

COVER STORY

# WILL E M I G R I O S



**The corporate world's golden opportunity for reinvention**





By 2025, millennials will represent an estimated 75 percent of the world's working population. However, the vast majority of these digital natives is not satisfied with the way things are traditionally done in the corporate world. As a result, it's hard for companies to attract millennial talent and, above all, to retain it. The learning curve set out before businesses and institutions of higher education is a steep one. IESE has already started to adapt to millennials: let us hear what they have to say.



**T**he millennial generation, born between 1980 and 2000, are easy to spot on social media, with their incessant Instagramming and tweeting, and even easy to spot on the street, with their heads bent downward staring at screens, but what really marks out this first generation of digital natives is how differently they respond to situations in the workplace. A perfect example might be their attitude to a job that denies employees access to social media – 56 percent of millennials would turn such a job down. In general, their workplace preferences and expectations are very different from those of senior managers in their fifties or sixties.

Since 2015 the number of millennials in the U.S. workforce has exceeded the number of employees from any other generation, and this is now the case worldwide. This means that older and more senior company managers are having to find ways to adjust their leadership styles to take account of new ways of working – ways that are increasingly becoming the norm.

Professor **Guido Stein** has been carrying out research on what today’s companies need to take seriously when it comes to the post Generation X’ers (born between 1965 and 1980). From his research and surveying of 22,000 international executives, participants of IESE Executive

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**Guido Stein**, IESE professor

MBA program and their managers, among others, Prof. **Stein** explains that a shift is taking place in professional aspirations, the priorities people weigh when choosing a job, and the type of leadership expected from managers. So how exactly do you attract, develop and retain this new type of worker?

**IT’S ALL ABOUT THE IMPACT**

● “Amazon constantly strives to challenge the status quo. As a millennial, it’s a corporate culture that is easy to identify with on a personal level,” explains **Tejas Chitnis** (MBA ’17), from India. **Chitnis** did an internship with Amazon after year one of the MBA, and will be working at their European headquarters in Luxembourg in September after he graduates. “The fear of failure is almost non-existent at Amazon because it’s seen as a positive experience to learn from and pivots an idea into a better solution to improve the quality of service for the end customer. In doing so, it’s only natural that the company aims to make an impact towards the improvement of society in general,” he says.

Prof. **Stein** identifies this desire to feel personally in sync with a company’s philosophy as necessary for a healthy and satisfying work relationship between millennials and their employers. “Numerous surveys of millennials show they tend to be more socially conscious and aware than previous generations,” Prof. **Stein** explains. “As such, they look to develop their careers in socially responsible companies that have soul – that don’t act solely on the basis of financial returns, or put profit before human progress,” he states. “If the corporate culture doesn’t live up to its promise, millennials will see through it. They will quickly reconsider their allegiance to any company that isn’t walking the walk.” What millennials do, how they do it and, most importantly, why they do it, matter to them a great deal more than money.

Millennial **Marcela Girón** (MBA ’17), from Mexico, will be joining Credit Suisse after graduation and she firmly agrees, despite the negative connotations she knows are associated with investment banking. “Everyone is



The collaboration between individuals in a work group is highly valued by millennials. During the MBA course, they debate in groups of eight people from a mix of countries.



responsible not only for making money but doing something good with that money. Impact investment doesn't mean that you will not make financial gains but that in addition, you will have a social or environmental impact," she says. At IESE she was one of the volunteer MBA students responsible for organizing the annual Doing Good, Doing Well Conference for sustainable and responsible business practices, one of many initiatives promoted by the school to offer opportunities to the MBAs to be elements of change in society. It's increasingly clear that any company hoping to be a talent magnet for this generation must be in tune with these impact-associated values.

### THE FLATTER THE BETTER

● Millennials have a bad reputation for being brazen towards their superiors. The notion of authority – at least as understood by earlier generations – is foreign to them. Prof. **Stein** explains that this attitude is largely a result of their chronological place in history. They grew up with parents from the so-called 'Generation X,' who did not generally exercise the same kind of authority that they themselves had been subjected to when growing up through post-war times, which were much more austere. The millennial rejection of rigidity, formality, excessive rules, bureaucracy and hierarchy is understandable: they simply aren't used to it.

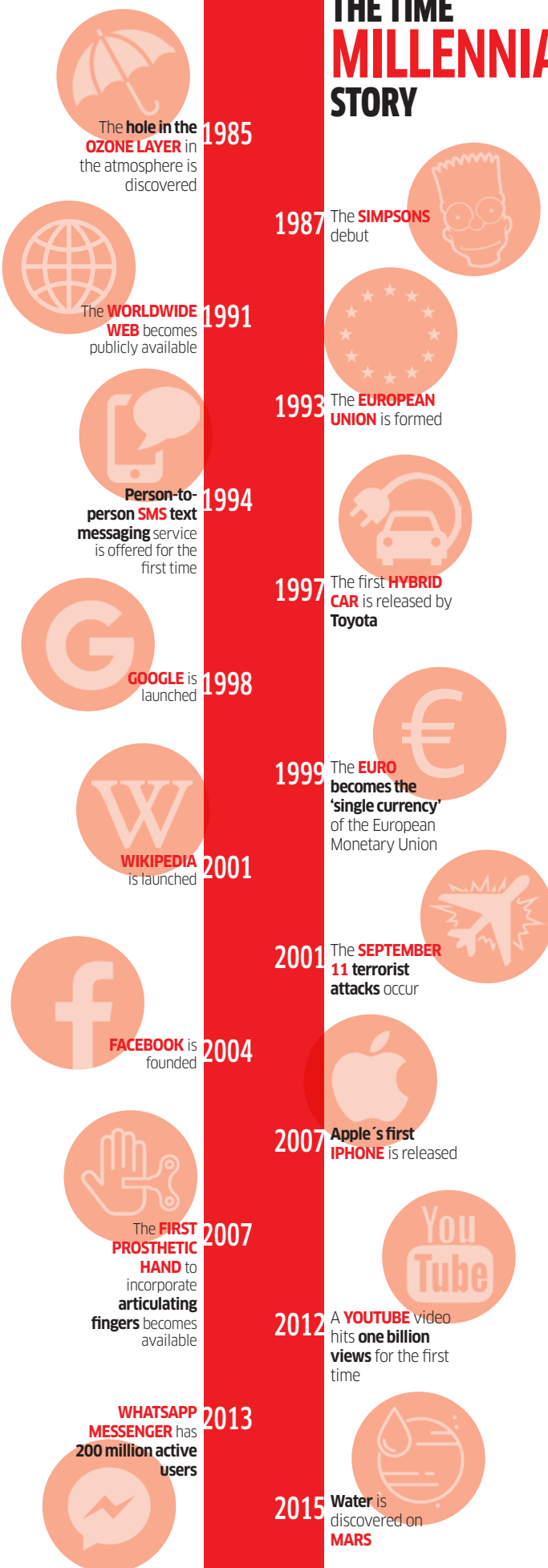
"If I could give one piece of advice to the corporate world, it would be to not be afraid of giving us responsibilities," said **Karen Crisostomo** (MBA '17) of the Philippines. "We'll value the opportunity you give us to do more and take it seriously. And maybe even help improve the ways things are done." She is one of countless millennials who value the opportunity to demonstrate their potential to those higher up. "Something as simple as letting us in on a high-level meeting means a lot to us," she says.

Evidently, breaking down barriers at work for this disruptive generation is more than simply setting up a game room where managers and team members can mingle together informally in open spaces. "Managers should act as facilitators or mentors of a creative process, not as rulers of an army of subordinates," Prof. **Stein** states. One of the executives he interviewed in his study said, "Millennials respond badly to authority if companies have not developed models of collaborative leadership."

This is certainly true for **Girón**. "One of the reasons I most appreciate IESE is that it encourages the collaboration of every individual within our work groups, as well as patience, tolerance and respect. We are encouraged to share different points of view, thoughts, beliefs and knowledge. To be able to survive with the same teammates the entire year, there is a large emphasis placed on feedback," she states. With seven nationalities in her work group, she reflects on how working in this collaborative environment was very satisfying for her and will serve her in the work place. It is about collaboration, but also about delegating responsibility and adopting innovative practices such as



## THE TIME MILLENNIAL STORY





IESE has opened up the curriculum of the MBA, allowing students to co-design their experience, while also ensuring that they gain a solid business foundation. Millennials want to be part of the decision-making process.

idea labs, where multidisciplinary teams engage in iterative concept development, says Prof. **Stein**. And if a company fails to do so, millennials won't hesitate to leave; 71 percent of the members of this generation are likely to leave a company within two years if they believe their leadership skills aren't being fully developed, according to the 2016 Deloitte Millennial Survey. Two out of every three respondents expected to change company by 2020. The main reason cited was a perceived lack of leadership development and feelings of being overlooked.

"The main hardship companies are facing today is retaining millennial talent," says the director of IESE's MBA Career Services **Patrik Wallén**. "Many companies are actually changing the job profile of a position to match the needs of a specific millennial they want to attract and retain," he says. "It's becoming more common."

"The paycheck is certainly important, but it is clearly no longer the number one driving factor by any means at the hour of committing to a company," he says. In his opinion, "today companies need to adapt to this new generation, which is driven by different factors and has a shorter-term horizon."

The thousands of surveyed millennials were in large agreement that companies need to design and communicate realistic career plans, without generating false hopes. Prof. **Stein** notes that as digital natives they are accustomed to constant stimuli and have reduced attention spans, and therefore are easier to retain with the implementation of short-term goals, where rewards are visible. "Ultimately, it's in everyone's interest for managers to offer their young high-potentials training opportunities and varied assignments, so they can interact with

other workers and teams, and develop new skills that add value to the entire organization," Prof. **Stein** explains. "I realized I wanted to do an MBA when my job stopped challenging me," **Girón** states. "I knew that to continue to grow professionally and personally, I had to get out of my comfort zone," she adds. Her statements are reflective of the fact that one in three millennials are most attracted by the potential for career development a job offers them.

Such development may easily include a multinational experience, which can be really useful to global companies. "The predisposition of millennials to travel and enjoy spending time abroad means that the value of an international experience should be not such a hard sell," according to Prof. **José R. Pin**. Moreover, "being the generation that has grown up with the Internet and social media, millennials are able to build social ties and personal networks across borders more easily," he adds.

During IESE's MBA, students are exposed to a cross-cultural environment, and overseas modules provide field experience on how to do business all over the world, from Nairobi to Sao Paulo, from Shanghai to New York. **Girón's** module in Kenya had a deep impact on her and she "was impressed by the amazing connection IESE has with Strathmore University, giving me the opportunity to interact and network with students there, and learn from each other."

#### KEEPING UP WITH THE MILLENNIALS

- IESE, like many organizations that existed before
- this generation came along, has been adapting and evolving to better suit the demands of millennial MBAs. But it turns out that less change was needed here than in



# 10 KEYS TO MANAGING MILLENNIALS

## “Being extremely proactive, millennials want to engage in initiatives that make a difference”

Marc Badia, IESE professor

other places. Prof. **Carlos García Pont**, MBA program director, explains that because the core values of the school are humanistic, person-oriented and impact driven, there was not such a learning curve for the school with regards to where and how to evolve. But the freedom to develop themselves that millennials expressed they value has been taken considerably into account.

Prof. **Marc Badia**, first-year academic director of the MBA, explains: “In the past, our MBA program was less flexible. We provided the courses we believed our students needed according to our academic expertise and the demands of the market. However, over time, we’ve opened up the curriculum, allowing students to co-design their MBA experience. Millennials, being extremely proactive, want to be part of the decision-making process and engage in initiatives that make a difference.”

While recognizing the fine balance between ensuring that students gain a solid business foundation and allowing them the autonomy they so value to make the two years their own, Prof. **García Pont** says that today the students are exposed to more experimental learning and real field experience and are given the opportunity to take the electives they demand, such as FinTech.

“Organizations are about collaboration today and collaboration is a skill you learn through practice. Corporations have moved from the classic hierarchical work groups, to interdisciplinary, high-performance teams. IESE’s work group dynamics and use of the case method are designed so that students can experience this new teamwork paradigm first-hand,” explains Prof. **Badia**. The average eight-person work group at IESE has five nationalities, which is not a new trend. Students work in a very diverse team of equals, where individual personalities emerge and combine themselves, improving the individual output of each of its members.

**Chitnis** declares that this is “probably the single biggest differentiator of an IESE MBA. The depth of the conversations about the cases in class or in your work group opens you up to a spectrum of perspectives you otherwise would never consider.” Despite having worked years outside India, he attests that “this dynamism indeed opened my



### 1. THE GAMING GENERATION

Mix it up with fresh and varied projects  
Challenge them to go to the next level



### 2. CONSTANTLY CONNECTED MULTITASKERS

Allow flexibility and autonomy  
Focus on results, not on the process



### 3. MONEY ISN'T EVERYTHING

Prioritize work-life balance  
Offer flexible hours and benefits



### 4. AMBITIOUS

Create dynamic, transversal positions  
Provide experiences  
Let them demonstrate their potential



### 5. DITCH THE HIERARCHY

Open up creative spaces  
Value their skills, and include them in management gatherings



### 6. NEED FOR APPROVAL

Recognize their achievements



### 7. NATURAL ASSET FOR MARKETING AND COMMUNICATION

Identify the right social media leaders and make them brand ambassadors



### 8. NO FEAR OF CHANGE

Have frequent developmental conversations  
Learn from exit interviews



### 9. PURPOSE-DRIVEN

Foster a socially responsible corporate culture



### 10. DIGITAL NATIVES

Don't block their access to social media at work  
Encourage reverse mentoring  
Seek their input on ICT purchases and upgrades

Infographics: Maneko.  
Source: IESE Insight (see “More information”)

## “Many companies are changing the job profile of a position to match the needs of a specific millennial they want to attract and retain”

**Patrik Wallén**, director of IESE’s MBA Career Services

mind to a world of possibilities and unique ways of resolving situations that plague global businesses today.”

“We recognize that the MBA is an exploratory journey now more than ever and want to facilitate this process as much as possible. The case method is extremely supportive of this,” says Prof. **García Pont**.

However, the learning experience is being enriched with new methodologies: “digital technologies will finally allow us to create learning that is much more aligned with the way we know real learning occurs – in situations

that are social, collaborative, ongoing, and which personalize learning and assessment and give the learner some control,” affirms **Giuseppe Auricchio**, director of IESE’s Learning Innovation Unit.

Students are also exposed to real company problems through activities sponsored by IESE, such as the Roland Berger Case Competition or the Venture Capital Investment Competition. **Crisostomo**, who volunteered as an organizer of the annual TEDxIESEBarcelona conference ([www.tedxiesebarcelona.com](http://www.tedxiesebarcelona.com)), designed to spark conversation for change, values this holistic approach immensely: “You learn so much beyond classroom skills because of the opportunities IESE provides to participate in conferences, seminars, and courses. These two years help you grow beyond much more than a mere professional level,” she says. So much so that she cautions IESE’s MBA candidates to ensure they are ready to experience profound change: “You have to be at a point in your life where you are receptive to all the growth you can experience at IESE.”

### **MORE INFORMATION:**

Stein, G.; Martín, M., “Five Keys to Manage Millennial Talent: Make Way for a New Generation,” *IESE Insight*, No. 31, Fourth Quarter 2016, pp 24 - 31.

## HEART TO HEART WITH FORBES 30 UNDER 30 SAM JAMES

IESE alumnus **Sam James** (MBA '15) was named one of Forbes’ 2017 30 Under 30. As CEO of Hassle.com, a company that allows customers in the U.K. and Ireland to book an affordable cleaning service online in one minute, he has led the company’s expansion into 18 new cities.

### **How do you think companies should respond to millennials?**

I’m not sure about having to adapt to millennials’ preferences as I think all people have these same desires. In my opinion, building an HR strategy around flexibility, personal growth, recognition and ability to make an impact is good practice regardless of the age profile of your employees.

### **How, as a millennial, do you feel that the MBA at IESE strengthens millennial talent?**

For me, beyond the academic learning, the main thing that has been important has been the way IESE changes how you approach problems. In a world that is changing faster and

faster, while the problems may differ from the ones you see in the cases, the way of approaching them is always valid.

### **To future IESE MBAs, how would you recommend fully taking advantage of their time at the school?**

The best thing is to not look at it just as an academic program and to get involved in as many other things as possible. It’s a unique opportunity to befriend people from all over the world, which both changes your perspective and also can lead to exciting opportunities in the future.

### **What do you feel is unique about IESE’s program, specifically, related to what millennials are looking for?**

IESE’s values were always at the core of everything we did. Personally, the idea that you should always do business in the right way and try to create positive impact on the lives of others really resonates. This is something many millennials are looking for, not just to get a paycheck but also make a difference in the world.

