ENGAGING MILLENNIALS THROUGH LEADERSHIP DEVELOPMENT

Teaching Millennials to lead is the key to talent acquisition, employee engagement, and retention.
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Executive Summary

Virtuali is conducting a series of studies on Millennials in the workplace. Engaging Millennials through Leadership Development is the first report in this series. It explores Millennials’ leadership values; how they view their strengths and weaknesses; and the quantity and type of training they are receiving from employers. The next report will focus on the perception of Millennials from the perspective of business leaders and human resources professionals.

This report covers the following topics:

Demographics is destiny. Millennials are the largest generation in the U.S. workforce, and they will grow by 30% over the next 5 years. This is an enormous shift that is already underway. 50% of Millennials are already in leadership positions, and 41% have four or more direct reports. (Page 4.)

Leading before they’re ready. 64% of current Millennial leaders felt “unprepared” when assuming their leadership role. Even after spending time as leaders, they continued to report difficulties managing difficult people and resolving conflict. (Page 4.)

They want training, on their terms. Millennials consistently rate leadership development among the most important employer benefits, but they are a tough audience. Having grown up with the Internet, they are accustomed to highly individualized, on-demand content. They also place an extremely high value on “experiences.” (Page 5.)

Companies aren’t delivering. Over 60% of survey respondents reported receiving 10 hours of leadership training or less over the past 12 months. They also reported that the “mix” of training activities was inadequate, with too much emphasis placed on e-Learning and not enough placed on “experience-based” activities, such as rotations, special assignments, and externships. (Pages 8-11.)

The holy grail. One of the most highly sought-after opportunities observed in this study (and corroborated by many others) was international experience. Respondents expressed a desire to work abroad in order to fulfill personal aspirations and to develop the ability to manage in an increasingly global business environment. (Page 12.)

What can you do? Perform an “audit” of your employees’ development needs and your company’s learning opportunities. (To use our methodology, contact us at info@govirtuali.com.) Our respondents reported that the most common gaps include: no coaching/mentoring, too much emphasis on e-Learning, and not enough experience-based opportunities. Consider a pilot of Go! – Virtuali’s leadership development experience designed specifically for emerging Millennial leaders.
The Millennials are here, but are they ready to lead?

In 2014, Millennials (born between 1980 and 2000) became the largest generation in the U.S. labor force. Over the next 5 years, they will grow by 30% to 72 million, while Baby Boomers decline by 28% to 30 million. This large demographic shift will propel Millennials into leadership positions and fundamentally alter the nature of the workplace.

In fact, this shift is already underway. According to a survey conducted by Deloitte,1 50% of Millennials currently occupy leadership positions, and 41% have four or more direct reports. But many still are not ready.

Of the current Millennial leaders surveyed, 64% felt unprepared when entering their leadership role. Even after spending time as leaders, they continued to report that lack of experience made it challenging to manage difficult people and resolve conflict. Millennials need to address these shortcomings, but they can’t do it alone.

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In order to prepare Millennials for success, companies must equip them with the knowledge, skills, and experience to be effective leaders. But Millennials are a tough audience. They are accustomed to curating their own content and having access to on-demand resources. Information must be relevant to them – right now.

Millennials also place an extremely high value on experiences. A recent study conducted by Eventbrite found that 78% of Millennials value experiences over possessions,⁵ and the “hashtag” FOMO (Fear of Missing Out) has come to define the Millennials and their experience-seeking obsession.

These characteristics make it difficult for companies to create engaging leadership development training. They must strike a balance between personalization, availability, and the experience; otherwise, they risk losing or alienating their audience.

While the task is difficult, the benefit of providing leadership opportunities and creating impactful leadership development experiences goes beyond learning. Lauren L. (Business Development Associate) explained, “Being given the freedom to take on leadership roles is a major factor in my job satisfaction. When I am expected to stay within the boundaries of my job description, I lose motivation and my performance tends to suffer.” Ultimately, companies that invest in leadership development will experience higher levels of productivity.

There is also an opportunity to increase employee engagement and retention. As Omeed K. (Financial Analyst) noted, “It will be difficult for employers to keep the top talent in our generation engaged if there aren’t additional incentives outside of titles and bonuses. We realize that we can get money and title bumps by changing jobs. The incentive to stay with one employer for a long time hinges on how committed that employer is to providing a breadth of experiences and creating the best environment for us to grow.”

Can companies close the gap?

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2. Millennials: Fueling the Experience Economy, Eventbrite.
Figure 2. Millennial Leadership Aspirations

A. It is important to be a leader in my career.

B. I am a leader in my organization.

C. I have a formal leadership role in my organization.

Leadership: What’s in a name?

An overwhelming 96% of Millennials aspire to be leaders in their careers. Interestingly, 71% of Millennials already consider themselves to be leaders, despite the fact that less than half have formal leadership roles. How can this be?

In contrast to past generations that tend to associate leadership with hierarchy, Millennials have a more egalitarian perspective. Bryan T. (Management Consultant) explained, “Leadership is no longer about an organizational chart or direct reports. It’s about relationships, networking, and developing others, regardless of titles. Leadership needs to be adaptive – to the work effort, the person, or the circumstance.” In other words, leadership is fluid. Leaders can emerge at any time based on their actions and influence. This perspective helps fuel Millennials’ entrepreneurial spirit, but it can be a double-edged sword. Do not expect Millennials to follow leaders blindly based on title alone. Jessica H. (Management Consultant) observed, “Millennials tend to think that hierarchy and leadership do not align. We don’t respect people just because of their rank. They need to display strong leadership and some sort of industry or technical expertise.”
What leadership qualities do Millennials value?

Millennials value people-centric leadership. According to respondents, the most important leadership qualities are communication, the ability to build relationships, and the ability to develop others. Their perspective is driven partly by shortening tenures and high turnover. One anonymous survey respondent noted, “Going forward, leadership will be more about building relationships and building them quickly, because people are no longer staying in one career.”

At the other end of the spectrum, Millennials place significantly less importance on “hard skills” such as technical competence, general business acumen, and industry expertise. In follow-up interviews, several respondents noted that today’s leaders are increasingly required to work cross-functionally, which tends to reward leaders who have superior collaboration skills more than those with deep domain expertise.
How do Millennials view themselves?

Millennials consider themselves to be strong communicators, relationship builders, strategic thinkers, and doers who can deliver positive results. In fact, Millennials rate themselves very highly across all of the qualities that they consider to be most valuable – with one notable exception.

Millennials rate their ability to develop others as their second biggest weakness. Interestingly, this is the second-highest valued quality overall and the only one that is exclusive to management or leadership positions. Millennials also recognize that they need to develop “hard skills” as well as the ability to innovate and manage change.

As a generation, Millennials have reached an inflection point. They are ready to take the next step, but they understand that they need the right support to do so successfully. Companies that are able to provide that support will not only develop stronger leaders, they will improve talent acquisition, employee engagement, and retention.

Tips for Companies

- Survey your Millennials and leadership to determine their alignment on perceived strengths and weaknesses. (Contact us if you would like to use our survey/methodology.)
- Focus on helping Millennials develop where they need it the most: developing others and industry/technical skills.
How much leadership development are Millennials receiving?

24% of Millennials received 0 hours of leadership training in the last 12 months; 38% received between 1 and 10 hours; and 16% received between 11 and 20 hours. At the far end of the spectrum, those Millennials that received over 51 hours of training came overwhelming from the Professional Services industry.

Interestingly, the only reliable predictor of training hours was organization size, with larger organizations tending to provide more training hours than smaller organizations. Age was not a reliable predictor of training hours, and not enough data was available to determine how training hours differed by industry.
What types of training are Millennials receiving?

Unsurprisingly, the most common types of training that Millennials received included self-assessments (48%), career coaching and mentorship (45%), instructor-led classes (43%), and e-Learning (40%).

Of those top four activities, career coaching or mentorship was identified as the most impactful and the most desired by a wide margin. Conversely, the impact and desirability of e-Learning was extremely low, which may reflect a dissatisfaction with e-Learning itself or the way that it is currently being administered. Justin F. (Accountant) suggested, “e-Learning time should be blocked off and all work should be put aside during that time period.” In addition to career coaching or mentorship, Millennials expressed a desire for experiential learning activities, such as rotations or special assignments and externships. Annie A. (Management Consultant) believes that, “Leadership skills are acquired and developed best (and most rapidly) through ‘learning by doing’. Leadership can never be perfected – a leader should understand that every opportunity is a learning opportunity, and that with every challenge come learning opportunities.”
Figure 6. Satisfaction with Leadership Development in the last 12 months

A1. The quality was excellent.

A2. The quantity was excellent.

Are they satisfied?

Millennials would like more and higher-quality training than they are currently receiving. Only 38% and 48% agreed that the training that they received was “excellent” with respect to quantity and quality. In general, responses varied across industry and organization size, which suggests that satisfaction is primarily driven at the company level. Heather M. (Marketing Associate) cautioned that the lack of high-quality training can have a far-reaching impact. “There are not enough resources for new managers. In all three of my jobs, I have had inexperienced young managers. That has been my reason for leaving each time.”

Tips for Companies

- Provide career coaching or mentorship opportunities for Millennials. Not only is this the most impactful and desired activity, it’s also the most cost-effective.
- Rethink your e-Learning strategy. Consider setting aside time for employees to complete their training and/or including an in-person component.
- Incorporate experiential learning activities. These could be extracurricular (e.g., innovation tournament), formal (e.g., rotational program), or external (e.g., our Go! program or a short-term externship).
International work: The holy grail?

International work experience is consistently rated among Millennials’ top career aspirations, and nearly 24% of our survey respondents had the opportunity to work abroad in the past 12 months. Ashley A. (Project Manager) explained, “Millennials are increasingly interested in international experience as a consequence of living in a global and connected society.”

The opportunity to work internationally can have a big impact. 77% indicated that it would make them a more effective leader. Respondents also indicated that the opportunity to work abroad would make them more likely join a company (87%), increase their engagement (80%), and increase their propensity to remain with that company (81%). One anonymous Project Manager continued, “The idea of being able to travel internationally remains a highly romantic idea to our young people, as it should. To be able to do this without giving up your current position or be set-back within your career field would be a big draw in recruiting top candidates to companies.”

Tips for Companies

Providing international opportunities can be costly and difficult. Our Go! program is a cost-effective international leadership development experience that enables participants to continue working full-time. Learn more at govirtuali.com.
About this report

Results for the survey are based on an online survey conducted by Virtuali and the New Leaders Council (NLC) among a sample of 527 U.S.-based Millennial professionals (18 to 35 years of age) during the period June 19, 2014 to September 19, 2014. Details regarding certain characteristics of survey respondents are included below.

Figure 8. Survey respondent profile

A. Age
- 18 to 25: 15%
- 26 to 30: 15%
- 31 to 35: 70%

B. Sex
- Male: 50%
- Female: 50%

C. Education
- Undergraduate: 36%
- Graduate: 62%

D. Organization Size
- Less than 500: 27%
- 501 to 10,000: 49%
- More than 10,000: 24%

E. Direct Reports
- 0: 34%
- 1 to 5: 57%
- More than 5: 9%

F. Industry
- Private: 12%
- Public: 3%
- Nonprofit: 77%

About Virtuali

Virtuali is a leadership training firm that helps companies better develop and engage emerging Millennial leaders through its Go! program.

Go! is a leadership development experience that is specifically designed to fit Millennials’ professional development needs, learning styles, and personal aspirations. It is also the only program that enables participants to live abroad while continuing to work full-time in their current position.

For more information, please visit govirtuali.com.

About New Leaders Council (NLC)

New Leaders Council (NLC) is a 501(c)(3) that works to recruit, train and promote the progressive political entrepreneurs of tomorrow — trendsetters, elected officials and civically-engaged leaders in business and industry who will shape the future landscape.

For more information, please visit newleaderscouncil.org.