

Engaging and empowering Millennials

*A follow-up to PwC's
NextGen global
generational study*



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Introduction

Approximately seven years ago, we began to notice a change in the behaviours and desires of our people at PwC.¹ We began to wonder why our younger people didn't seem to be motivated by the same things that motivated the generations before them – why didn't they want to work in the same way? In the accounting and professional services industry, it has long been assumed that fair pay, a stable upward career path, a chance at financial security and the prestige of partnership would be enough to attract and retain bright young talent. However, we started to find that this was no longer the case. So what have we been doing differently to address this business dilemma?

In order to put data behind what we were seeing, PwC commissioned the *NextGen* study, conducted by the University of Southern California and London Business School. In addition to this survey of 44,000 PwC people, we conducted live interviews, focus groups and social media events around the world to round-out the research.

What we learned is that there is, indeed, a difference between what motivates and satisfies a Millennial worker, versus what drives the satisfaction of Generation X (those born between 1965 and 1979). Where Generation X values control over work, development opportunities and pay satisfaction, Millennials are driven by the more social needs of flexibility, appreciation and team collaboration. So, how are we managing to appeal to different generations and meeting their needs?

We recognise that we can't simply mould this upcoming generation into the model that has worked for us in the past. Instead we've been revisiting our traditional human capital approach, implementing new policies, and looking at alternative, more sustainable business model options to address the shifting needs of our workforce. Here are some recommendations for organisations to consider, and some examples of how PwC has been addressing the same issues.

'Millennials'- those born between
1980 and 1995

195,000



PwC people globally

29 years
Average age
at PwC

In 2016 almost

80%

*of the workforce of
the PwC firms will
be Millennials.*

¹ PwC refers to the PwC network and/or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

Create a more flexible environment

Millennials are willing to give up some of their pay and slow the pace of promotion in their careers in exchange for working fewer hours.

Many Millennials are unconvinced that excessive work demands are worth the sacrifices to their personal life – and if they come into an organisation and find they're not getting the full life they want, they will look elsewhere. At the same time, they are willing to compromise: give them some say in how they work and where they work, and they will deliver.

Getting the work done in less traditional ways doesn't mean less quality or productivity – and it's important for our managers to appreciate this. We've been helping our non-Millennials see that Millennials are every bit as committed to the success of the firm and to delivering on their projects – but it might take a bigger leap of faith to allow them some freedom in how they get there. By encouraging our managers to also participate and to model flexible behavior, we have started to loosen the hold we previously had on the work environment, and we've started to see results. We've also been looking to involve our clients in our flexibility efforts. In many cases, we have explained to clients upfront that, although we understand their expectations and intend to react

quickly to their needs, we can provide a team that will be of service around the clock, without the need to rely on any one individual.

In a more visible sign of flexibility, many PwC offices have loosened up their dress code policies to make the workplace feel less formal. Many countries that have been more traditional in their business dress requirements are now also considering implementing a pilot around dress code. Signs like this are important in showing our people that we're open to new ways of working.

The US firm has 'flex days' where an individual has the option to work their minimum standard hours in four days as opposed to five, assuming they have agreement from their supervisor. This is an arrangement that is completely flexible, from project to project, person to person, and week to week. In China and Hong Kong, we have been implementing structured pilot programmes around flexible hours and flexible locations – such as 'Learn @ home' – and as a result we have been seeing an increase in our people's engagement.

By empowering our managers and updating some of our policies to promote greater work-life flexibility, employees are being provided with more options when it comes to getting the job done.



Fully leverage technology

Millennials are adept at leveraging technological advances.



It's becoming more and more crucial to accelerate the integration of technology into the workplace to enable workers to harness technology in ways that give them more flexibility and increase efficiency. This is an absolute must for Millennials; they expect to have access to the best tools for collaboration and execution at any time.

At PwC, we've been looking at digital options, within and outside of the firm, to make working easier for our people. Millennials are accustomed to exchanging information via social media and other forms of technology. To pass on their knowledge, our Millennials have been involved in our social media 'bootcamps' across our global network. They help our people

change the way we think about digital communications and actively engage with our clients using the channels and networks now available to us. To date, close to 7,000 people from 17 territories have participated.

Our internal global social networking tool *Spark* allows our people to connect and collaborate virtually across borders. We've also been using social media in the market, for recruiting Millennials. We recognise that each employee is a walking, talking brand advocate of our firm. So we're looking at ways of encouraging our people to engage in social media in a relevant and appropriate way, such as promoting relevant PwC publications on social media.

With digital transformation changing the business landscape globally, our focus has also been on enabling our people's development through learning technologies. With the recent implementation of our new career development framework *PwC Professional*, which focuses on developing leadership at all levels, it's been a good time to ensure our learning services are more accessible. Our global mobile learning platforms are helping our people learn and gain support for their performance, whenever and wherever they need it, at their convenience.



Social media bootcamps

To date, close to 7,000 people from 17 territories have participated.



On-demand e-learning

PwC has provided on-demand e-learning services to 157 territories, and we have seen a 17% increase in total training hours amongst our people.

17%

Create innovative programmes around compensation, rewards and career decisions



Millennials tend to look for recognition rather than, or in addition to, money; rewards that will benefit them in life or in career-enhancing ways.

The allure of someday becoming partner is no longer enough to spark high levels of engagement. For Millennials, enjoying their work and finding meaning and purpose in their work is more important. As a result, our focus has shifted to how we reward the quality and value of work, and recognise the needs of every person.

According to *NextGen*, Millennials value recognition and appreciation – even if it’s just for doing what they do anyway. We’ve been encouraging more real-time appreciation, feedback and development across the firm, and focusing on having more face-to-face coaching conversations rather than filling out performance feedback forms. This is a priority for Millennials because, despite their frequent use of digital technologies, they still prefer to have more serious conversations about their career path in person. Globally, we have also launched the

PwC Professional. This is already playing a significant role in changing the way our people think, learn and develop together while at PwC.

This new framework describes in detail the skills and behaviours that our people need to acquire in order to meet the expectations of our clients, colleagues and communities in today’s changing global marketplace. The *PwC Professional* aims to help our people bring their best self to work, and to inspire their colleagues and clients to do the same.

Further, to increase transparency in our reward and compensation programmes, we're becoming more explicit in what Millennials can look forward to as their careers progress especially around compensation.

At PwC US, we've been implementing a number of non-monetary rewards for staying with the firm, recognising both large and small contributions. For example, we have been investing in leadership training for very young seniors and managers and offering sabbaticals to our senior professionals. In many territories, we now provide more choices in non-base compensation rewards; people can choose to receive them in different forms, for example, gift cards, product packages or matched charitable contributions.

As it relates to helping Millennials make career decisions, this year PwC launched out 'Aspire to Lead' series, the first ever global forum to focus on women and leadership, for students around the world. Held in April 2014, the forum offered university students, PwC people and clients the opportunity to talk about women and 'whole leadership' and share their personal experiences on how to navigate their career. Attendees learned about the importance of having an inclusive mindset and the need to create a diverse workforce and culture. The impact of creating real dialogue about what is most relevant for talent, across all generations, is clear.



'Aspire to Lead': Inspiring and energising our next generation of women leaders.



6,000+ listeners on the webcast



48,000 visitors to pwc.com/aspire



2 million #pwcaspire users on Twitter

Build a sense of community

Millennials say that creating a strong cohesive, team-oriented culture at work is important to their workplace happiness.

Millennials well understand the value of a team and are just as committed to their units and to the firm as previous generations. What has changed is the definition of commitment – it no longer encompasses making your job your only priority, but still includes what really matters for business outcomes. Millennials do place more importance on being part of cohesive teams – and less on pay – so we need to encourage them to connect, collaborate, and build their networks.

We've also been focusing on creating an environment that allows people to give back to our community beyond PwC. Interestingly we've been seeing greater retention and higher performance when people have been engaged in corporate social responsibility programmes. Those who participated in more than one corporate social responsibility activity in the US had an average tenure of 7.4 years, while those who didn't participate in any stayed with the organisation an average of 6.3 years.

Millennials tend to look for an employer whose corporate responsibility values match their own. We've been focusing on reinvigorating our efforts to embed

responsible business, diversity and inclusion, community engagement and environmental stewardship into our day-to-day work.

Across the globe, we have been implementing a number of programmes that benefit the greater good of society, and working with businesses to better understand their societal and environmental impacts. For example we've been working with Kering, owner of luxury, sports and lifestyle global brands, to create the world's first environmental profit and loss statement. This has involved placing a financial cost on environmental impacts so that they can be more easily considered in business' strategic decisions. In another example, we have been working with the United Nations to reduce disaster risk. By co-creating the new 'RISE' initiative, this effort is bringing global leaders together in a single alliance to take action on disaster risk resilience. And to meet these challenges, we've been drawing on expertise of more than 15 of our member firms across our global network.

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Of those who participated in the PwC US Project Belize programme, which is part of Earn Your Future – PwC's \$160 million commitment to increasing the financial literacy of students – only 8% left the firm in the subsequent year, compared with 16% of non-participants.

Consider introducing or accelerating your global mobility programme

Millennials view the opportunity to work overseas as part of their desired career path more so than their non-Millennial counterparts.

Millennials are much more globally aware and oriented. They are much more likely to say they would like global career opportunities – and they don't expect to wait to earn that option.

PwC has been focused on global mobility for many years to offer both short- and long-term assignments to our people. With offices in 157 countries and a strong international mobility programme, we are able to pull together teams of diverse skills and backgrounds to solve important problems for clients, while developing our people through these experiences.

We recently saw a total of **3,000** new moves across **115** countries, over the span of **12** months.

Providing these opportunities not only adds to the development of the individual working abroad, but also helps to create future leaders with a more global mindset. And it creates value for PwC and our clients, helping to share knowledge and strengthen our people's relationships around the globe. We have also been striving to allow these assignments to occur earlier in an individual's career, considering Millennials will not wait patiently to have this experience!

As an extension of the *NextGen* learnings, at PwC we expect to see a greater evolution of the different forms of international mobility opportunities for our people, especially Millennials. Whether addressing the needs of assignees, commuters or business travellers – creating flexibility in how we can meet the needs of our clients and enable the development of our PwC professionals across the world – mobility will be a key component of attracting, retaining and developing talent now and in the future.

Ensuring seamless mobility across borders does not come without its challenges, but it's clearly becoming increasingly important to create these opportunities for our people and help build their global acumen.



Evaluate the contingent workforce strategy of your organisation

Millennials want greater flexibility in their schedules and career progression.

Unlike previous generations, Millennials are less likely to work at one place for nine years or more. This means they are more open-minded to finding new ways of working, when and how it suits them. Leveraging Millennials as contingent workers can provide organisations with better control over variable costs, and enable a more dynamic workforce that is able to scale up or down to meet the changing needs of the organisation.

PwC's *Flexibility² Talent Network™* allows people to work for the PwC US firm during our busiest months (January through March), and then pursue other interests outside of the firm for the rest of the year. In the past year, PwC US has hired more than 500 team members as part of this initiative to support our busy season. One PwC individual left to attend medical school but returned to work for PwC during a break between courses. Another individual opened a bakery and uses her PwC work as a source of

reliable capital for her business, while another PwC person is leveraging flexible work options to pursue his passion to surf around the world.

This network is not only helping us to improve our flexibility in meeting our clients' changing needs throughout the year and driving efficiencies for the business, it's helping us to increase levels of engagement amongst those who would prefer to work at PwC in a way that better suits their life goals. Of the contingent workers who joined PwC US last year, 40% of them will be returning for the next busy season.

PwC China, we have implemented our Talent Development programme, a three-year programme to bring in student contingent workers during our peak season and help them to pursue the CICPA qualification throughout the school year. High-performing students can convert to full-time staff after completion of the programme.



Invest time, resources and energy to listen and stay connected with your people

Millennials want every action the firm takes to represent their values and are more eager than others to be asked for input on important issues.



Millennials are quick to react negatively to any perceived disconnect between an organisation's words and its actions – and they want to know what decisions are being made at the leadership levels. If they don't receive the information they're looking for, they'll go out and get it anyway, rather than waiting to be told.

In response, we've been asking our people for their thoughts – and making sure we listen and take their ideas on board. Clear two-way communications are proving to be valuable in letting our Millennials know what the network is doing and why, and allowing them to have a voice in where the network is going. This means we're increasingly veering away from the traditional hierarchical system, and building a more collective community, where everyone feels they have an opinion that matters.

At PwC US, for example, when we asked our people for ideas on how to invest in human capital and what the firm's next '\$100 million idea' should be in an online contest, approximately 70% of our people took part. We've held 'online jams' across the globe, where we've asked our people for their thoughts on big topics such as our network's purpose, and many of our leaders make themselves available online for real-time 'question and answer' sessions.

We've also been looking at ways to stay connected to those who need to leave PwC. Our alumni programme is robust, and our 'Full Circle' programme has been implemented for people who need to stop working for a while for personal reasons. This enables them to stay connected to PwC and re-engage when they're ready to.

Conclusion

Recognising that one size does not fit all, but that all organisations need to engage in change.

Understanding the generational differences between Millennials and non-Millennials will ultimately help promote retention and an engaged workforce across all generations and levels. In a business such as ours – where retaining human capital is tantamount to growth – evolving our environment to better reflect a changing world and workforce is of the highest priority.

Aside from our own complex people challenges, we have the benefit of seeing our clients face similar issues. From innovative technology firms to more conservative financial services companies, we are seeing a growing need to keep up with the demands and expectations of Millennials, either as workers or as a customer base.

We believe this is a journey that all organisations will embark on, and as part of this, each will need to be willing to experiment with solutions to address the changing needs of their own employees. We recommend organisations be open minded to cultural changes that will allow them to empower their people for the future – this is much more powerful than holding on to ways of protecting their past.



This document reflects only a small portion of the learnings and insights we uncovered from the NextGen study. For further information, please contact any of the individuals listed below.

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