

Deloitte finds millennials' confidence in business takes a sharp turn; they feel unprepared for Industry 4.0



- Millennials and Gen Z show less loyalty to and less confidence in business.
- Distrustful of companies' motivation and ethics, respondents call for business leaders to positively impact the broader world.
- As loyalty levels retreat, diversity and flexibility are keys to retention as gig economy expands.
- Millennials and Gen Z feel unprepared for Industry 4.0 changes—want business to help them develop skills needed to succeed.

Following a year marked by significant geopolitical and social change, millennials and Gen Z are sounding the alarm for businesses to step up their efforts to make a positive impact on the broader world, according to Deloitte's seventh annual Millennial Survey. Although some leaders are starting to tackle social issues, millennials have become more skeptical overall of business' motivation and ethics. The findings were revealed through a survey of 10,455 millennials across 36 countries. Nearly 1,850 Gen Z respondents across six countries who are just entering the workforce were also surveyed about their views on business.

Deloitte's past two surveys suggested millennials felt increasingly more positive about business' motivation and ethics. However, in 2018, there was a dramatic reversal as opinions of business reached their lowest level in four years. Today, less than half of millennials believe businesses behave ethically (48 percent vs 65 percent in 2017) and that business leaders are committed to helping improve society (47 percent vs 62 percent).

As highlighted over the past six years, millennials—and now Gen Z—are acutely attuned to business' wider role in society, and overwhelmingly feel that business success should be measured beyond financial performance. They believe business' priorities should be job creation, innovation, enhancing employees' lives and careers, and making a positive impact on society and the environment. However, when asked what their organizations focus on, they cited generating profit, driving efficiencies, and producing or selling goods and services—the three areas they felt should have the least focus. They recognize businesses must make a profit to achieve the priorities millennials desire, but believe businesses should set out to achieve a broader balance of objectives along with financial performance.

“The results of this year's survey indicate that the rapid social, technological and geopolitical changes of the past year have had an impact on millennials' and Gen Z's views of business, and it should be a wake-up call to leaders everywhere,” says Punit Renjen, Deloitte Global CEO. “These cohorts feel business leaders have placed too high a premium on their companies' agendas without considering their contributions to society at large. Businesses need to identify ways in which they can positively impact the communities they work in and focus on issues like diversity, inclusion and flexibility if they want to earn the trust and loyalty of millennial and Gen Z workers.”

Trust gap provides opportunity for business leaders

While millennials' view of business has declined sharply, their trust in political leaders is even lower.

When asked whether certain groups—including leaders of NGOs/nonprofits, business leaders, religious leaders and political leaders—were having a positive or negative impact on the world, only 19 percent of millennials believe politicians are having a positive impact (compared to 71 percent negative).

By comparison, 44 percent of millennials believe business leaders are making a positive impact, and they still have some faith in business' ability to enact meaningful change in society. Three quarters of millennials believe multinational corporations have the potential to help solve society's economic, environmental and social challenges. These findings suggest millennials believe business has an imperative to become involved in improving society beyond creating jobs and generating profit.

Loyalty levels recede; diversity/inclusion, flexibility keys to retention

Loyalty levels have retreated to where they were two years ago. Among millennials, 43 percent envision leaving their jobs within two years, and only 28 percent are looking to stay beyond five years. This represents a 15-point gap, up seven percentage points from the year prior. Among millennials who would willingly leave their employers within the next two years, 62 percent regard the gig economy as a viable alternative to full-time employment. Loyalty is even lower among the emerging Gen Z employees, with 61 percent saying they would leave their current jobs within two years if given the choice.

So, how can business hold onto them? Both millennials and Gen Z place a premium on factors such as tolerance and inclusivity, respect and different ways of thinking. While pay and culture attract this cohort to employers, diversity, inclusion and flexibility are the keys to keeping millennials and Gen Z happy. Those working for employers perceived to have diverse workforces and senior management teams are more likely to want to stay five or more years. And among millennial and Gen Z respondents who said they intend to stay with their current employers for at least five years, 55 percent note greater flexibility in where and when they work now compared to three years ago.

Industry 4.0 leaves millennials, Gen Z feeling unprepared

Millennials and Gen Z are highly aware of how Industry 4.0 is shaping the workplace and feel it has the potential to free people from routine activities to focus on more creative work. However, many are uneasy about its arrival. Seventeen percent of all surveyed millennials, and 32 percent of those whose organizations already use Industry 4.0 technologies extensively, fear part or all of their jobs will be replaced. Also, fewer than four in 10 millennials and three in 10 Gen Z workers feel they have the skills they'll need to succeed, and they're looking to business to help ready them to succeed in this new era.

Respondents are looking for guidance that's far broader than technical knowledge. Young professionals are especially seeking help building softer skills like confidence, interpersonal skills and—particularly for Gen Z—ethics/integrity aptitude. In their view, though, businesses are not being responsive to their developmental needs. Just 36 percent of millennials and 42 percent of Gen Z respondents reported their employers were helping them understand and prepare for the changes associated with Industry 4.0.

"The fluctuating loyalty levels showcase a unique opportunity for businesses to double-down on attracting and retaining talent," explains Michele Parmelee, Deloitte Global talent leader. "Businesses need to listen to what millennials are telling us and reimagine how business approaches talent management in Industry 4.0, placing a renewed focus on learning and development to help all people grow in their careers throughout their lifetimes."

About the Survey

The 2018 report is based on the views of 10,455 millennials questioned across 36 countries.

Millennials included in the study were born between January 1983 and December 1994 and represent a specific group of this generation—those who have college or university degrees, are employed full time, and work predominantly in large, private-sector organizations. Millennials are increasingly taking on senior positions in which they can influence how their organizations address society's challenges.

This report also includes responses from 1,844 Gen Z respondents in Australia, Canada, China, India, the United Kingdom and the United States. Gen Z respondents were born between January 1995 and December 1999. All are currently studying for or have obtained a first/higher degree. More than a third are working either full time (16 percent) or part time (21 percent).

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