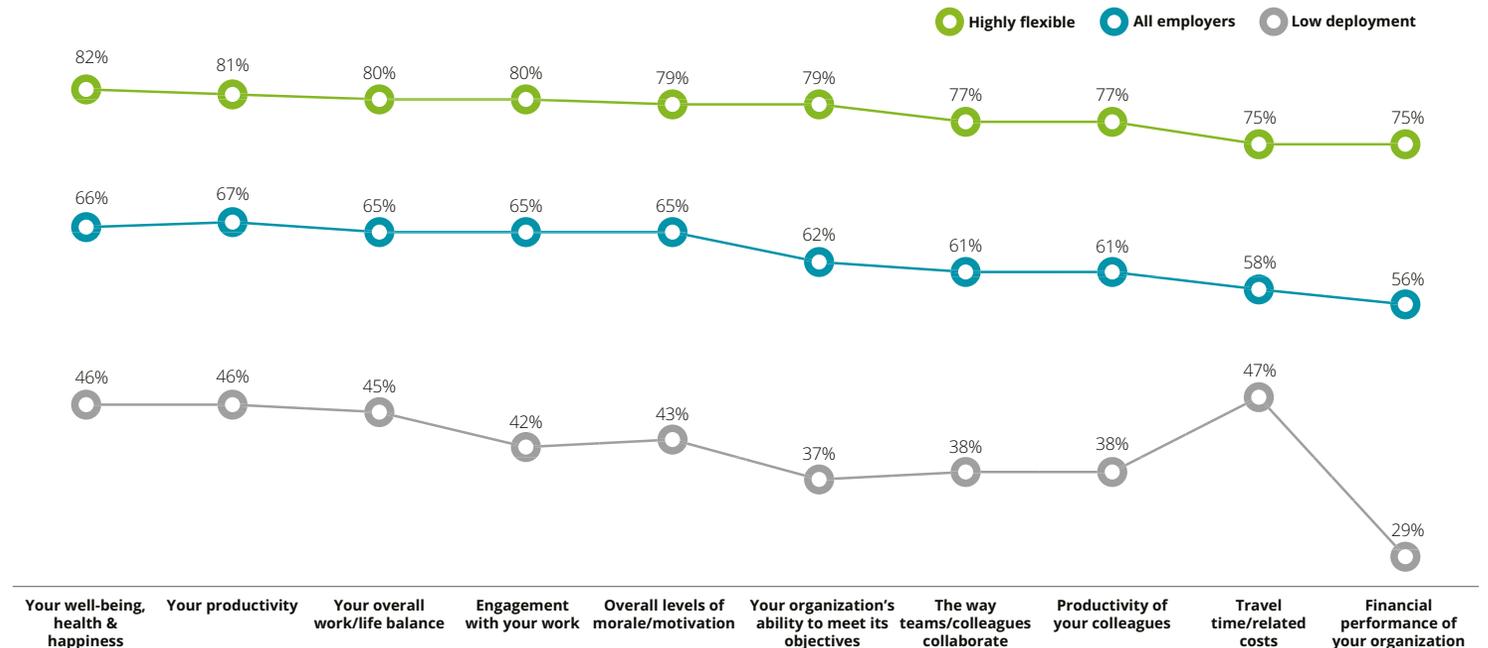
Such flexibility is regarded by millennials as having a positive influence on each aspect of work we enquired about. In particular, they say that flexible working arrangements support greater productivity and employee engagement while enhancing their personal well-being, health, and happiness. Compared to those in “low-flexibility” environments, those employed

where flexible working is highly embedded are twice as likely to say it has a positive impact on organizational performance and personal well-being. As shown in Figure 16, those in highly flexible workplaces are two-and-a-half times more likely than those in more

restrictive organizations to say that flexible working practices have a positive impact on financial performance. This, if nothing else, should encourage businesses to further explore what might follow from having more flexible approaches to working arrangements.

Figure 16. The greater deployment of flexible working, the bigger the impact

Percent very/fairly positive impact of flexible working based on extent of flexible working provision



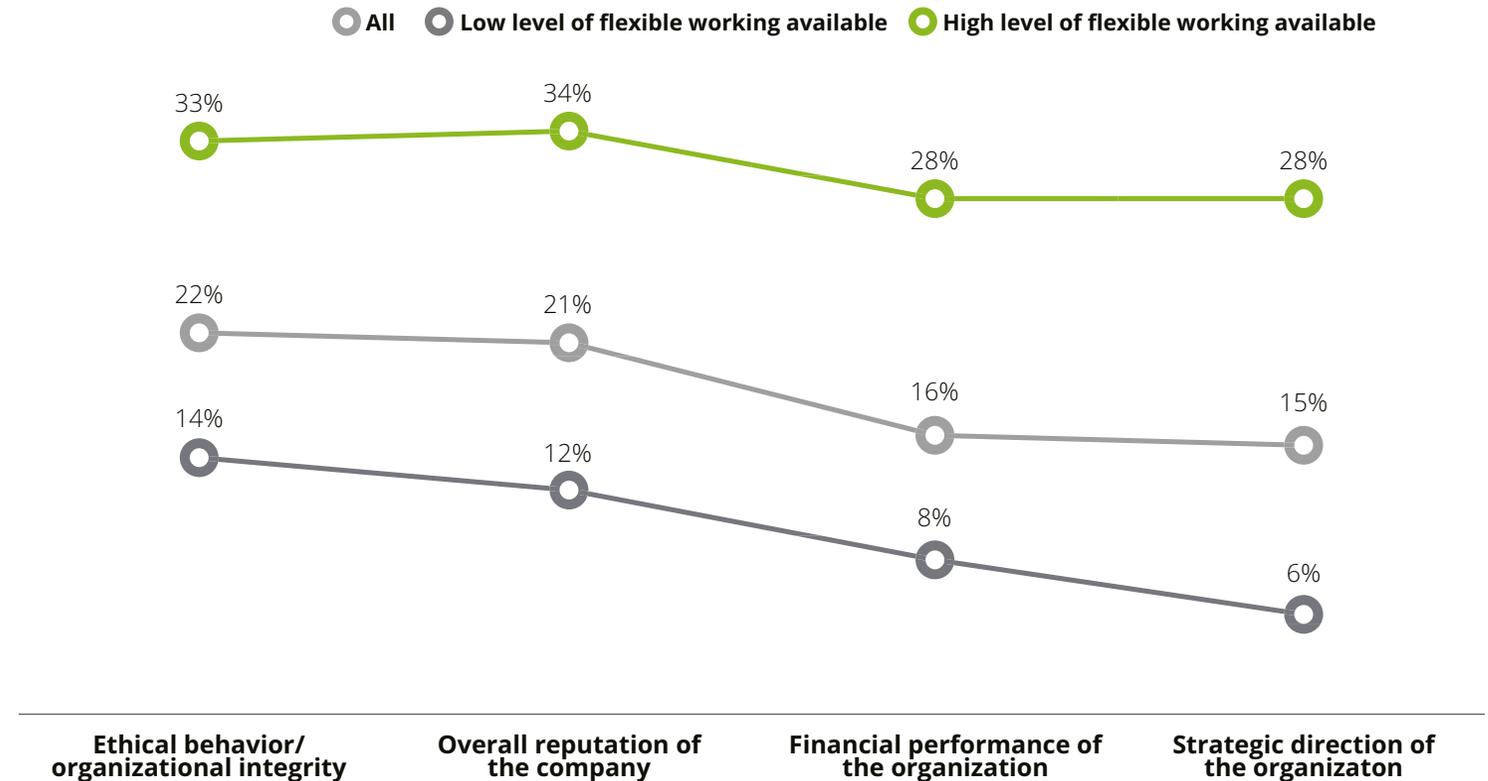
Q27. What has been the impact of your organisation adopting flexible working practices?

Accountability and flexibility are highly correlated; those working in the more flexible environments report higher levels of personal responsibility. For example, where flexible working is most deeply entrenched, 34 percent take “a great deal” of personal accountability for their organizations’ reputations. This compares to just 12 percent within enterprises where there is low flexibility.

As organizations have adopted flexible working, any early misgivings that the opportunity would be abused or that productivity might suffer appear to have been unfounded. There is clearly potential for employees to feel colleagues are taking advantage of flexible working opportunities, or for line managers to be suspicious of those who regularly work from home or vary the start and finish of their working day. However, the potential for a distrustful atmosphere is largely unrealized with three-quarters (73 percent) of those offered flexible working opportunities saying they trust colleagues to respect it. An even

Figure 17. Accountability and flexibility are highly correlated

Percent who “take a great deal” of accountability over the following:



Q24. How much accountability do you take for the following? By accountability we mean the level of personal responsibility you feel you have for ensuring they happen to the highest possible standard.

higher proportion (78 percent) feel trusted by their line managers. Perhaps as one would expect, where flexible working is most embedded, the levels of trust are greatest with only one in 10 suspicious of colleagues or believing that their line managers doubt them.

Millennials appear to want the best of both worlds—freelance flexibility with full-time stability. Employers are increasingly offering flexible working arrangements while respondents believe such flexibility improves things for everybody. It also encourages greater levels of accountability—which they want—and their proven ability to assume accountability is leading to greater opportunities.

Figure 18. Levels of trust increase as flexible working becomes more embedded

Percent of millennials who...



Q28. How trusting are you that colleagues respect the organisation's 'flexible working' practices and do not abuse them, e.g. by working shorter hours, spending time on activities unrelated to their role?
Q29. How trusting do you think your line manager is that you respect the organization's 'flexible working' practices and do not abuse them?

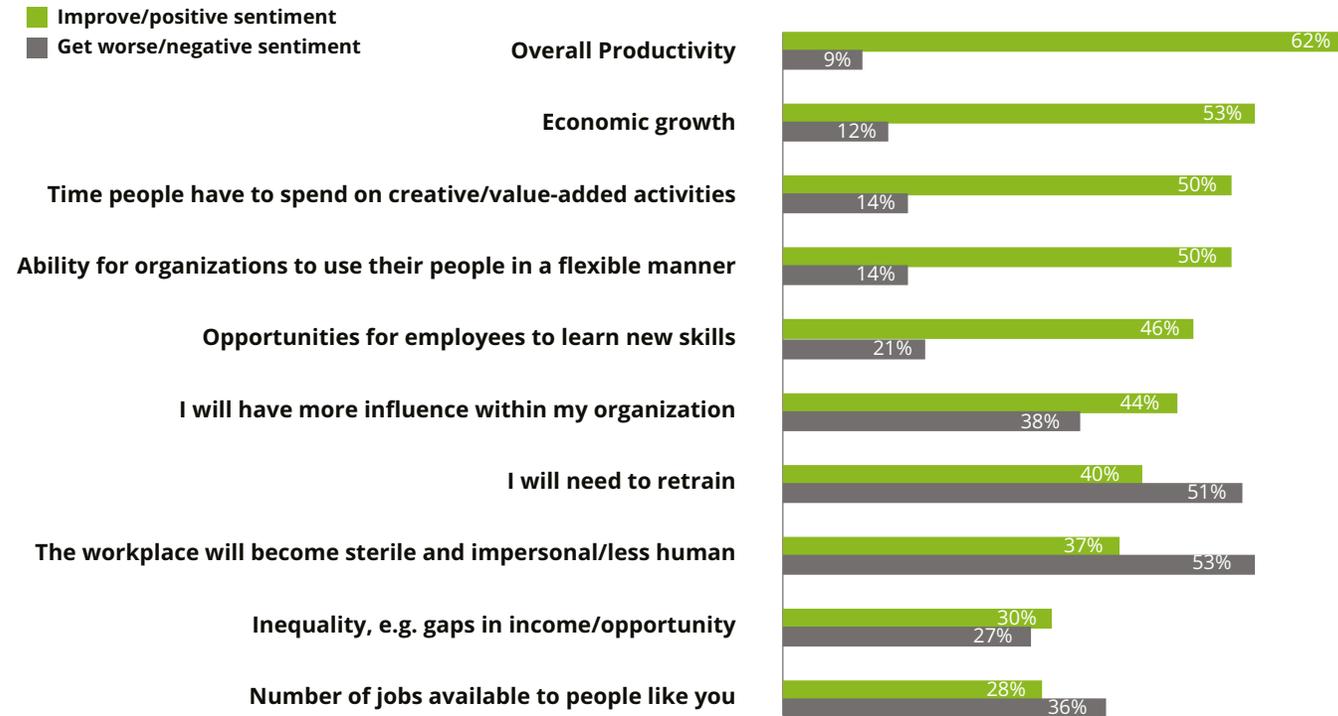
Automation: Threats and opportunities

While the use of flexible working practices has accelerated over the past 10 years or so, it is **automation** that likely will bring the next big change in working practices.⁹ Our survey shows how millennials recognize the obvious potential benefits of automation in terms of productivity and economic growth; they also see it providing opportunities for value-added or creative activities, or the learning of new skills. In many respects, therefore, automation could be regarded as a route via which, if they adapt accordingly, millennials (and other employees) can increase their influence within organizations rather than see it diminished.

Of course, though, there are potential downsides: 40 percent see automation 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 (51 percent); and 53 percent see the workplace becoming more impersonal and less human. This may be a

factor in some respondents' pessimism over general economic conditions or future prospects.

Figure 19. Automation expected to drive growth and provide opportunity (at the possible expense of a sterile workplace)



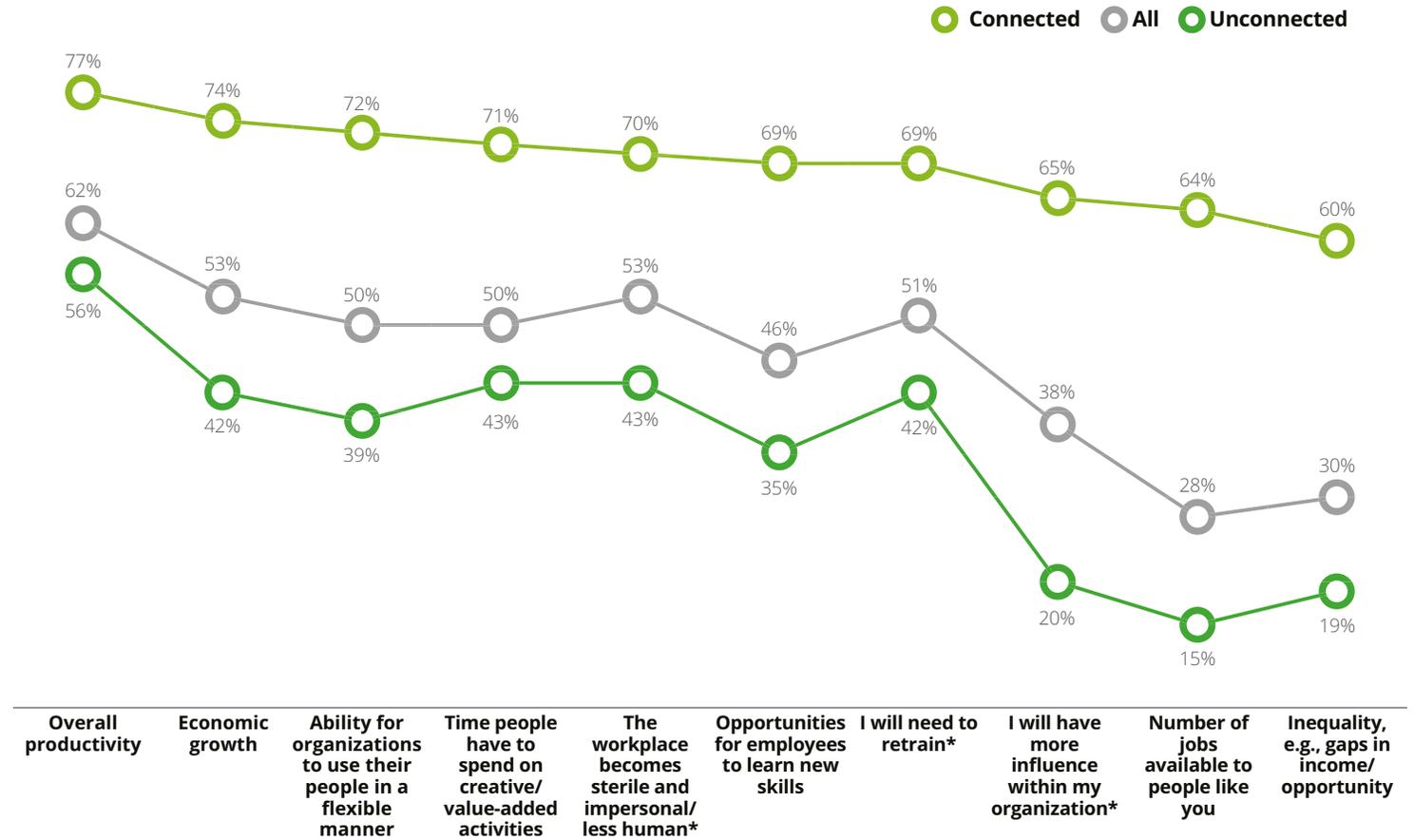
Q32. Thinking about the future of the workplace (not just your organization but in general) what impact do you think automation/ robotics/artificial intelligence will have on the following?
Q33. What might be the impact of increasing automation/robotics/artificial intelligence in the workplace? Do you think the following will or will not apply to you?

⁹ According to OECD, a large share of jobs have low risk of complete automation, but an important share (between 50 and 70 percent) of automatable task. These jobs will not be substituted entirely, but a large share of tasks may, radically transforming how these jobs are carried out. These jobs will be significantly retooled and workers will need to adapt. For more information see: OECD (2016), Automation and Independent Work in a Digital Economy. <http://www.oecd.org/employment/Automation-and-independent-work-in-a-digital-economy-2016.pdf>

Those who currently make the greatest use of social media especially recognize the potential for workplace automation to support more creative and expanded roles for millennials. Looking at our “super-connected” millennials, we also see how those who are most willing to engage with new technology have a more positive outlook. Within this group, only 15 percent believe automation will reduce the number of jobs available to people like them; 64 percent think there will actually be more jobs available. In contrast, those making relatively little use of digital communication/social media are three times more likely to predict a reduction (45 percent) rather than an increase (15 percent) in jobs.

Figure 20. "Super-connected" millennials see huge potential in automation

Percent positive sentiment/agreeing*



*those agreeing with the statement, rather than expecting an increase

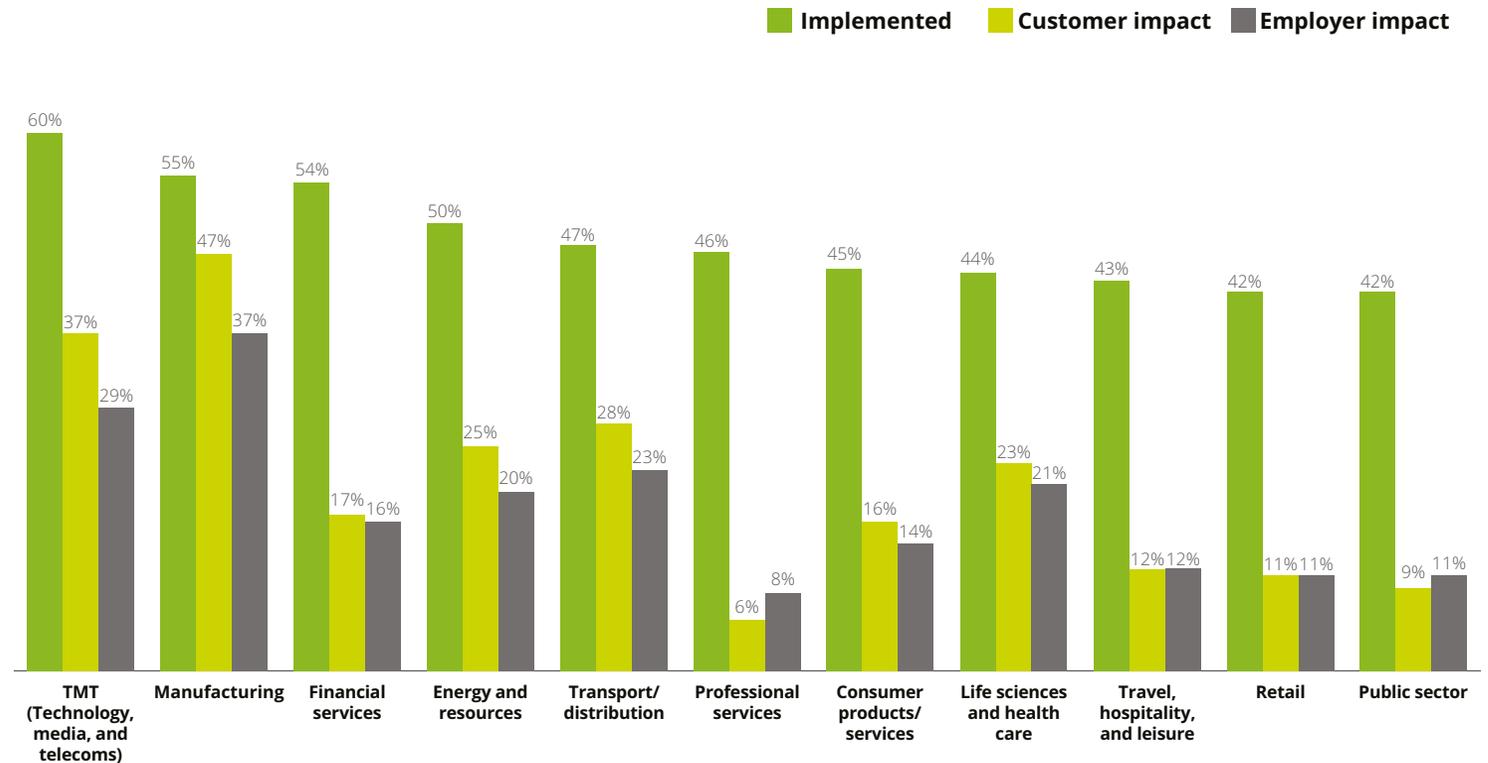
Q32. Thinking about the future of the workplace (not just your organization but in general) what impact do you think automation/ robotics/artificial intelligence will have on the following?
 Q33. What might be the impact of increasing automation/robotics/artificial intelligence in the workplace? Do you think the following will or will not apply to you?

Automation might be expected to have different varying impact depending on the sector or size of business in which it is deployed; to some extent, we see this in the data. Within technology, media, and telecommunications (60 percent); manufacturing (55 percent); financial services (54 percent); and energy and resources (50 percent), at least half of survey respondents say their employers have done a “great deal or a fair amount” to reduce human involvement in certain tasks by using automation/robotics/artificial intelligence. The average across all sectors is 48 percent and, perhaps naturally, is greater among large organizations (1,000+ employees) than small ones (fewer than 100 employees), 51 percent to 42 percent.

Manufacturing (47 percent); technology, media, and telecommunications (37 percent); transportation (28 percent); energy and resources (25 percent); and life sciences (23 percent) are most often cited as having made the best use of automation/robotics to benefit customers. In each sector,

though, respondents are less likely to say this has had a positive impact on employees.

Figure 21. Automation: Adopted more widely and with more impact in TMT and manufacturing; relatively little impact in financial and professional services

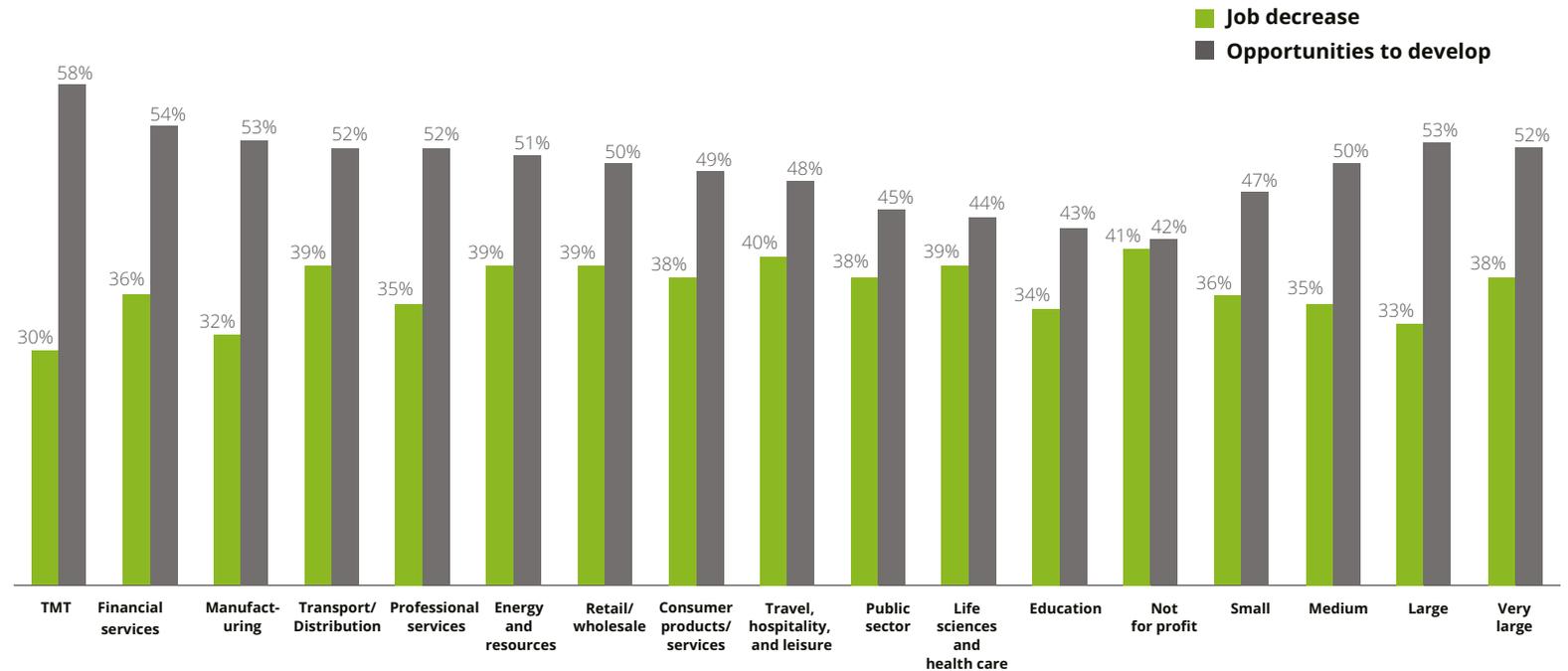


Q31. There is growing trend of using automation/robotics/artificial intelligence in businesses. By this we mean the use of newly developed control systems to operate equipment or to undertake processes with a minimal or reduced level of human involvement. Examples include: machine learning, automated ordering kiosks, natural-language processing, automated inspection technology, on-board sensors and GPS data etc. To what extent has your own organization started to use automation/robotics/artificial intelligence so as to reduce human involvement in certain tasks? And to what extent do you think your organization might use automation/robotics/artificial intelligence in the future?

Q34. To date, which sectors do you think have made the best use of automation / robotics

Any negative impact on job availability is thought to be greater among those working in life sciences, not-for-profit organizations, and/or the broad area of distribution, retail and, travel. The threat to jobs is thought to be less acute among those in technology, media, and telecommunications; manufacturing; financial services; energy and resources; and education. These latter sectors have already adopted automation to a large degree and are more comfortable with it, perhaps because the early adoption of technology and new process has taken place throughout their existence. As regards the size of business, it is only those working in medium-to-large organizations (250-999 employees) that expect automation to have little impact on job availability. It is, perhaps, to be expected that while there is not a strong correlation, opportunities for personal development as a result of automation are predicted to be higher in those sectors where any negative impact on job numbers is expected to be lowest.

Figure 22. Automation: Perceived opportunities for personal development higher in sectors expecting less impact on job availability



Q32. Thinking about the future of the workplace (not just your organisation but in general) what impact do you think automation / robotics / artificial intelligence will have on the following? - Number of jobs available to people like you
 Q33. What might be the impact of increasing automation / robotics / artificial intelligence in the workplace? I will be freed-up to develop my skills and take on more responsibilities

Part six

Looking to the future, Generation Z

When we started this series in 2011, millennials were the “new generation” in the workplace and we wondered what their impact might be. By now, either through our day-to-day experience of working side-by-side with millennials, or through research such as this, we have a pretty good idea. It is the next wave of employees—Generation Z (GenZ), or as some have called them, “centennials,”—that is starting to attract attention. Only time will tell what their impact will be, but we thought it interesting to get millennials’ views of those about to join them in the workplace.

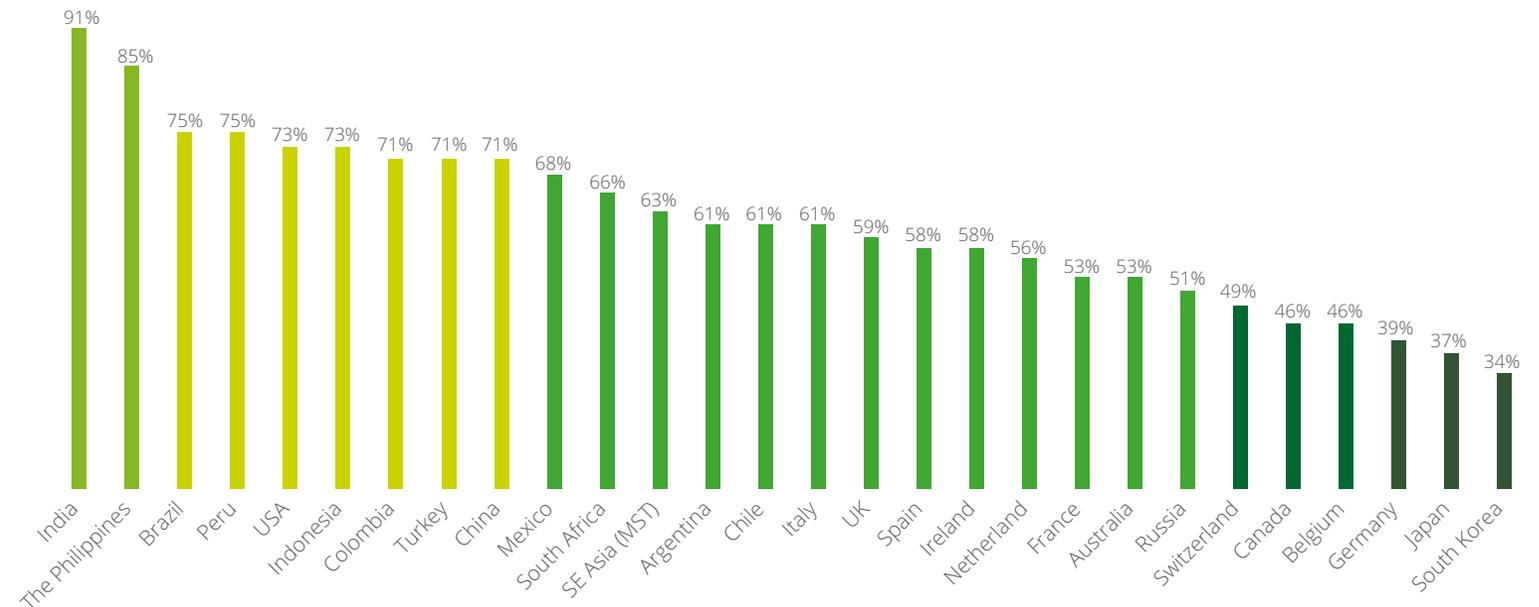
Millennials tend to have a broadly positive opinion of GenZ (those currently aged 18 or younger). Maybe because of perceptions that they have strong information technology skills and the ability to think creatively, six in 10 (61 percent) millennials believe GenZ will have a positive impact as their presence in the workplace expands. This increases to 67 percent

among millennials in senior positions and is higher in emerging markets (70 percent) than in mature markets

(52 percent). As detailed in Figure 23, in only six markets does a minority expect GenZ to have a positive impact.

Figure 23. Millennials have a broadly positive opinion of GenZ

Percent thinking those aged 18 or younger will have a positive impact in workplace



Q38. Thinking of those aged 18 or younger, as this generation increases its presence in the workplace what do you think their overall impact will be..?

However, while millennials see great potential within GenZ, they also believe these younger employees will need a lot of support when they enter the workforce.

The fact that they broadly view GenZ in a positive light would suggest that millennials might be willing to offer support and provide this as a perception rather than a criticism. Indeed, millennials have many useful tips to pass on to their future colleagues. When asked what guidance they would give the next generation—based on their own early career experiences—the main areas of advice were:

Learn as much as possible: Begin your career open-minded and be ready to learn from others.

Work hard: Do your best and do not be lazy.

Be patient: Take your time when entering the workforce and go step-by-step.

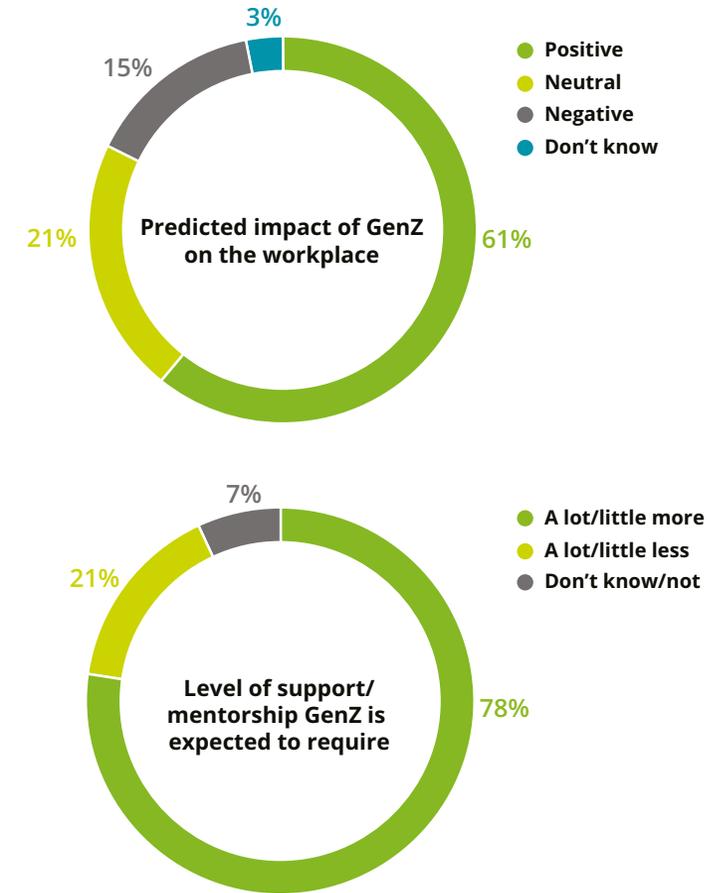
Be dedicated: Be committed to succeeding and persevering.

Be flexible: Be open and adaptable to change and try new things.

The advice millennials have for GenZ varies by country. Those in China, for example, encourage GenZ to be “humble;” in South America, it is more typical to advise them to “be ready to learn;” and in the US and Canada, the message is to “work hard.”

Millennials believe GenZ will especially need to develop softer skills, rather than technical or specific knowledge, to meet their expectations. Further, millennials don't think GenZ's primary strengths align well with the skills or attributes considered most valuable in driving long-term business success. Millennials in senior positions (those increasingly involved in decisions over strategy and direction) consider GenZ to be underprepared as regards professionalism and personal traits such as patience, maturity, and integrity. This is something that comes from experience, though, and can be learned—especially, as we saw in the 2016 report, when a mentoring program is put in place.

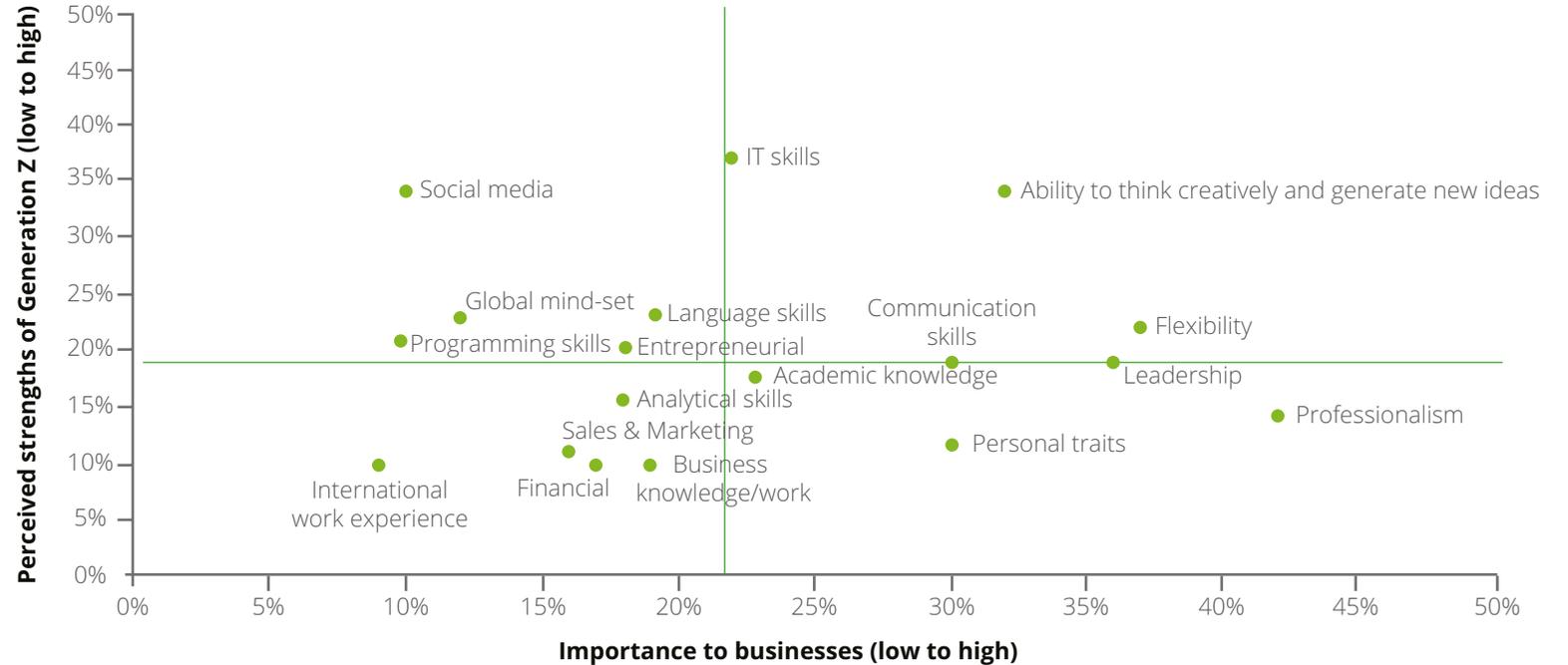
Figure 24. GenZ expected to have a positive impact... but may need more support than millennials required



Q38. Thinking of those aged 18 or younger, as this generation increases its presence in the workplace what do you think their overall impact will be..?
Q41. Compared to your own 'generation' of employees, how much close support and mentorship do you think the new generation will require as they enter the workforce?

Perhaps surprisingly, millennials in senior positions rate information technology and social media skills as being of relatively low importance—especially when compared to attributes such as communication, flexibility, leadership, and the ability to think creatively and to generate new ideas. Encouragingly, this last trait is one of the things that GenZ is thought to have in relatively strong supply. Taken together with millennials’ generally positive assessment of the next generation, this provides a reason for optimism.

Figure 25. GenZ well placed to meet demand for creative thinking, say senior millennials

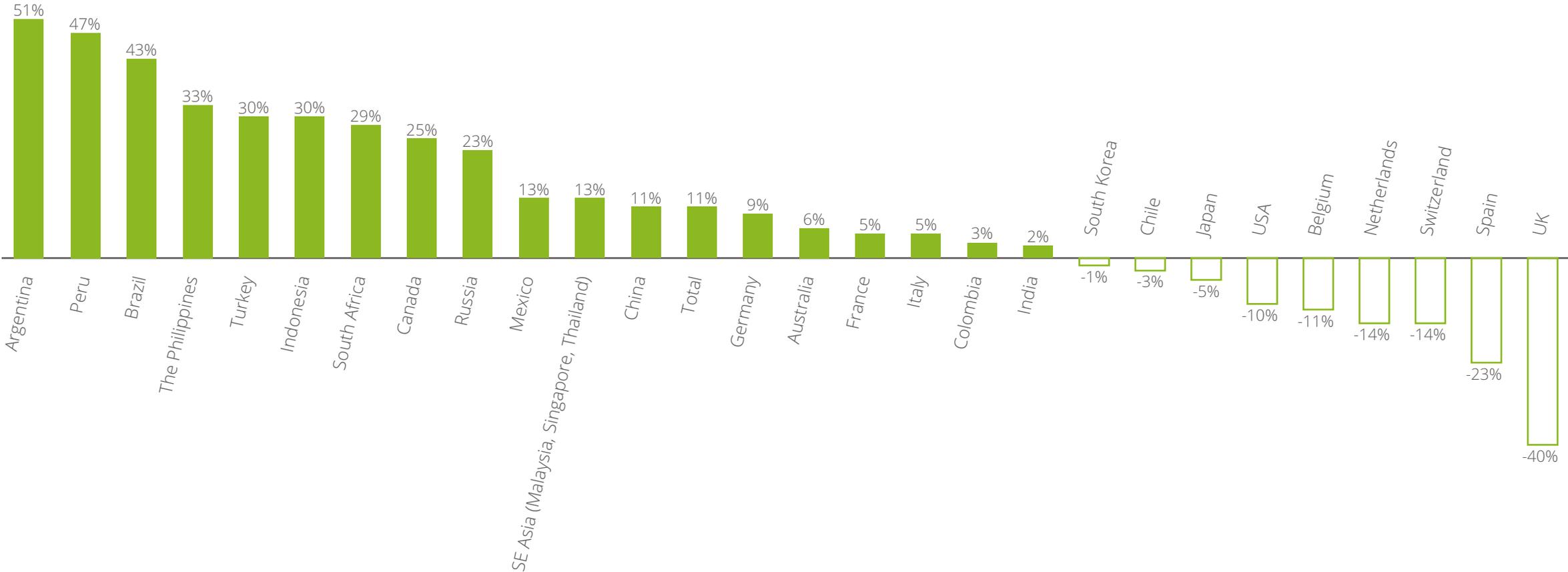


Q30. In today's world what do you think businesses should concentrate on when hiring employees? To ensure their long-term success what skills or attributes should they be looking to bring into their business?
 Q39. What are the strongest skills or attributes that you believe the 'next generation' (those currently aged under 18) will bring to the workplace?

Appendix

Economic confidence: Levels of optimism

Percent change in economic optimism index (2017 vs. 2016)



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