



# REDEFINING SUITING: THE BUSINESS MILLENNIAL WAY

KANTAR  
FUTURES





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# REDEFINING THE C-SUITE: BUSINESS THE MILLENNIAL WAY



## Foreword from American Express

At American Express Global Commercial Payments we are dedicated to offering payment and lending solutions to companies of all sizes—we make it our business to understand our customers' needs and provide them with the payment tools to help them to get business done. Part of this means equipping ourselves and our customers with knowledge and insights on the transformative changes taking place in the business world, and this includes looking at how the transition of today's Millennials into senior roles is set to see an evolution in the very nature of business.

"Redefining the C-Suite: Business the Millennial Way," a report from American Express, researched and written by Kantar Futures, examines how the rise of Millennials into senior business roles is set to reshape the role of the C-Suite and change the way business is done. Our research, which surveyed over 2,300 global leaders and Millennial managers—the future leaders of business—has

found that the Millennial CEO of the future will need to navigate tensions and opportunities created by their values and behaviours when managing their companies. 76% of future Millennial leaders think that businesses of the future will need to have a genuine purpose. However, our research also showed that Millennials are highly profit oriented. As they rise into senior roles Millennial leaders will need to find a way both to put purpose at the heart of their businesses and to structure them in a way that ensures tight cost management and efficient processes.

Whilst over half of Millennials say that a C-Suite role is attractive, 75% of Millennials think that successful businesses of the future will see management look beyond the usual models of doing business and be more open to collaborating with new partners. Our research found a focus on team work and on democratic leadership styles among Millennials, which suggests that the C-Suite of the future will promote a flatter structure in the organisations they lead. The future CEO will be more likely to turn to support from all levels of their business.



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# INTRODUCTION

The purpose of this report is to examine the values and expectations that define Millennials who work in business today, and to explore how these are set to impact the way in which businesses operate as Millennials come to dominate the workforce and step into C-Suite roles. We seek to explore their personal motivations as well as their views of corporate culture, and delve into how they compare with Generation X. Our aim is to paint a picture of what a Millennial-led business will look like, providing valuable insight for businesses today on how they might manage potential tensions and futureproof their businesses in preparation for a redefined C-Suite.

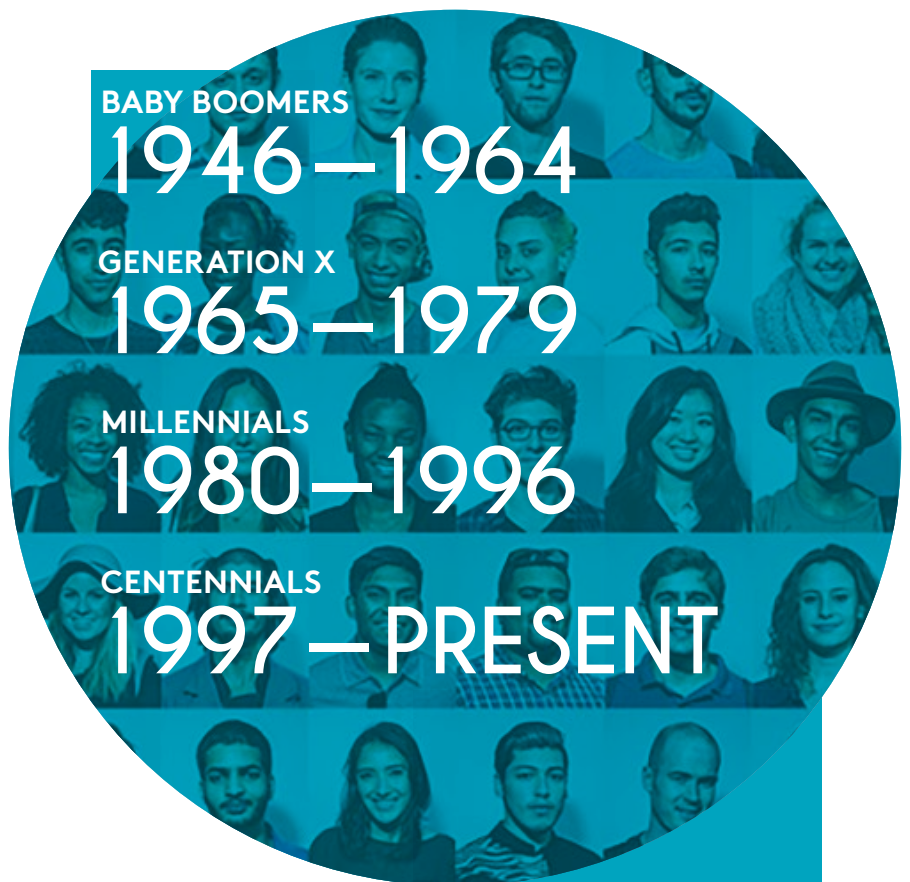
## REDEFINING THE C-SUITE

Demographic and social changes over the past 40 years have created a paradigm shift in the way we work, why we work, and how we work. Understanding the factors that shape the business of the 21st century now and over the next decade will be critical for companies who want to stay relevant to investors, employees, and customers. In this study we set out to uncover how the rise of Millennials into C-Suite positions is set to change the way that companies are run.

By 2025, according to some estimates, Millennials will represent 75% of the US workforce, as the Baby Boomer generation retires and younger Millennials continue to

enter work. Europe, with its slightly older age profile, is approaching the point at which the Millennials become the largest generation in work. The oldest Millennials are now 37, and some are in management positions; the youngest, at 21, are in their first jobs or still in education or training.

The idea that Millennials will reshape businesses around their values is already a familiar one. *"The distinctive and widely shared attitudes and beliefs of*



## FOUR GENERATIONS

There are four generations currently in work and in education. Researchers agree on the generations, although they sometimes differ as to the exact breaks between them. For the purposes of this report, we have used the cohort breaks shown above.

*this generation will slowly, but surely, reshape corporations in its image and end the confrontational and bottom-line oriented world that Boomers and Gen Xers have created”,* noted Morley Winograd and Michael Hais in a Brookings Institution report, in a quote that could stand for many.

Three distinctive Millennial values have emerged:

1. A desire for autonomy, expressed through independence and agility;
2. A desire for authorship, getting things done through creativity and individual passion;
3. An expectation of reciprocity from friends and peers, in terms of sharing ideas, tools, and providing support.

Millennial attitudes are already altering and shaping the values and practices of business. However, there is an opportunity to delve deeper into the impact of Millennials who currently hold manager level business roles and, as they rise to senior roles, how they may further change the way business is done and companies are led.

In this report, we look at the values of current Millennial business managers and those of their Generation X counterparts. We focused on France, Germany, the UK, and the US—four trailblazing

countries for the way business is done.

Taking a wider view, Millennials in these four countries are responding to a changing macro context. The proportion of women in the labour force in these countries is now close to 50%, even if they continue to be under-represented in senior roles. Digital technology has become ubiquitous; an ageing population is retiring later, often through financial necessity, stretching the number of generations in the workplace; and workplaces are more ethnically diverse.

In the economies of three of the countries (France, UK, and the US) the share of the economy taken by knowledge and services is at or approaching 80%—in Germany it is lower, at 69%, because of its substantial manufacturing sector. In the UK and US unemployment is relatively low, but so are productivity and wage growth. In Germany, productivity continues to grow, together with wages, but people choose to work less. In France, wage levels have grown, but unemployment remains substantially higher than in the other three countries.

## REPORT METHODOLOGY

This report involved original quantitative research in France, Germany, the UK, and the US, and a selected set of interviews with current Millennial business leaders in each country. The quotations in the report that are headed with quote marks come from these interviews.

The sample for the quantitative research comprised 1,363 Millennials who self-identified as business managers (France,  $n=342$ ; Germany,  $n=349$ ; UK,  $n=329$ ; US,  $n=343$ ), and 1,062 self-identified business managers from Generation X (France,  $n=261$ ; Germany,  $n=266$ ; UK,  $n=273$ ; US,  $n=262$ ). A literature review and trends analysis were also conducted.

# WORK IS PERSONAL

To delve into leadership, we first need to understand the values and attitudes of Millennials towards work and leadership, and how they compare with those of previous generations in business. One of the core differences between Millennials and older generations is that Millennials are much less likely to see their jobs as central to their identities. In contrast, the older Boomers often regard their jobs as central to both their sense of identity and their sense of self-worth. Some of this can also be seen in the 'in-between' generation, Generation X.

Many Millennials grew up in households on the wrong side of corporate downsizing—certainly in the US and the UK—and have internalised the idea that jobs are insecure. Yet at the same time, Millennials value work—and they want it to be worthwhile. Contrary to some of the stereotypes, Millennials are in general ambitious and motivated, while also seeking work with a purpose beyond simply earning money. A business must earn loyalty, rather than expect it as a given.

These two sides of the coin come through strongly in our data. As the chart shows, 62% of Millennials want to be known for making a positive difference to the world, compared to 52% of Generation X. 55% care about what family and friends think about their career, against 43% of Gen X.

The different expectations of work came out strongly through the research. Looking at Millennials across all four countries, their top priority was “Enjoying the work that I do” (64%), followed closely by “Having a good work

life balance” (60%). “Maintaining my well-being” and “Learning and developing” both sit at 46%, just below “Having a job that pays well” (51%). The desire for progression, seen in much other Millennial research, sat slightly further down

## 1. WORK, REPUTATION, AND PURPOSE

% agree



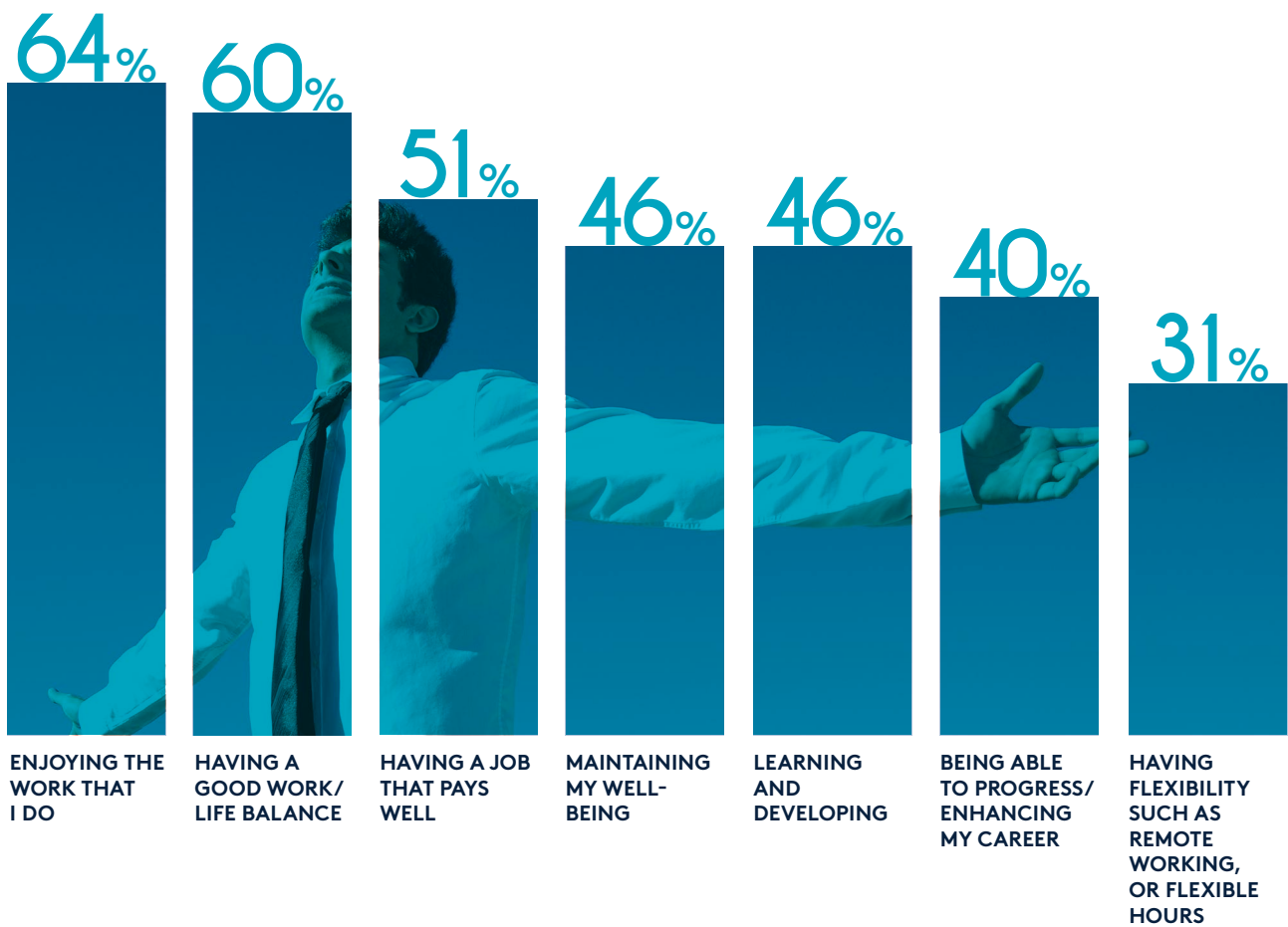
Source: Kantar Futures/American Express

MILLENNIALS



## 2. WHAT MILLENNIALS WANT FROM WORK

When you think about your personal definition of success in business, which of the following is important to you?



Source: Kantar Futures/American Express

MILLENNIALS



## PERSONAL DEFINITIONS OF SUCCESS

When looking at Millennial managers' personal definitions of success, "Enjoying the work I do" commands the strongest share in France, Germany, and the US (65%, 61%, 62%, respectively), while in the UK having a work-life balance (69%) pulls slightly ahead of work enjoyment (67%). The proportion of German Millennials who consider "Having a job that pays well" a sign of success is 60%, significantly higher than in the other countries (France, 42%; UK, 51%; US, 51%). In addition, harmony between professional and personal life is less of a sign of achievement for German Millennials (51%) than those in the UK, US, or France (69%, 64%, 58%, respectively), where balance is a greater consideration in striving toward personal success.



at 40%. Indeed, this particular data point suggests a lifestage effect rather than a deeply held cohort value, given that much of the research that identified this desire was conducted when Millennials were mostly in their 20s. Looking across the four countries, 72% of Millennials also reported that they were satisfied in their work.

There are some country differences that are worth referencing. German Millennial managers were more likely to want a job that paid well (60%), and less concerned with a good work-life balance (51%). Given the relatively good performance of the German economy over the last decade, the attitude toward being paid well may imply a cultural difference rather than an economic difference, while, at least at the level of generalisation, German businesses are more likely to have a culture that demarcates work life and personal life. Their French equivalents, meanwhile, are less concerned with having a job that pays well (42%) and less concerned with learning and developing (35%). These may reflect France's unemployment rate, higher than in the other three countries.

One paradox of the Millennial manager, then, is that they are less interested in the *job*, and the trappings that go with it, and more interested in the *work*, and its relationship to the rest of their lives. This resonates with other things we know about Millennials; for example, that they are more interested in experiences than in consumer goods, and that status comes from the validation of peers, usually expressed through social media. How have Millennials, who are still not well represented in senior management roles, managed to have impact on the way business operates? And as they do reach senior roles, in what ways will their influence increase?

## **INTERVIEW: MAKING IT WORK**

### **DAVID WEHNER | GERMANY**

MANAGING DIRECTOR AT VENNEOS



Venneos, based in Stuttgart, is a high-tech company building on decades of research at the Max Planck Institute in Munich to develop silicon-chip-based imaging systems to revolutionise the analysis of biological cells.

David graduated from the Technische Universität Munich in molecular biology and business administration, before co-founding Venneos in 2014.

#### **WE STARTED WITH A BLANK PAGE**

Building on a blank page describes Venneos pretty well, because that is what we had to do. We had just us founders with backgrounds in business, physics, and molecular biotechnology. We started with not much except for a cool technology and a vision to revolutionise cell analysis, and then said “okay, let’s start a company”.

#### **WITH FREEDOM COMES RESPONSIBILITY**

You have lots of people saying they want freedom, want to have an impact, want to change something; that is why they want to work in a start-up, but when asked to do something independently they are reluctant to make the decisions because they say they are not the boss. What I say is that it’s important to find the right people who are willing to make decisions and work independently. It’s like in the Spider-Man movies, where with great power comes great responsibility—with a lot of freedom comes a lot of responsibility.

#### **CULTURE IS INCREASINGLY IMPORTANT TO US**

When we first hired beyond the founders, we were focused on the technical details. Now we are much more aware of how important it is that people fit into the company culture. The culture is still something that we are evolving—from my perspective, the culture, its entire corporate spirit—is as important as technical fit when hiring new people. What’s important to us is that people are willing to learn every day, as we don’t know today what we will need to know tomorrow in our interdisciplinary environment.

# THE GENERATIONAL SHIFT

Some of the discussion surrounding Millennials, in the workforce and elsewhere, can give the impression that they emerged as a cohort with fundamentally different attitudes from previous generations. They do, certainly, differ from the older Baby Boomers. However, the role of the bridge generation, Generation X, in changing values is often overlooked. One of the objectives of the research was to understand the extent to which Millennials represented a radical break with earlier generations, and the extent to which their attitudes had partly been shaped by these generations.

It seems likely, for example, that older generations also wanted to do purposeful work, to be able to contribute, or to work in more informal business environments. One of the questions for this research project, therefore, was to identify what it was about the Millennial generation that enabled it to deeply influence the way work is designed and, in doing so, to explore how their impact will shape the way business is done now and in future.

For this reason, as well as researching the attitudes of Millennial managers towards work and business, we also researched a group of Gen X managers, now aged between 37 and 52.

At first sight the results were a surprise. On some measures Gen X hold views that are often thought of

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THE FOUNDER OF FREE, XAVIER NIEL, IS INSPIRATIONAL BECAUSE OF HIS ENTREPRENEURIAL MINDSET—HE SUCCEEDED 20 YEARS AGO, WHEN IT WAS DIFFICULT TO SUCCEED WITHOUT A DIPLOMA, AND BEFORE BEING AN ENTREPRENEUR WAS TRENDY.

as Millennial values, but far more strongly than the Millennials do. On other measures the views of Millennials and Gen Xers diverge. At second look, perhaps this isn't as surprising as it seemed at the time. When Gen X first entered the world of work, in the late 1980s, they produced something of a moral panic. They were the “slacker” generation, the generation of Grunge. A 1989 article by the Canadian writer, Douglas Coupland, named the generation. He described them thus:

*“The brilliant world of opportunity described by their parents, educations and sheltered upbringing never arrived for them. Instead came the highly competitive, bland and corporate 1980s... The result? A group of people who feel no job is ever creative or flexible enough to fulfill their sense of entitlement.”*

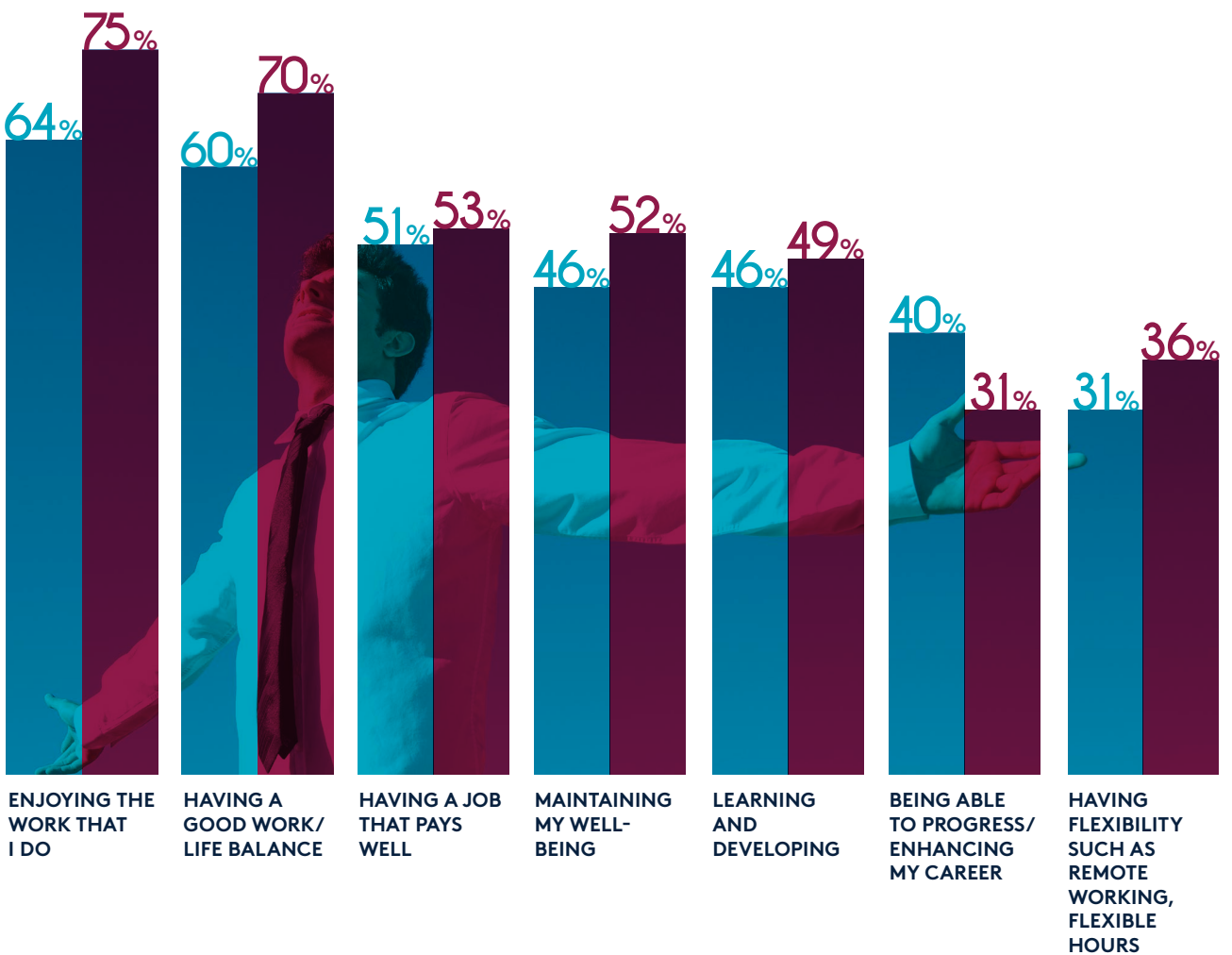
Time magazine, though, in a 1990 article, really set the tone for over a decade of generational discourse about Gen X:

*“They have trouble making decisions. They would rather hike in the Himalayas than climb a corporate ladder. They have few heroes, no anthems, no style to call their own. They crave entertainment, but their attention span is as short as one zap of a TV dial... They postpone marriage because they dread divorce.”*

What happened instead was that as the early '90s recession receded, Gen Xers went into businesses

### 3. GENERATIONAL ATTITUDES TO WORK

When you think about your personal definition of success in business, which of the following is important to you?



Source: Kantar Futures/American Express

MILLENNIALS GEN X



## 4. GETTING ON

% agree



PROGRESSION WITHIN AN ORGANISATION SHOULD BE BASED ON DEMOCRACY

Source: Kantar Futures/American Express

MILLENNIALS GEN X

maintain their well-being (52% to 46%). Further down the scale, the two generations score similarly on the importance of learning and developing, being challenged by their work, and deriving meaning from it.

In other words, Gen X should have been as much of a challenge to established patterns of work and business as they arrived in the workforce, from the late 1980s. So why did work not start to change as this happened? The answer is that Gen X was a smaller generation in terms of numbers, and didn't have enough weight on its own in the labour market, or enough seniority in the workplace, to make mainstream change happen.

It took the arrival of the Millennials to change attitudes towards work fundamentally. By this time, Gen Xers were the leaders, and able to push through the changes they'd have liked to see when they first entered the business world.

### MERITOCRACY AND DEMOCRACY

Furthermore, there are some areas where Millennials clearly felt that Gen X has not yet made sufficient progress. Taking the whole sample, Millennials felt more strongly than Gen X that career progression should be based on meritocracy (55% vs. 51%). A higher proportion agree with a stronger statement, that progression should be based on democracy (57% vs. 51%). If the first one is the familiar idea

and other organisations, but took with them a different set of values from the Boomer generation that preceded them. Looking at our data, those values have stayed with them, and some of the differences with Millennials are far too large to be accounted for by lifestage.

Revisiting data in the previous section about personal definitions of success, Gen Xers are much more likely to agree that it is important to enjoy the work that they do (75% to 64%). They are significantly more likely to want a good work-life balance (70% to 60%) and to



## MENTORS ARE ESPECIALLY IMPORTANT FOR YOUNGER PEOPLE COMING IN AND STARTING TO TAKE ON BIGGER ROLES.

that merit should be the criterion, regardless of factors such as gender, ethnicity, or patronage, the second one is a more radical reading of the way business works.

At a country level, in our research, US and UK Millennials were much more likely than Gen Xers to support the idea of democratic progression; in Germany, by contrast, Millennials prefer meritocracy while Gen Xers favour democracy. In France, there was little difference between the generations.

The idea of career progression by democracy suggests that progression should be based on a 360-degree assessment of the individual and their qualities, rather than just the views of managers and HR departments. There are some companies that have adopted this approach, although they are the exception rather than the rule. The American fabric company, W.L. Gore, makers of Gore-tex, chooses its Chief Executive through a complex process that gives all employees a say, while the US company Duke Energy extends a 360-degree promotion scheme to many of its open positions.

### LEARNING FROM GENERATIONS

There were also notable differences in the data about intergenerational learning. Millennials were more likely than Generation X to regard younger generations as “a valuable

opportunity” for learning (55% vs. 49%, respectively), but less likely to say the same of older generations (76% vs. 81%, respectively). This may reflect lifestage, but it seems unlikely; in a world where there is much talk of mentorship, there is a bigger pool of mentors available to younger Millennials. It is as likely to reflect the shared experience of Millennials and the younger Centennial generation, as the first to come into adulthood surrounded by technology.

In the same way that Millennial employees are engaged in helping their seniors at work to develop their IT skills (a role that many report enjoying), so they may see opportunities to learn about emerging technologies from younger generations.

Millennials were more likely than Gen Xers to agree that both older and younger generations were a barrier to career progression: 24% found older generations a barrier, while 19% found this of younger generations. For Gen Xers, the figures were 12% and 14%, respectively. This raises an area where business leaders will need to navigate carefully, now and in the future, which is the nature of the firm in the age of the four-generation business. In some the management layer stays grey, blocking progression for the young. Meanwhile, in others, the very flatness of the business means that success is visible regardless of age.



### GENERATIONS AND TECHNOLOGY

Millennial managers across the four countries were more likely than Gen Xers to feel that they had to be “always available”—50% of Millennials agreed, with only 40% of Gen X. At the same time, 38% of Millennial managers also felt “the

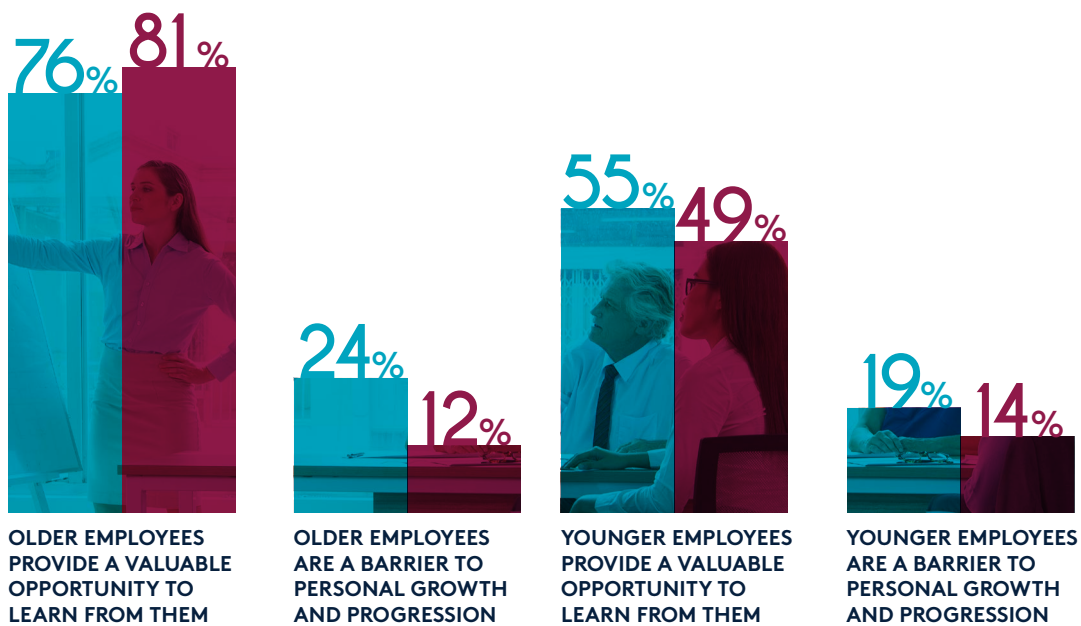
need to impose a digital curfew on myself so I am not available,” whereas this was true of only 33% of the Gen X managers across the sample. As Millennials rise to senior roles, how they manage this pressure, and their willingness to self-impose restrictions, will

become increasingly influential in the business environment.

There was a striking degree of consistency in these results when looked at by country. Millennials felt the most need to be “always available” in the US (54%), with the

## 5. PERSPECTIVES ON AGE

% agree



Source: Kantar Futures/American Express

MILLENNIALS GEN X

UK and France close behind (51% and 50%, respectively.) In Germany, the figure was 44%. In each country, the comparable figure for Gen Xer managers was significantly lower, but this may reflect seniority in the workplace as much as generational values.

Similarly, the Millennial figures for feeling the need to impose a digital curfew were close together across the US, the UK, and France (US, 39%; France, 38%; UK 35%). Germany was *higher*, at 42%. Since it also had the *lowest* figure for “always available” across the four countries, this suggests an important cultural difference in terms of attitudes to workplace communication. It may also reflect the fact that leading German companies, from Volkswagen to Daimler to Deutsche Telekom, have taken steps to limit the sending of email out of office hours.

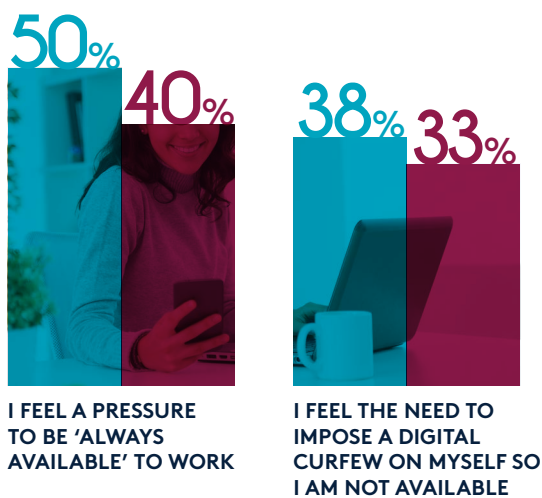
**WORKING WITH PURPOSE**

Millennials want to make a positive difference in the world. Not that Gen Xers are indifferent to this: across all four countries, 52% of Gen Xers agreed, “It is important for me to be known for making a positive difference in the world”, but the comparable figure for Millennials was 10 percentage points higher.

There were strong country differences in the desire to be known for making a difference. In the UK, there was a 19-point gap between

**6. DEALING WITH TECHNOLOGY**

% agree



Source: Kantar Futures/American Express

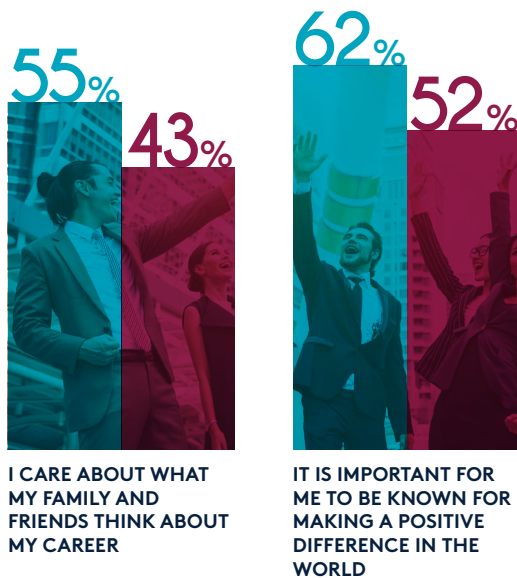
MILLENNIALS GEN X

Millennials and Gen Xers, and in France a 15-point gap. In Germany, the gap was more modest at 5 points, while in the US there was no gap at all. 67% of American

Millennials and Gen Xers alike wanted to be known for making a difference.

## 7. GENERATIONAL DIFFERENCES ON REPUTATION AND PURPOSE

% agree



Source: Kantar Futures/American Express

MILLENNIALS GEN X

There is also a notable difference between Millennials and Gen Xers in how others see their work. 55% of Millennials agreed, “I care about what my family and friends think

about my career”—among Gen X, just 43% cared.

Indeed, across all countries there was a significant generational

divide; a 16-point gap in France and the UK, smaller in Germany and the US. It is an obvious point that Millennials, as the first generation of digital natives, are in much closer and frequent contact with family and friends. They are also typically closer to their parents than the previous generation.

### THE CHALLENGES OF THE FUTURE

These findings suggest that there is no going back for businesses. Anyone who is nostalgic for the days of the traditional business, with its more formal lines of communication and its narrower business purpose, is going to be disappointed. Two successive waves of demographic cohorts, with a different set of values, are transforming that world.

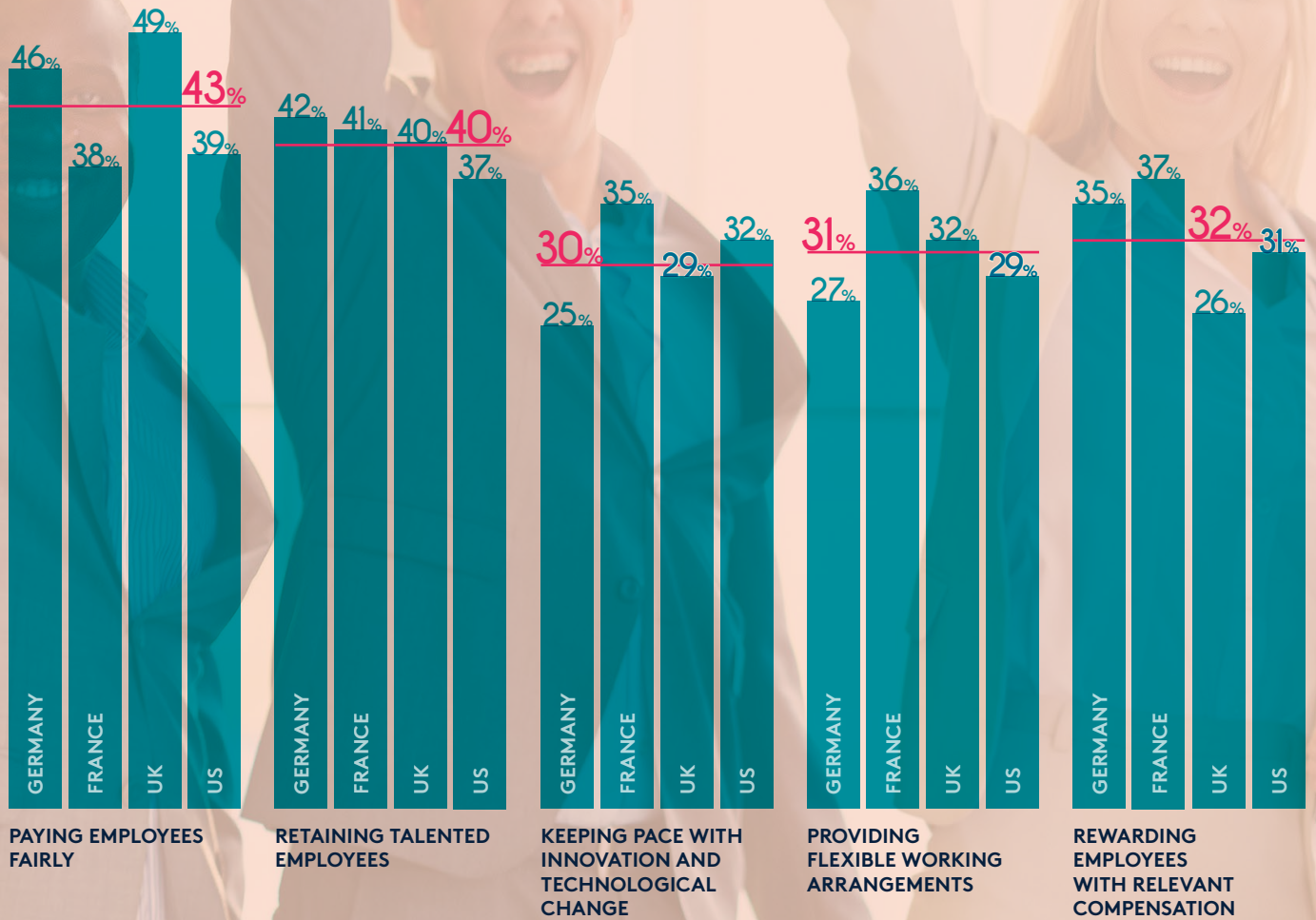
### BUSINESS VALUE IS HUMAN VALUE

Both Millennials and Gen Xers agree that the challenges of the future business are largely about people. Looking at our research data on key challenges, it is the people issues that gravitate towards the top: paying employees fairly; retaining talent; flexible working; relevant rewards; and managing skills shortages. The CEO of the future is going to be heavily involved in people planning.

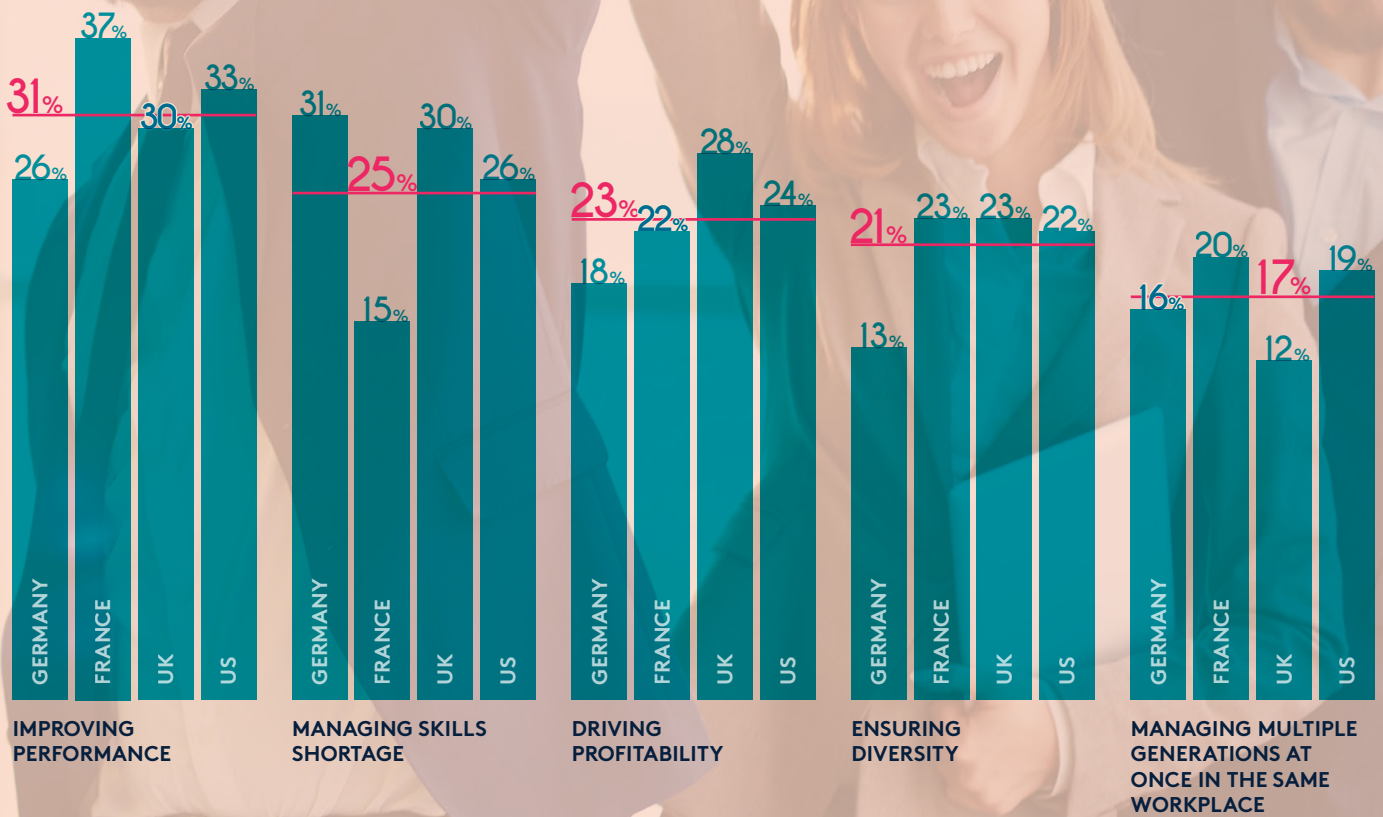
Profitability and performance do appear, but generally further down the list. In three of the countries (France, Germany, and the US), improving performance

## 8. BUSINESS CHALLENGES OF THE FUTURE

When you think about your personal definition of success in business, which of the following is important to you?



Source: Kantar Futures/American Express



■ MILLENNIALS      — COUNTRIES' AVERAGE

was rated as more important by Millennials than by Gen Xers, and by a large margin in France and Germany.

Keeping up with technology features reasonably prominently—although in all researched countries except France, Millennials are less concerned than Gen Xers about the challenge of keeping up with technology, perhaps because they have been brought up with it.

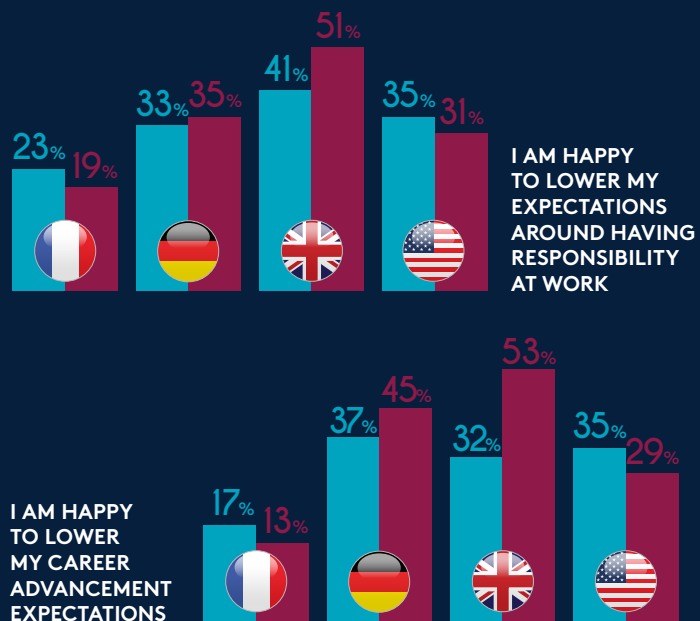
In contrast, while managing for diversity comes a long way down the list, it is consistently an area that Millennials rate as more important than Gen Xers. In Germany and France, Millennials are much more concerned than Xers with improving performance. The underlying message is very clear: in the future, business value is human value.

This should not come as a surprise. In a world of falling birth rates and ageing population, people of working age become a scarcer commodity. And in a world where economics is dominated by the services and knowledge sectors, people make the difference in creating and delivering value—as problem-solvers; care-givers; storytellers; and even as the human face of the organisation, despite the rhetoric about challenges from AI and robotics. The leaders of the future will have different problems to solve.

## TRADE OFF TOWARD SUCCESS

Millennials in the US and France were prepared to trade off on salary expectations more than Gen Xers to attain their personal definition of success (US, 30% vs 19%; France, 16% vs 7%). In both countries, Millennials were more likely than Gen X to reconsider responsibility and career advancement aspirations. US Millennials showed a stronger willingness to lower salary

expectations (30%) than in the other three countries (UK, 24%; Germany, 20%; France, 16%). It is also worth noting that at a country level, looking across both generations, France showed a much lower propensity to lessen salary, responsibility, and career advancement expectations with less than a quarter agreeing on each of the three statements.



Source: Kantar Futures/American Express

MILLENNIALS GEN X

# INTERVIEW: NEW PATTERNS OF WORK

## SEBASTIEN PIALLOUX | FRANCE

BIG DATA FAB DIRECTOR AT SNCF

The Big Data programme at SNCF, France's national railway and rail traffic management company, utilises smart analytics to drive efficiency in the industry.

Sébastien graduated from the Ecole Polytechnique at Paris Saclay in Nuclear Physics and Economics. He started his career at Air France in 2005 before moving to SNCF to lead the Big Data Fab in 2015.



### THE YOUNGER GENERATION WANTS INDEPENDENCE

Older generations wanted security—join a big company and you will have a fantastic career. The younger generation are much more attracted by independence; they prefer to remain entrepreneurial. In Digital, especially for Big Data and in the Datascience area, we need younger skills, younger mindsets, to integrate faster new technologies which are barely mature but already required and used as a competitive advantage. Competition is tremendous in the travel industry, so you need to be quick, have a low margin for error, and fight for survival. We hire people that can change, to move from one situation to another.

### WHEN I HIRE, I LOOK FOR DOERS

As you build a team you need to mix expertise, you need to have a large variety of peers, and you need to make sure the new addition makes the team happy. What is most important is what they have achieved so far, if they are doers—their skills and the mindset.

### THE END USER MATTERS

You cannot motivate young people by saying "Okay, our objective is to increase margin." They say, "We're fed up optimising margins. We want to understand the meaning and the sense for the end user". The previous generation was nurtured by ideas of increasing revenues or reducing cost, but it's not enough for the youngest generations. In a nutshell, we have to move from margin to meaning.

# THE NEW LEADER

The idea of the 'Chief Executive' is due for an update. Over a third of Millennials (39%) agreed that in less than ten years the CEO role will no longer be relevant in its current format. The differences between the four countries on this question were modest. US Millennials agreed a little less strongly (35%); at the other end of the range, French Millennials more so (43%). Across the countries, 13% believe the role of the CEO in its current format will not be relevant in five years.

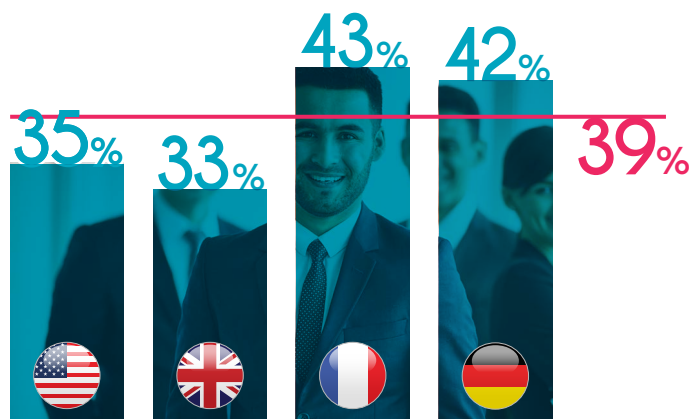
That said, Millennials do like the idea of a C-suite position: 61% find it "appealing", compared to 45% of Gen Xers. Some of this is likely to be down to a difference in values, but given the age gap between the two cohorts, it is likely to be amplified by the recognition among older Gen Xers that the C-suite opportunities have passed them by, or perhaps by a greater recognition that such roles come with greater personal costs.

Millennials want to lead, but the role needs to change. The reasons for this come through in the research. One of the striking things about the data is that the leadership qualities which are valued by both our Millennial and Generation X manager respondents have little to do with the tough or decisive personas of the classic 20th century CEO.

As seen in the chart (page 25), the top seven qualities valued by respondents are: fairness;

## 9. THE FUTURE OF THE CEO

% agree



THE ROLE OF CEO WILL NO LONGER BE RELEVANT IN ITS CURRENT FORMAT WITHIN THE NEXT 10 YEARS

Source: Kantar Futures/American Express

MILLENNIALS  
COUNTRIES' AVERAGE

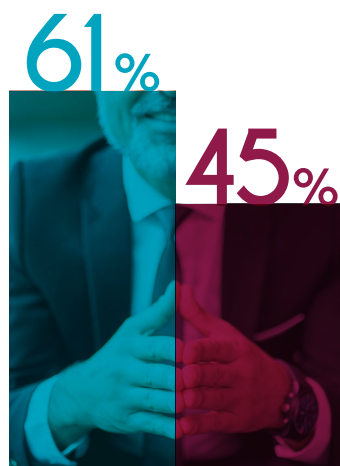
problem-solving ability; integrity; confidence; openness; teamwork; and empathy. Decisiveness was ninth on the list. Further down the ranking, Millennials rate passion more highly than Gen Xers.

In other words, leadership is different in this new world of the Millennial manager. The classic 20th century model of command and control is likely to be counter-productive. The model of the hero-CEO is not likely to work for the benefit of the business.



## 10. ONE EYE ON THE C-SUITE

% agree



THE PROSPECT OF TAKING ON A C-SUITE ROLE IS APPEALING

Source: Kantar Futures/American Express

MILLENNIALS GEN X

THE MILLENNIAL BUSINESS LEADER WILL BE MORE COLLEGIAL, LISTENING MORE AND SHARING THE CREDIT. THEY'LL SPEND AS MUCH TIME ON BUSINESS CULTURE AS ON STRATEGY.

the social values embodied by the business. They will be expected to embody the values that the business expects from the rest of its staff and suppliers.

This, again, comes through in the research.

The data tell us that the leader of the Millennial business is likely to be fashioned as a mirror of the Millennial values discussed earlier—creativity, autonomy, and reciprocity. The Millennial business leader is more likely to be collegial, listening to colleagues at all levels in the business, and sharing credit

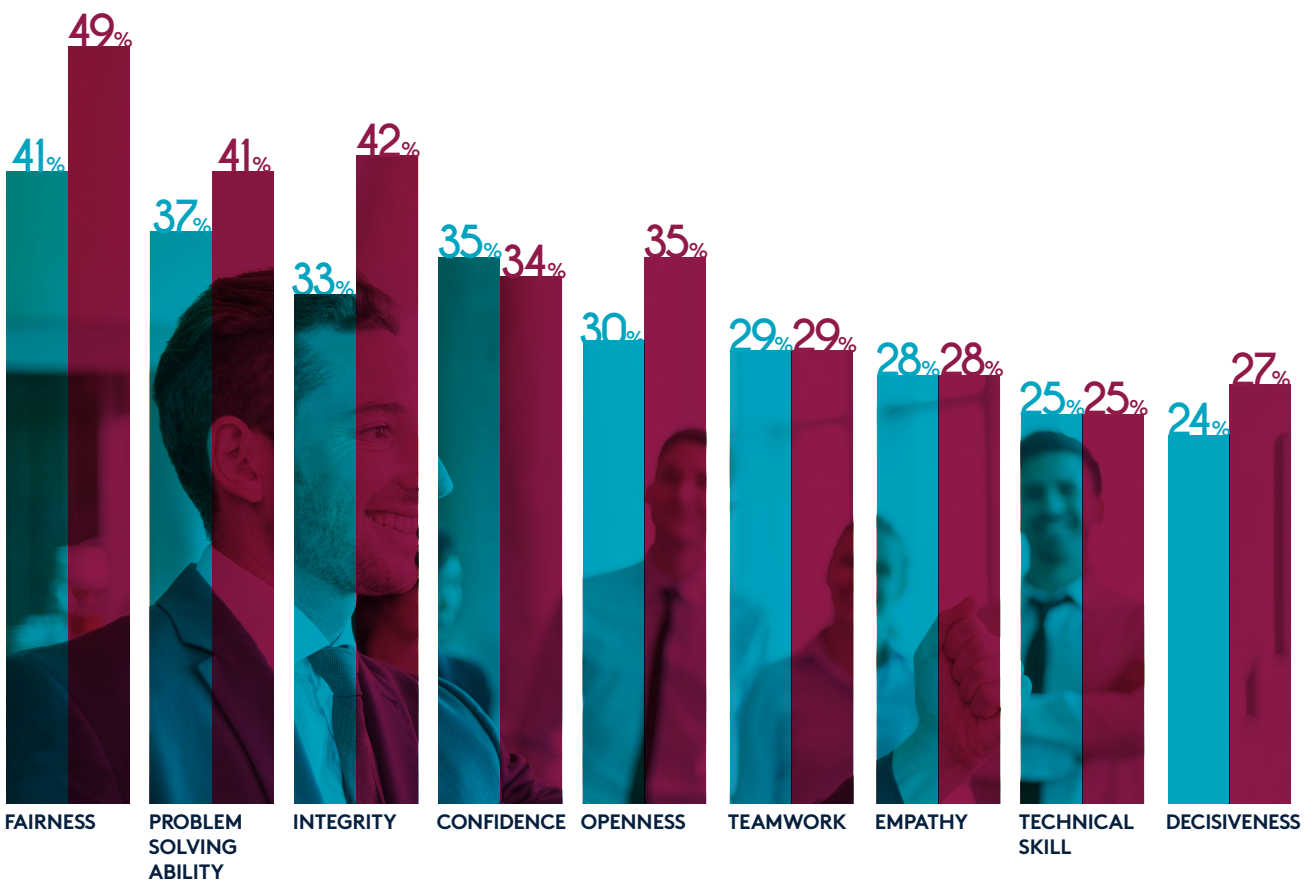
for successes. They are less likely to rush decisions, leaving business questions open until the best course of action is identified. They will spend as much time on the culture of the business as on strategy. They will set the overall direction, while not being prescriptive about the route. They will be concerned with

Looking across all four countries, 92% of Millennials would invest in employee development, while 82% would invest in fostering a better internal culture, and 78% in developing culture. Strategy isn't disregarded: 84% would invest in focusing on strategy.



## 11. LOOKING AT LEADERSHIP

Which of the following qualities do you value most in a leader?

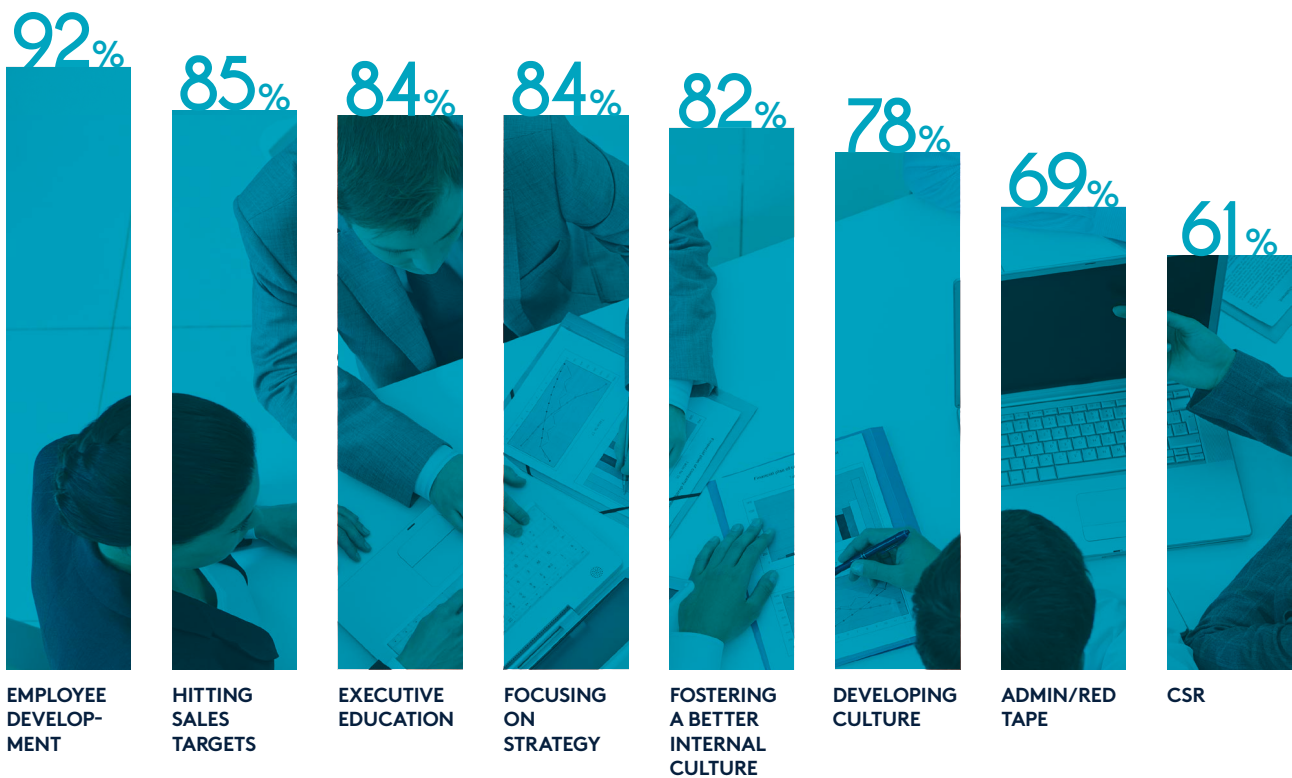


Source: Kantar Futures/American Express

MILLENNIALS GEN X

## 12. PERSPECTIVES ON BUSINESS PRIORITIES

If you are/were running your business today, which of the following would you invest time or money in?



Source: Kantar Futures/American Express

MILLENNIALS

# THE NEW C-SUITE

**T**he C-suite in the Millennial business will be different from that of the 20th century business. Executives will behave differently and prioritise different things, while navigating a world of work that has been transformed by new demographics, new technology, and new values. From the qualitative and quantitative research that contributed to this report, we identified five key areas of difference that are set to characterise the Millennial C-Suite.

## **Earning authority.**

In the Millennial led business, cultural or collegial leadership works better than authority or position-based leadership. Millennials focus more on who you are, what you do, and how you behave, than on your title or place in the hierarchy. Millennial leaders are focused on earning the right to lead, and this is partly done through emotional intelligence and emotional awareness: making sure that people understand the purpose of their project as well as the overall business, and taking time to understand the motivations of those who work for them.

## **Open to everything.**

Traditional CEOs tend to turn to each other for support, which is one of the reasons they tend to accept offers to sit on the boards of other companies. Millennial managers will be more open to other kinds of support and to ideas from all levels within the business. One of the challenges Millennial business

leaders face is how to be informal enough to be able to learn from those inside and outside of the business, while formal enough to be seen to be behaving appropriately to the role. Whether done informally or formally, Millennial leaders will welcome hearing from all voices.

## **Managing for overload.**

Technology means that businesses are flatter, while layers of management and administration have been stripped out, or outsourced, in the search for cost reduction. Managers are therefore likely to be responsible for more people, while also fulfilling project roles and functional roles, and managing stakeholders and suppliers. One reason why forgiveness is more fashionable than permission is that it is the only way to get things done. But this all reinforces the importance of listening, of fairness, and of integrity.

## **Focusing on human value.**

Millennials see human value in a multitude of characteristics and attributes. As leaders, they seek out and source talent from atypical sources. Gender, ethnicity, and, to a certain extent age, are of less concern. Instead, Millennial leaders look for openness to learning and aptitude, shifting focus towards softer skills that encourage a more diverse workforce.

## **Working time.**

The spread of digital technology and networked teams means that it is possible to be involved with work around the clock. Millennial managers have grown up with an "always on" social life. But as leaders, they seem to be looking to establish clearer distinctions between work and the rest of life. Some businesses are now restricting email to office hours, and insisting on a certain amount of face-to-face contact with colleagues and remote workers. This is partly out of self-interest; time away from the moment-to-moment demands of the business manifests itself in beneficial ways, through lower levels of stress, increased effectiveness and productivity at work, and better thinking.



“

A GOOD BOSS IS SOMEONE WHO PUTS TIME INTO PEOPLE DEVELOPMENT AND NOT JUST RESULTS—IT'S ABOUT FINDING THE BALANCE BETWEEN THE TWO.

### 13. LOOKING FOR LISTENERS

When you think about the C-suite in your organisation, how well do they focus their time with regard to listening to staff?



RIGHT AMOUNT OF TIME SPENT ON LISTENING TO THE STAFF



NOT ENOUGH TIME SPENT ON LISTENING TO THE STAFF



TOO MUCH TIME SPENT ON LISTENING TO THE STAFF

Source: Kantar Futures/American Express

MILLENNIALS

## **INTERVIEW: LEADERSHIP LESSONS**

### **KIM KAUPE | UNITED STATES OF AMERICA** CO-FOUNDER OF ZINEPAK

ZinePak is an entertainment agency that works with clients across the industry to create powerful, creative, and collectible products to drive consumer engagement in 'fandoms' (fan groups).

Kim graduated from the University of Florida's Warrington College of Business, and worked at Condé Nast and in advertising before launching the dedicated super-fan entertainment business in 2011.



#### **YOU HAVE TO LISTEN**

Growing as a corporate workspace, you have to listen to the things that are going on. And not only do you have to listen, you have to address them, because it's only a matter of time before they become public. There are websites like glassdoor.com that give the sort of insight you never used to hear because the technology just wasn't there. How you address them before that happens is going to be crucial in the way your company grows.

#### **A MENTOR IS ESSENTIAL**

Getting a mentor at the start of your entrepreneurial journey is essential. I am a big believer that your problem isn't the first time that there's ever been that problem. Having mentors can help steer you away from potholes that they maybe fell into, or problems they've already solved in a way that doesn't take you five tries to figure out. They don't have to be older than you—if they've already jumped through those hoops or gone through those trials you can turn to them for advice. It's just important to have someone you will learn from, with different skills to you. It's important that they understand your life, situation, and ultimate goals. Someone who wants to see you succeed regardless of what it may mean for them.

#### **WE VALUE FLEXIBILITY AND IDEAS**

For us we try to value flexibility and ideas. Even the way we are structured is affected by that, in terms of working from home or working remotely. Companies are realizing that they can slash costs but not lose productivity because of advancements in technology and work-life balance.

# THE MILLENNIAL-LED BUSINESS

Looking at the research on Millennial values, it is possible to believe that Millennials care more about the softer aspects of business, and this is largely true. They prefer to work with people and organisations that share their values, confirmed by our research. Across all four countries, 75% of Millennials agreed that “it is important that the values of the business I work for match my values.”

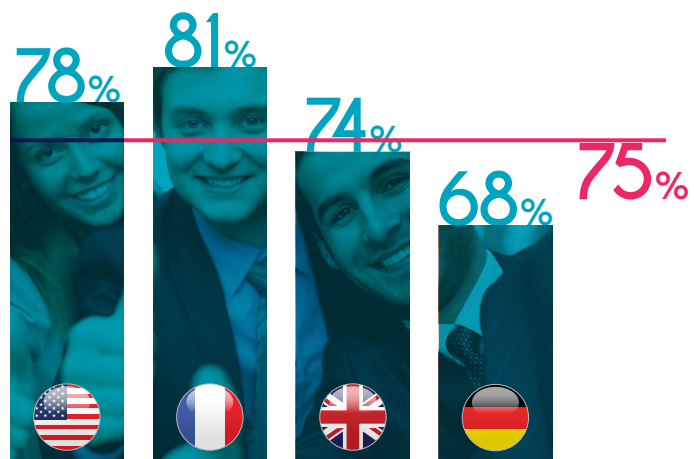
Millennials want to work with organisations that put purpose ahead of profit—they want to feel like what they’re doing matters. But they also want to work for businesses that are effective. In fact, our data present quite a complex picture of the type of business that Millennials seek, potentially as leaders themselves, and it is worth unpacking this.

## BUSINESS STRUCTURES

Millennial managers also have strong views on the types of structures they expect to see from the businesses they work for and may one day lead. They expect them to look beyond traditional models and to be open to working with new partners. They expect that financial transparency will be important. They expect data to work harder, and to leverage it more efficiently to drive success. They expect businesses to be flexible in the face of volatile working environments. And they expect them to build connections

## 14. MATCHING VALUES

% agree



IT IS IMPORTANT THAT THE VALUES OF THE BUSINESS I WORK FOR MATCH MY VALUES

Source: Kantar Futures/American Express

MILLENNIALS  
COUNTRIES' AVERAGE

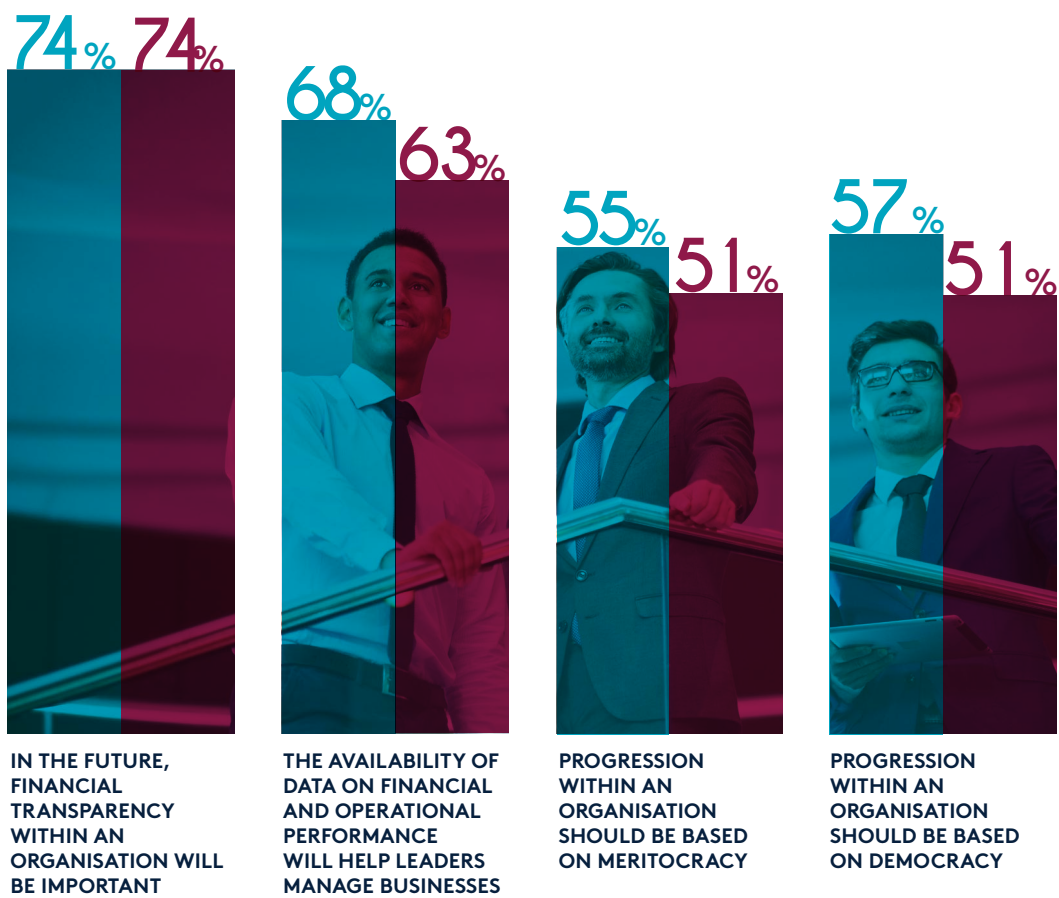
between different functions. What sits behind this is that Millennials also believe that their *job* is no longer the source of status and self-worth that it once was, while their *work*, however conceived,

may prove to be a more important source of self-worth than it ever was. For some Millennials, employment is merely the means to live while doing what they really want to do. In general, Millennials



## 15. THE FUTURE ORGANISATION

% agree



Source: Kantar Futures/American Express

MILLENNIALS GEN X

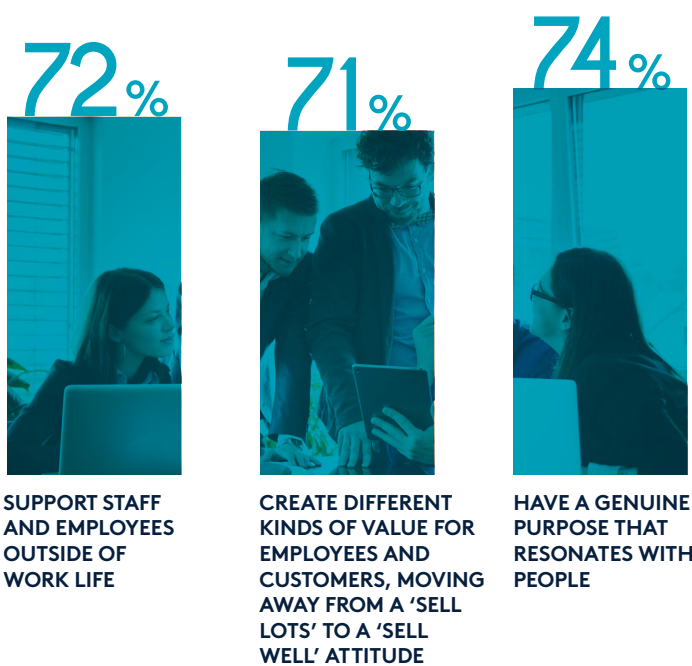
value having a life beyond what they do for money. Employers who can create fulfilling jobs—the “good work” described in the UK’s recent Taylor Report—will have their pick of the pool. The B-corps, pioneered in the US, are a case in point. These are businesses that have written a statement of purpose into their articles of association, so it is a legally binding part of what they do. They are, by law, purpose-driven organisations. In the United States, they are a first choice employer for many Millennials.

This is perhaps a reflection of a deeper trend in business. Barriers to entry in many sectors are increasingly low. Fixed assets that once had to be bought can be leased, and information that had to be acquired expensively is cheaply or freely available. More than ever people will be the future company’s greatest asset. And, as businesses have become more fluid, their internal dynamics have also changed. Project teams are measured by delivery of specific outcomes (such as a new product launch), with limits set by time and budget, rather than inputs such as person-days. Such teams tend to be left to decide for themselves how best to deliver their outcomes, and are judged collectively on their effectiveness.

Nonetheless, even in such business environments, evidence from John Seddon increasingly suggests that giving front-line staff greater autonomy to manage themselves

## 16. NEW VIEWS OF PURPOSE...

The successful business of the future will...



Source: Kantar Futures/American Express

MILLENNIALS

and their teams against agreed outcomes produces better results, despite the scepticism of more traditional managers.

### PURPOSE AND PEOPLE

Our data shows that Millennial managers strongly believe that successful future businesses will have a genuine sense of purpose; that they will “sell well” rather than “sell lots”, and that they will

## 17. ...WHILE FOCUSING ON EFFECTIVENESS

The successful business of the future will...



Source: Kantar Futures/American Express

MILLENNIALS

support their staff outside of work. They also see risk as a source of opportunity to innovate. So far, this runs along the grain of much of the narrative of Millennial attitudes to businesses. When you look beneath

the top line figures, at the country differences, there are few. Perhaps notably, having purpose was more important in the US (81%) and less so in Germany (64%).

### PROFIT AND BUSINESS EFFECTIVENESS

But Millennials don't ignore the nuts and bolts of doing business either. They also think that successful

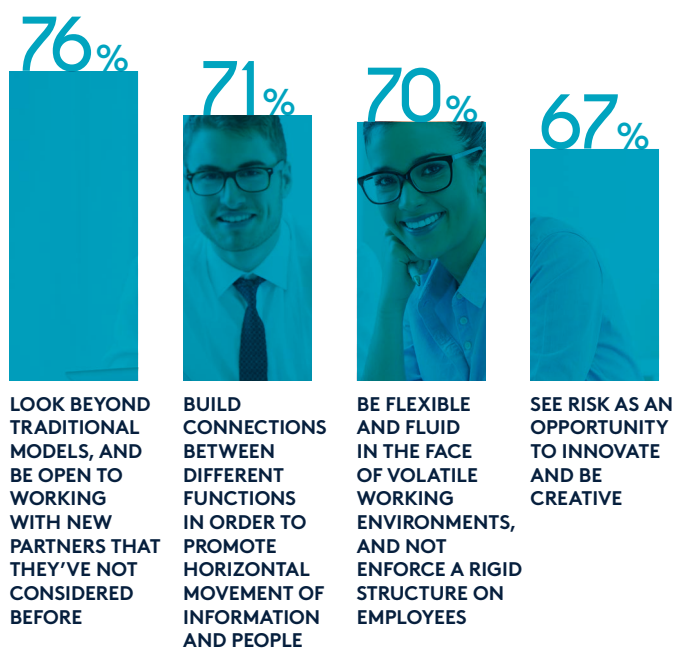
businesses will manage costs tightly, they will focus on execution and delivery, and they will maximise shareholder profits. (Although this was the lowest score in this part of our research, it is still endorsed by almost three in five Millennials across the four countries surveyed.) There is also a significant minority of Millennial managers (39% across the whole sample) that will “trade the happiness and well-being of employees for profit”. There are two interesting differences sitting behind this finding. The first is that French Millennial managers are much more willing to make this trade (at 55%), while their British counterparts are at the other end of the scale (at 26%). The second observation is that in all four countries, Millennial managers were significantly more likely to agree with this than their Xer colleagues.

This isn't a one-off finding. Similarly, in France, Germany, and the UK, Millennials were more likely to agree by a margin over Xer managers that “the successful business of the future will maximise shareholder value/profits (France, 47% vs 34%; Germany, 69% vs 61%; UK, 53% vs 46%). In other words, the business attitudes of Millennials are a little harder edged than those of Gen Xers.

These themes—of businesses that are purpose and value-driven, which embrace flexibility, and are effectively run—create challenges for business design. They are challenges that businesses should

## 18. NEW VIEWS OF BUSINESS SUCCESS

The successful business of the future will...



Source: Kantar Futures/American Express

MILLENNIALS

welcome. Research suggests that sustainable growth is more likely to come from firms with a strong orientation to purpose rather than short-term profits—which means that doing good can be good business, as well as being more

attractive to potential staff. Further, even businesses in low margin sectors can create good work, as seen in the research on this by Harvard Business School academic Zeynep Ton.

## 19. PROFIT-FOCUSED MILLENNIALS

% agree



I AM HAPPY TO TRADE THE HAPPINESS & WELL-BEING OF MY EMPLOYEES FOR PROFIT

Source: Kantar Futures/American Express

MILLENNIALS GEN X

### THE IMPLICATIONS FOR BUSINESS

The Millennial leader, and their expectations of business, has implications for the way business is conducted, today and in the future.

The profit-first model of business becomes increasingly strained as Millennials place increasing value and importance on purpose. This seeming juxtaposition creates a tension for the business leader—in balancing margins with meaning—

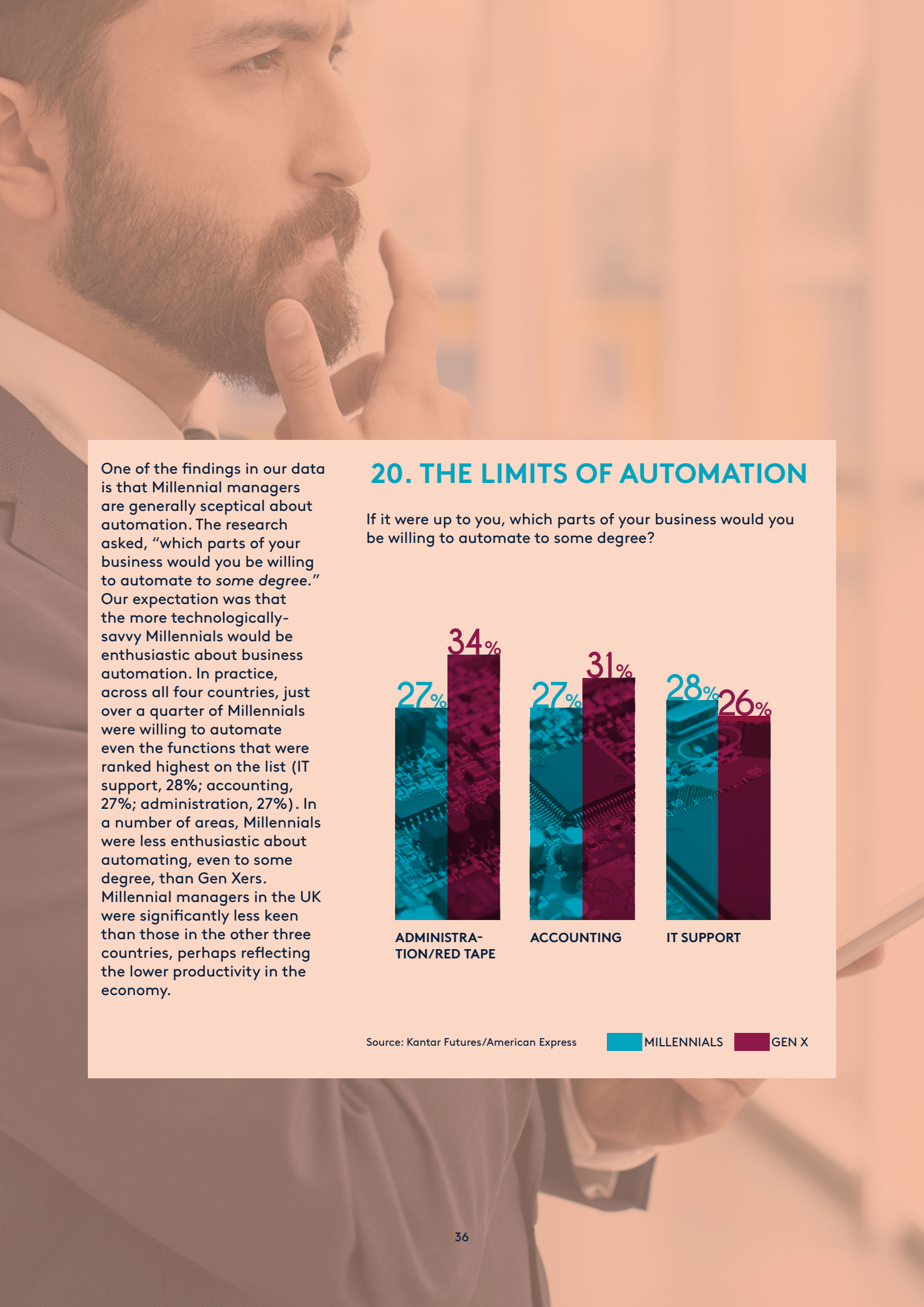
creating urgency in the need for a people-and-profit approach to business.

Longer-term agreement on overall business direction and objectives takes centre-stage, ahead of the classic three or one year plan. Overarching strategy alignment can be encoded in guiding principles that empower staff to more independently make the best decisions in the face of a changing environment.

Strategy, in the Millennial business, becomes more responsive to changes in the wider environment, with frontline staff a valuable asset for monitoring and identifying the direction of change. Earlier response to the changing environment makes nimbler the traditional, large-scale business.

Budgeting will move toward zero-based models, where spend is justified against anticipated purpose and outcome. Shifting away from tightly negotiated and rigid annual department budgets encourages a re-allocation of resources toward managers with a record of effective delivery.

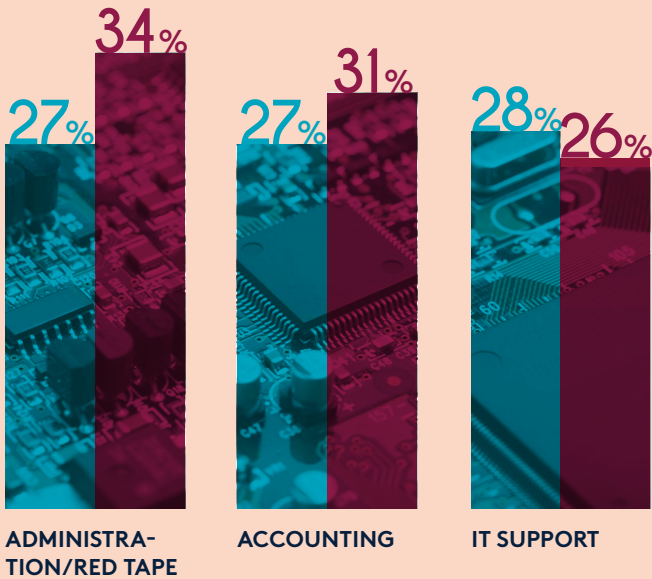
Diversity in characteristics such as age, race, gender, or physicality will become a norm for recruitment, and for progression prospects. The Millennial leader and business will see this more diverse workforce as a source of innovation and alignment with customers and their expectations.



One of the findings in our data is that Millennial managers are generally sceptical about automation. The research asked, “which parts of your business would you be willing to automate to some degree.” Our expectation was that the more technologically-savvy Millennials would be enthusiastic about business automation. In practice, across all four countries, just over a quarter of Millennials were willing to automate even the functions that were ranked highest on the list (IT support, 28%; accounting, 27%; administration, 27%). In a number of areas, Millennials were less enthusiastic about automating, even to some degree, than Gen Xers. Millennial managers in the UK were significantly less keen than those in the other three countries, perhaps reflecting the lower productivity in the economy.

## 20. THE LIMITS OF AUTOMATION

If it were up to you, which parts of your business would you be willing to automate to some degree?



Source: Kantar Futures/American Express

MILLENNIALS GEN X

# INTERVIEW: MAKING IT WORK

## MATT MILL | UNITED KINGDOM

HEAD OF SNACKING UK, IRELAND, AND EUROPE  
AT THE KRAFT HEINZ COMPANY

The Kraft Heinz Company is the fifth-largest food and beverage company in the world, operating in 40+ countries, with eight \$1bn+ brands.

Matt graduated from the University of Bath in Business and Administration, starting his journey at HJ Heinz Company on their graduate programme in 2013.



### **WE GIVE PEOPLE RESPONSIBILITY AND FIND OUT IF THEY FLY**

Kraft Heinz attracts top talent looking for opportunities with high levels of responsibility from big job roles, with the aim of developing real owners throughout the business and across every function.

### **THERE'S NO MIDDLE GROUND**

You hear the words 'ownership' and 'meritocracy' a lot—however at Kraft Heinz you can really see them in action. You deliver, you succeed. At Kraft Heinz we want people that are embedded in the culture, and it's a very specific culture that rewards ownership and the delivery of specific targeted results.

### **PEOPLE NEED TO BE SELF-STARTING**

I think the best work and delivery happens when people are motivated and self-starting. My role now is to keep people motivated with clear targets and pushing them forward to own and take responsibility. The key thing when we're moving at speed, is that everyone's clear on what they're doing. You need people who are all over the details and know the business inside out.

# CONCLUSION

In this report we have sought to identify the behaviours and values held by Millennials in business, and in doing so seek to uncover what the Millennial led business might look like as these individuals progress to hold senior management roles.

By way of conclusion, we have identified some of the key tensions that will need to be resolved as Millennials rise to the top of business. These represent the challenges that will be faced by business leaders who, increasingly, will be Millennials themselves as the cohort move into their 40s over the coming decade.

## 1. PROFIT AND PURPOSE

Millennials expect to work for businesses with purpose, and they expect the values of those businesses to align with their own values. At the same time, they expect them to be well run, to manage costs tightly, and to deliver profits. Our research shows that, despite some perceptions, the Millennial leader is profit oriented. These two objectives do not conflict. The evidence suggests that businesses with purpose deliver good growth and profits, but they do require different assumptions about how the business is managed.

**Look out for:** Leaders who take a holistic view of the systems and processes that deliver business value, rather than focusing narrowly on the top-line numbers.

## 2. SPEED AND DEPTH

Technology has changed expectations about how quickly tasks are done, and how fast businesses respond to their customers. 'Fail fast' is all but a business mantra. But the emerging evidence also suggests that reflection and consideration create value, helping to get to richer innovation and more profound solutions to business problems. In our research Millennials show that they understand this, both emphasising the importance of listening and demonstrating an aversion to the automation of business functions.

**Look out for:** Leaders who look to technology to improve productivity and business effectiveness, rather than outsourcing for its own sake.

## 3. DISTANCE AND PROXIMITY

Digital media and technology creates opportunities for working at a distance from the business. Distance working also enables some people, notably those with young families, to remain in the business when historically they may have left. However there will be a continuing challenge to balance personal and working life with making the most of the opportunities created by connectivity. As Millennials rise to senior roles, how they manage this tension personally may set the tone for the companies they lead.

**Look out for:** Leaders who understand when each of these styles of work deliver the most value to the business and the employee, and create guiding principles so teams can decide on the best way to work.



#### 4. COMMITMENT AND FREEDOM

Millennials want to be able to commit, but they commit to the work, not to the job. They are looking for meaningful work. They will also commit to the business if it helps them to learn and supports them, inside and outside of work. But one of the core Millennial values is autonomy, so they will commit as long as they know that they have the freedom to leave. In a world of shrinking labour market numbers, the 'war for talent' becomes the 'battle for commitment'.

**Look out for:** Leaders who focus on 'good work' as the key to attracting and keeping the best people.

#### 5. FORMALITY AND INFORMALITY

Many of the virtues Millennials expect in their leaders, such as listening and empathy, are about an informal personal style that involves conversation, not presentation. At the same time, the increasing—and proper—emphasis on appropriate behaviour within business means that new types of formality are required from leaders. The Millennial leader is evolving a new personal style, quite different from that of their 20th century C-suite predecessor, to bridge this gap.

**Look out for:** Leaders who expect to earn their authority every day rather than expecting it to flow from their business position.

In summary, the Millennial business is one that has purpose at its heart, but manages costs and processes effectively to deliver this. It is as flexible and fluid as it needs to be, to make the most of technology to support its workers and drive productivity. It focuses on value more than on costs.

This requires a new type of leader; it is not surprising that one of the research findings here is that Millennial managers expect the role of the CEO to change fundamentally. The Millennial leader will concentrate more on outcomes than inputs, across the whole business. They will spend far more time on people and on culture. They will be more interested in influence than in power.

Overall, this is a very different type of business from the ones that have dominated the landscape for the past two or three decades. They should be businesses that listen more to their employees, better respond to their customers, and deliver greater economic and social value for everybody.

# END NOTES

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