

# Millennials' confidence drops against world instability

According to Deloitte's sixth annual Millennial Survey, respondents indicate they are less likely to leave the security of their jobs, more concerned about uncertainty arising from conflict and not optimistic about the directions their countries are going.

A turbulent 2016 — punctuated by terror attacks in Europe, Brexit and a fractious US presidential election — appears to have rattled millennials' confidence.



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## Developing markets more optimistic but concerned about crime

A more optimistic picture emerges from South Africa and other developing markets, where millennials generally expect to be both financially (71%) and emotionally (62%) better off than their parents. This is in stark contrast to mature markets, where only 36% of millennials predict they will be financially better off than their parents were and 31% say they will be happier.

“Looking at the global picture, this pessimism is a reflection of how millennials’ personal concerns have shifted,” explains Tumelo Seaketso, talent strategies leader in Deloitte South Africa’s Human Capital practice. “Four years ago, climate change and resource scarcity were among millennials’ top concerns. This year, crime, unemployment, corruption, war and political tensions are weighing on the minds of young professionals, which affects both their personal and professional outlooks.”

Crime is a major worry for millennials in South Africa, with 46% of those surveyed listing it as their greatest issue of concern, followed by unemployment (45%), corruption (30%), education and training (26%) and healthcare (22%).

However, South African millennials are distinctly more upbeat about their prospects than many of their counterparts around the world. The study found that 41% of millennials here expect the overall social/political situation to improve over the next 12 months, significantly higher than the global average of 36%.

“It’s an encouraging sign and it indicates that South African millennials feel more hopeful and confident in their ability to affect change, both in their professional lives and in wider society,” says Seaketso.

## **Ripple effect of giving back**

South African millennials are also more bullish about their ability to give back to society. Globally, 54% said they felt empowered to contribute to charities and good causes through workplace-backed initiatives. Among South African millennials, this was 64%.

This local, small-scale change has a ripple effect that cascades from the individual to the broader workplace to society at large.

“The survey’s findings suggest those given such opportunities show a greater level of loyalty to their employers. However, we are also seeing that purpose has benefits beyond retention. Those who have a chance to contribute are less pessimistic about their countries’ general social/political situations, and have a more positive opinion of business behaviour.”

In general, millennials say they intend to stay longer with employers that engage with social issues, such as education, unemployment and health care and those most optimistic about their countries’ progress are more likely to report their employers getting involved with wider social and economic issues.

## **Stability and loyalty**

Millennials’ anxiety may be partially responsible for more young professionals wanting to remain in their jobs. Last year, the global ‘loyalty gap’ between those who saw themselves leaving their companies within two years and those who anticipated staying beyond five years was 17%. This year, the balance of millennials looking to ‘leave soon’ is only 7%.

South African millennials, however, are more open to changing jobs. While 65% globally said that they would prefer permanent employment, just 56% of South African millennials expressed such a preference.

South African millennials are also considerably more open to taking on freelance or consulting work, with 43% of them expressing such a preference over 31% globally.

## **Flexibility improves performance, retention**

Overall, 84% of millennials report some degree of flexible working in their organisations, and 39% say their organisations offer highly flexible working environments. They believe flexible working arrangements support greater productivity and employee engagement while enhancing their personal well-being, health and happiness.

Those in highly flexible organisations appear to be much more loyal to their employers and are two-and-a-half times more likely to believe that flexible working practices have a positive impact on financial performance than those in organisations that are more restrictive. Three-quarters of those offered flexible working opportunities say they trust colleagues to respect it and 78% feel trusted by their line managers.

“Flexibility is clearly a key contributor to retention. While some workplaces do not lend themselves to certain types of flexible arrangements, like working from home or remotely, other options, such as staggered working hours, are open to

employers.”

## **Automation - threats and opportunities**

Automation brings with it some trepidation — 40% of those surveyed see it posing a threat to their jobs; 44% believe there will be less demand for their skills; a majority believe they will have to retrain; and 53% see the workplace becoming more impersonal and less human.

Conversely, many respondents see automation as providing opportunities for value-added or creative activities, as well as the learning of new skills. “This more optimistic view is especially prevalent among ‘super-connected’ millennials, those who engage with one other extensively on social media. This is something worth considering by employers, who generally take a negative view of workplace social media use,” concludes Seaketso.

## **Methodology**

The research findings are based on a study conducted by Deloitte Global of nearly 8 000 millennials representing 30 countries around the globe during September 2016. Screening questions at the recruitment stage ensured that all respondents were millennials—were born after 1982, have obtained a college or university degree, are employed fulltime, and predominantly work in large (100+ employees), private-sector organisations.

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