



Millennial Innovation survey

January 2013
Summary of global findings


Deloitte.

Research information

Research approach



When?
19 November –
19 December 2012



What?
15 minute quantitative
questionnaire conducted online

Approximately 300 interviews
per market



Who?
Millennials – born January
1982 onwards

Degree educated

In full-time employment



Where?
16 markets across:
Western Europe,
North America,
Asia & Australia,
Brazil, South Africa
and Russia

Research scope

Interviews achieved	Market
312	United States
300	Canada
320	South Africa
303	Brazil
301	Netherlands
316	United Kingdom
312	France
304	Germany
310	Spain
307	Russia
310	South Korea
306	India
318	Australia
317	Japan
328	China
318	South East Asia (Thailand 107, Singapore, 100 and Malaysia 111)

Summary of global findings

Millennials believe that **business drives the innovations that have the most positive impact** on society

Innovation is considered to be one of the **top three 'purposes'** of business and just as important as profit

The **top challenges** facing society over the next 20 years are considered to be resource scarcity (34%), inflation (32%) and an aging population (28%)

The **main non-financial measure of business performance** is regarded as "Employee satisfaction and retention" and 50% say that business success should be measured in terms of "How innovative they are"

62% of Millennials would **describe themselves as innovative**

78% of Millennials believe that **innovation is essential for business growth** and 87% believe the success of a business should be measured by more than just financial performance

The sectors considered to be responsible for the most innovations are **Technology, Media & Telecommunications (TMT), Consumer business and Manufacturing**

95% say it is acceptable for business to make a profit from an innovation that 'benefits society'

Creativity (62%) is most often regarded as the characteristic that will mark out future innovators, followed by academic ability, technical skills and the ability to challenge

Two-thirds work in organisations that actively encourage/reward its people for innovative ideas

The **top three factors** an organisation is considered to need if it is 'be innovative' are: leadership that encourages idea generation and sharing regardless of seniority (42%), clear vision for the future (41%) and demonstrates commitment to the continual development or improvement of internal processes (40%)

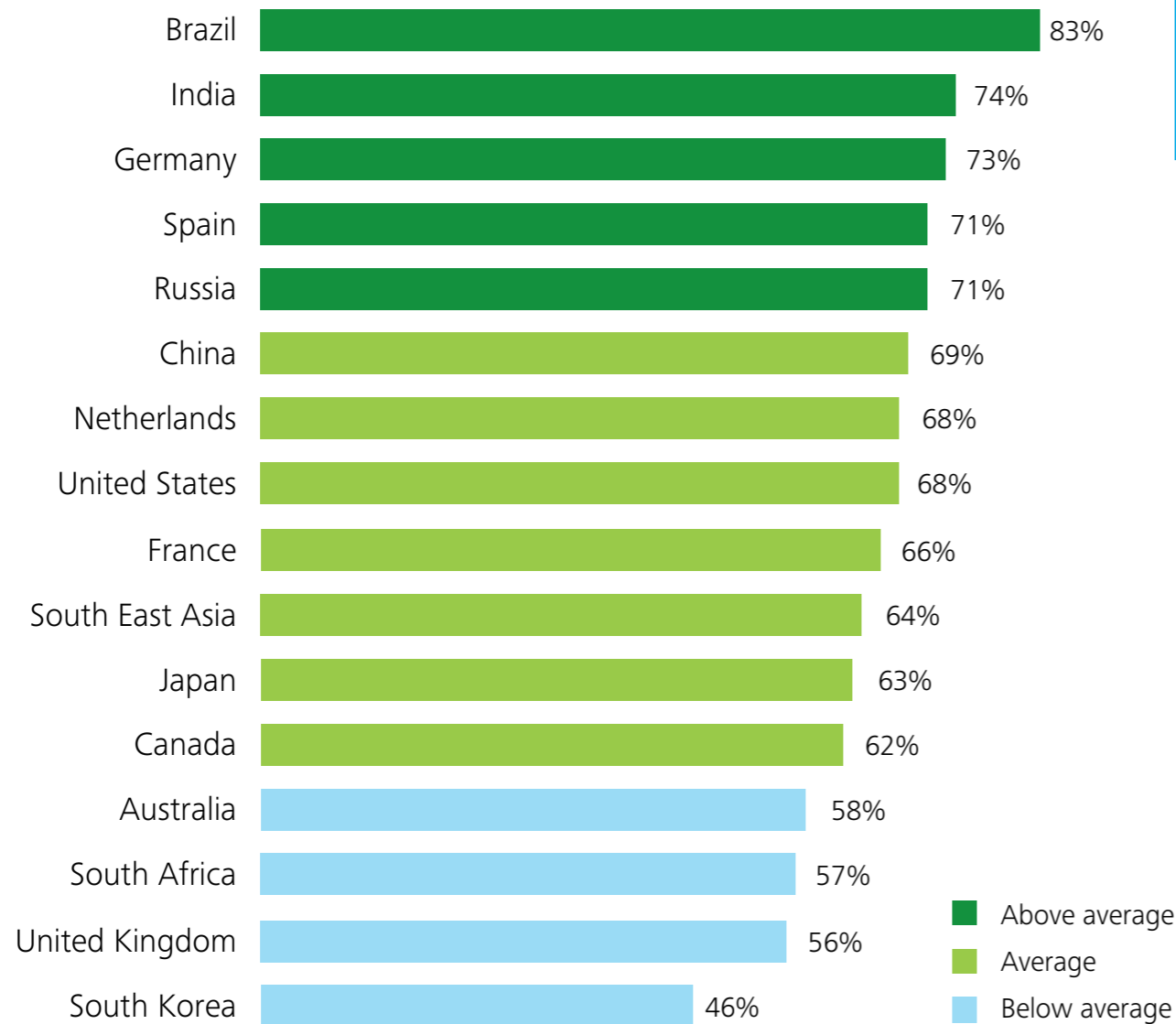
66% of Millennials say **innovation is a key ingredient** in making an organisation an employer of choice and 60% believe that they work for an innovative business

The **sectors considered to be most in need of innovations** are education (27%), electric power (18%) and national government (17%)

Only 26% believe that their own organisation's leadership **encourages idea generation and sharing regardless of seniority**

65% feel their company's activities benefit society in some way...

"Its activities benefit society in some way"



32% "It tends to focus on its own agenda"

17% "I can't see how my organisation can benefit society"

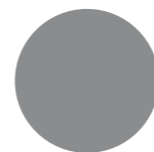


Q. To what extent, if at all, do the following describe the organisation you work for? % totally / to a large extent. Base: All 4,982 respondents

Innovations from business directly...



Millennials in China (86%) and Malaysia (82%) are the most confident about the positive role of business innovation



12%
HAVE A NEGATIVE
IMPACT ON SOCIETY

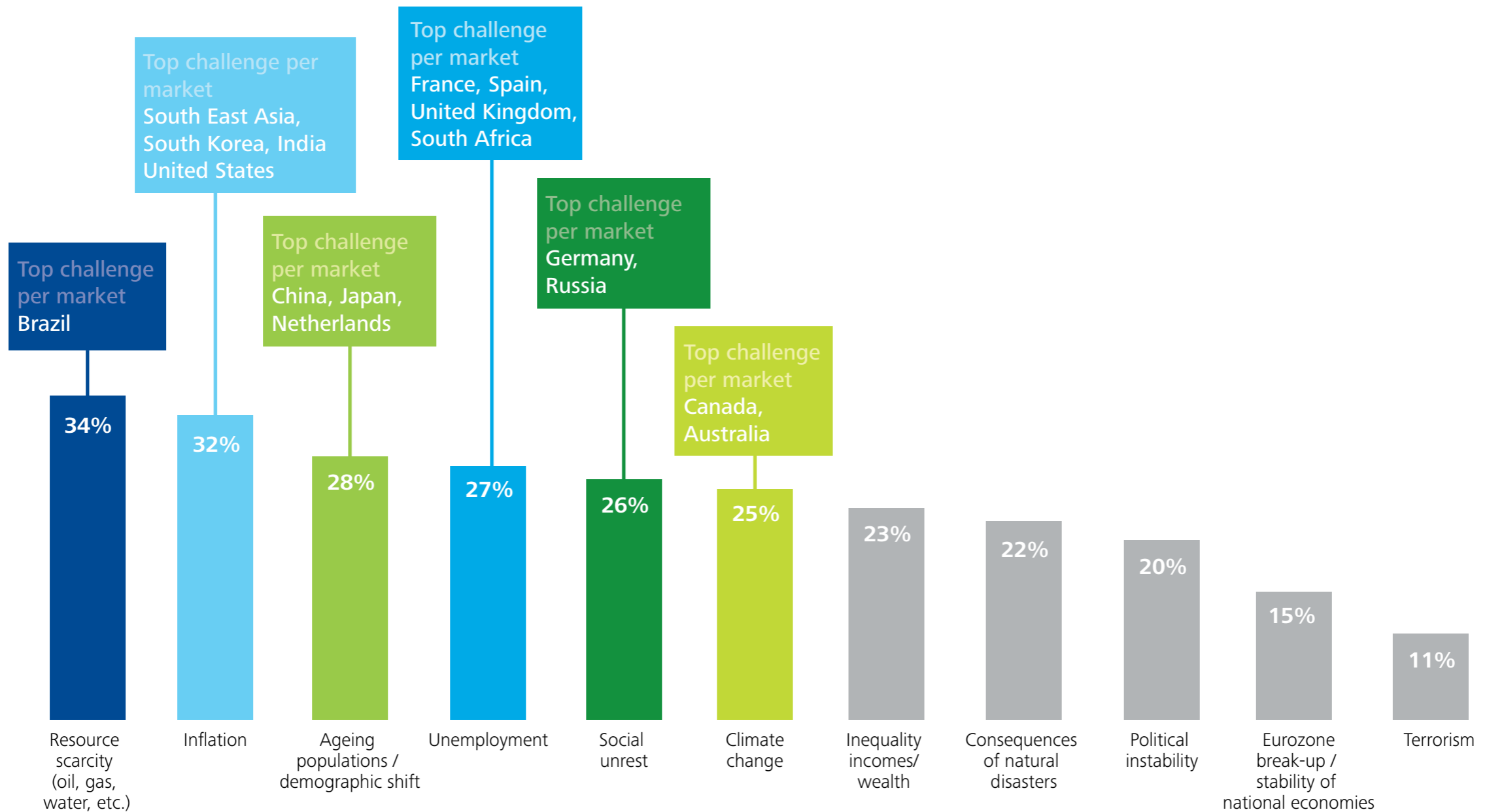


5%
HAVE NO
IMPACT

Q. Which of the following is closest to your own view about the relationship between business innovation and positive changes to society?
[Select one] Base: All those that do not feel businesses drive the innovations that have the most important positive impact on society

Societal challenges

Top challenges facing society in the next 20 years



Q. Thinking of the next 20 years or so what do you think will be the top challenges facing society? [Select up to three] Base: All 4,982 respondents

Challenges facing society that demand the attention of business...



Q. What are the challenges facing society that you think most demand the focused attention of businesses and others to find new solutions?
[Open question] Base: All 4,982 respondents

Societal challenges: The voice of Millennials

“The biggest challenges in Brazil at the moment, is to improve the life of its inhabitants. In order: education, at all levels, mainly basic education—not only teaching, but mainly the training of more dedicated teachers; raising the awareness of its citizens with regard to knowledge of their obligations and mainly of their rights, this is only possible with a high quality education; and finally, improving quality of life with a better distribution of income and a more effective health service.” **Brazil**

“Energy Consumption—reducing our dependence on fossil fuels to prevent air pollution, climate change and vulnerability to price changes. Energy Generation—moving away from large power plant setups to more local renewable power.” **United Kingdom**

“The economic crisis that we are all stuck in and for which there is no end in sight...the economic crisis in France, in Europe and on a global level...where are we heading?” **France**

“South African challenges such as unemployment, lack of basic sanitary needs (i.e. running water) and electricity and poor education require the most urgent and immediate attention.” **South Africa**

“Population growth, resultant poverty and unemployment, bigger and bigger gap between rich and poor, less and less resources that are essential to survival.” **Germany**

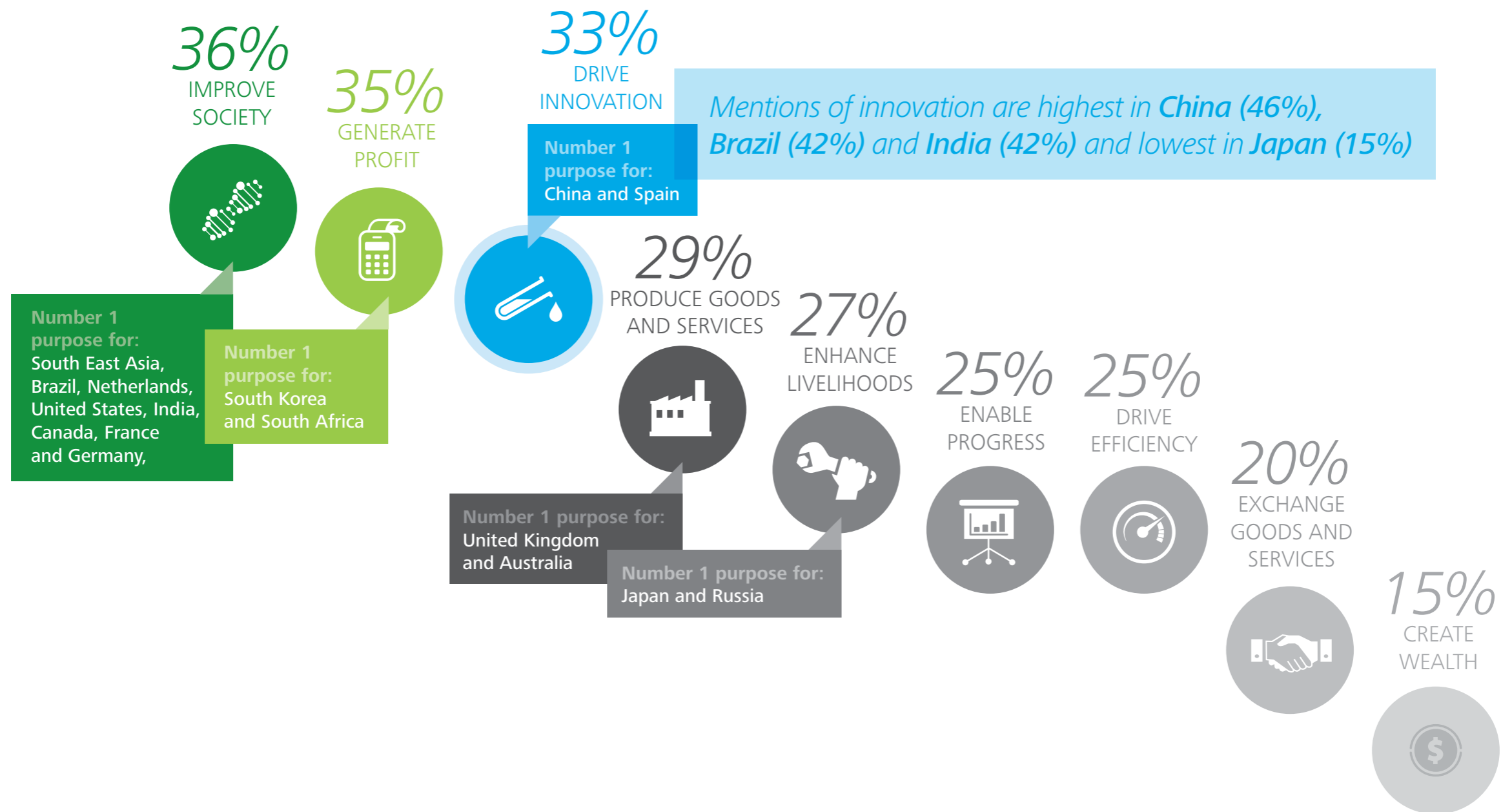
“Problem of the depletion of resources. Develop products that can replace petroleum and liquefied natural gas.” **Japan**

“The main problems in Russia are the reduction in the level of education, the lack of development of industry and the poor level of healthcare services. People occupy leadership positions who don't know enough about their field of activity. The main problem is corruption.” **Russia**

“ 1. Environmental protection. I think the global environment is deteriorating year by year. Just look at problems such as global warming, carbon emission etc. I think businesses should stay committed to environmental protection. 2. Unemployment. Employment rate is not very high at the moment. Problems such as employment discrimination and inequality still exist. For example, some posts are reserved only for men.” **China**

Q. What are the challenges facing society that you think most demand the focused attention of businesses and others to find new solutions? [Open question] Base: All 4,982 respondents

The purpose of business is to...

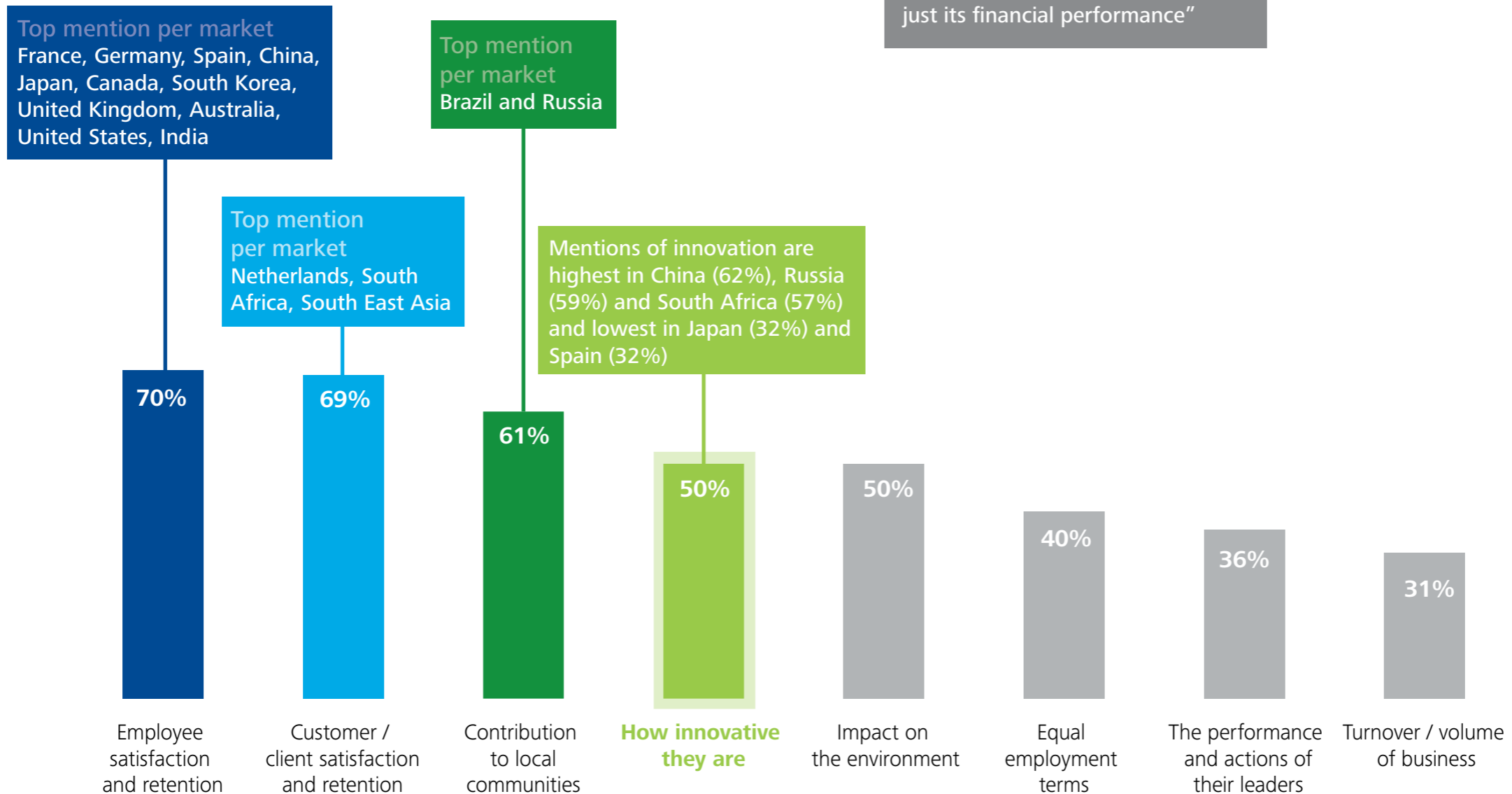


Q. Which of the following words and phrases match your own belief as to what business is for? Base: All 4,982 respondents

Measuring business success

What else should companies be measured against?

87% "Success of a business should be measured in terms of more than just its financial performance"

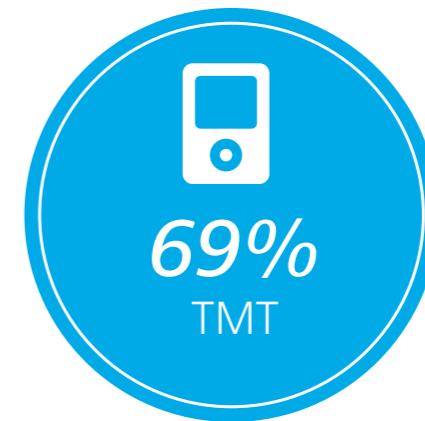
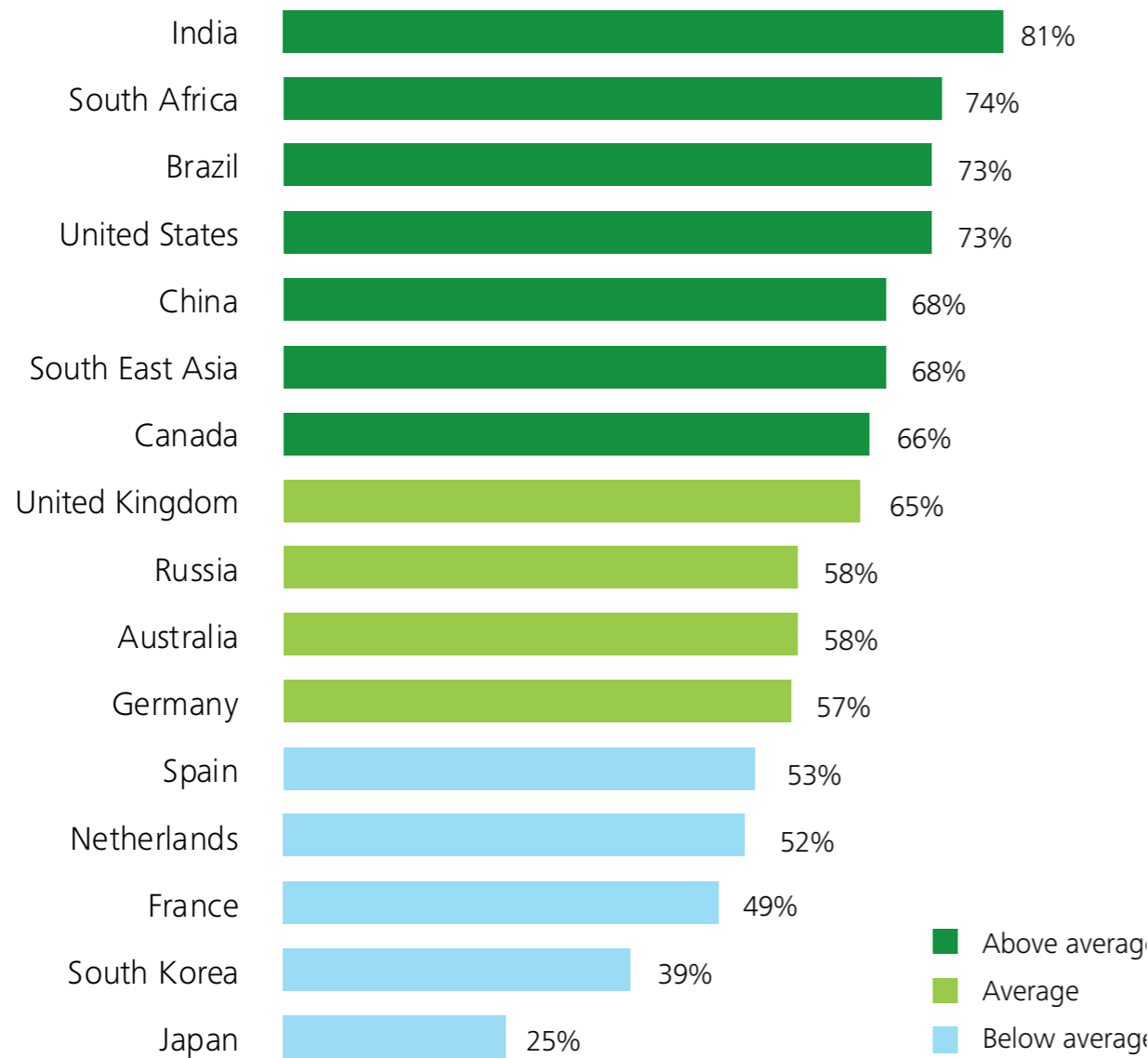


Q. Do you think the success of a business should be measured in terms of more than just its financial performance? Base: All 4,982 respondents

Q. What else do you think companies should be measured against in order to judge whether they are successful? Base: Filtered on Q2 (4,338)

60% of Millennials work for innovative companies

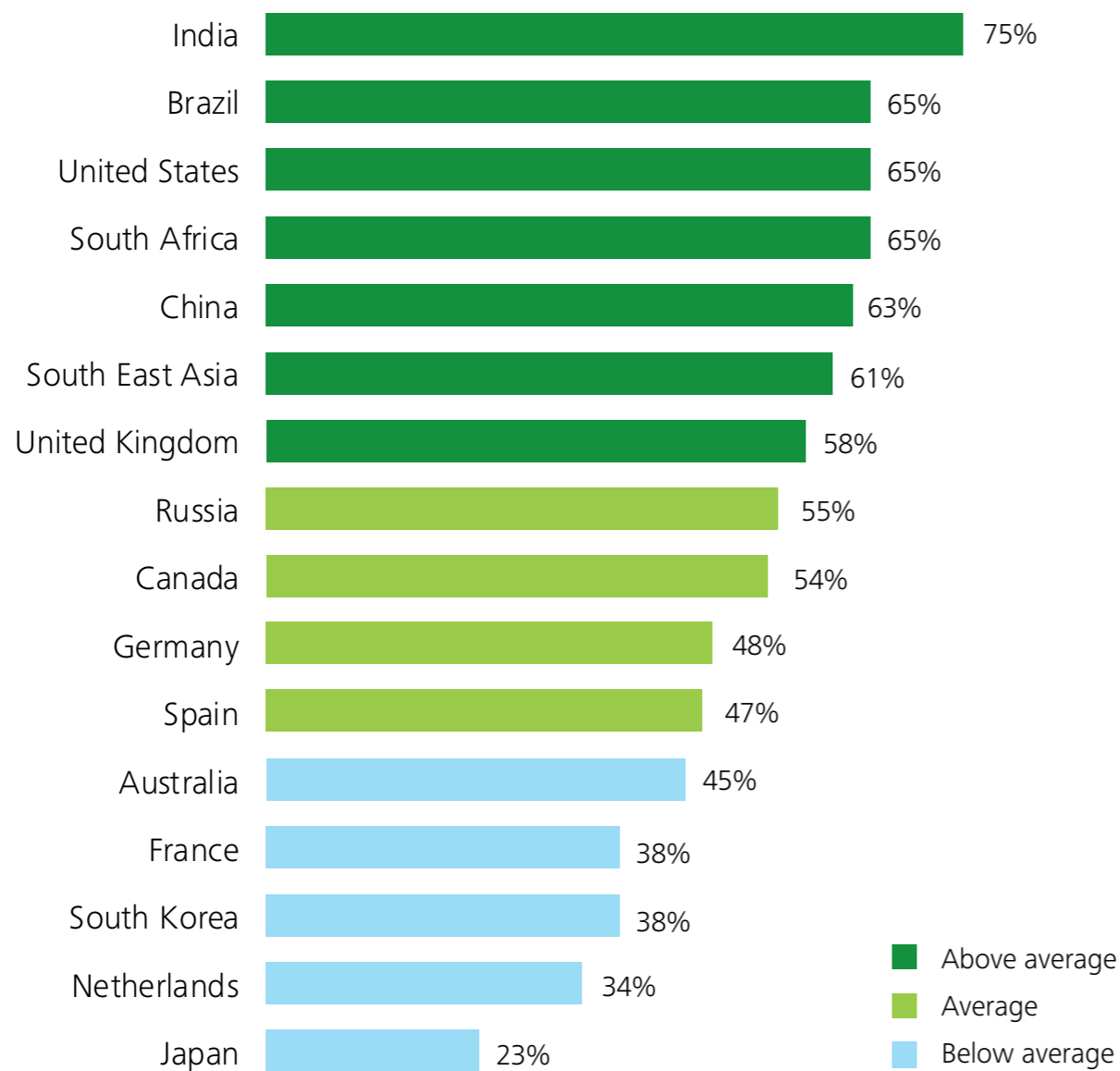
"I work for an innovative company"



Q. Please indicate the extent to which you agree or disagree with the following statements. Base: All 4,982 respondents

52% feel innovation places their company at a competitive advantage

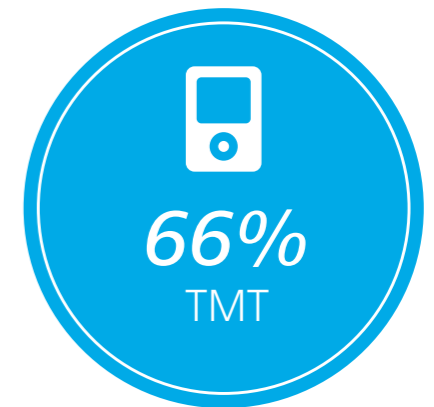
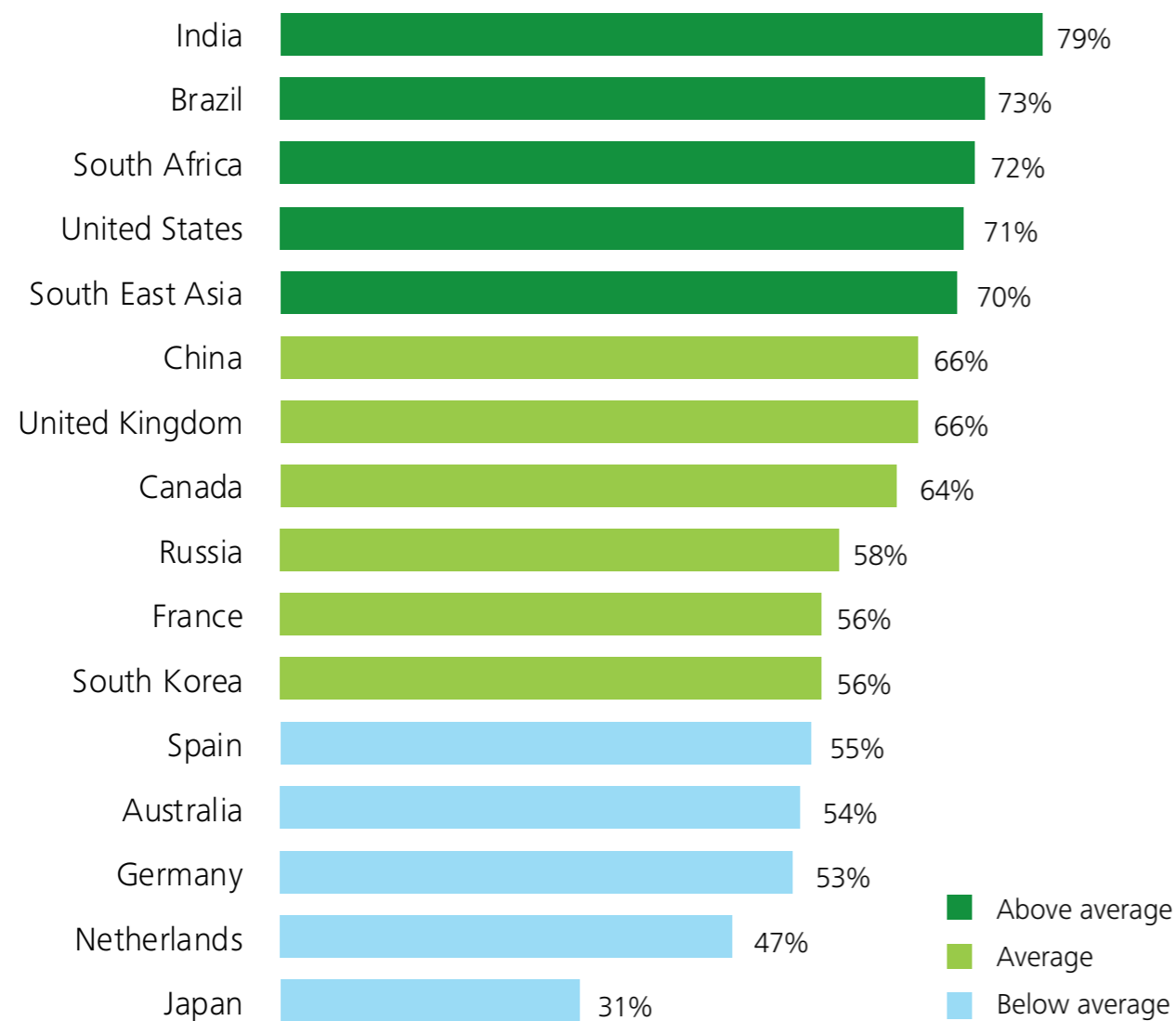
“My company is more successful than others because of the priority it places on innovation”



Q. Please indicate the extent to which you agree or disagree with the following statements. Base: All 4,982 respondents

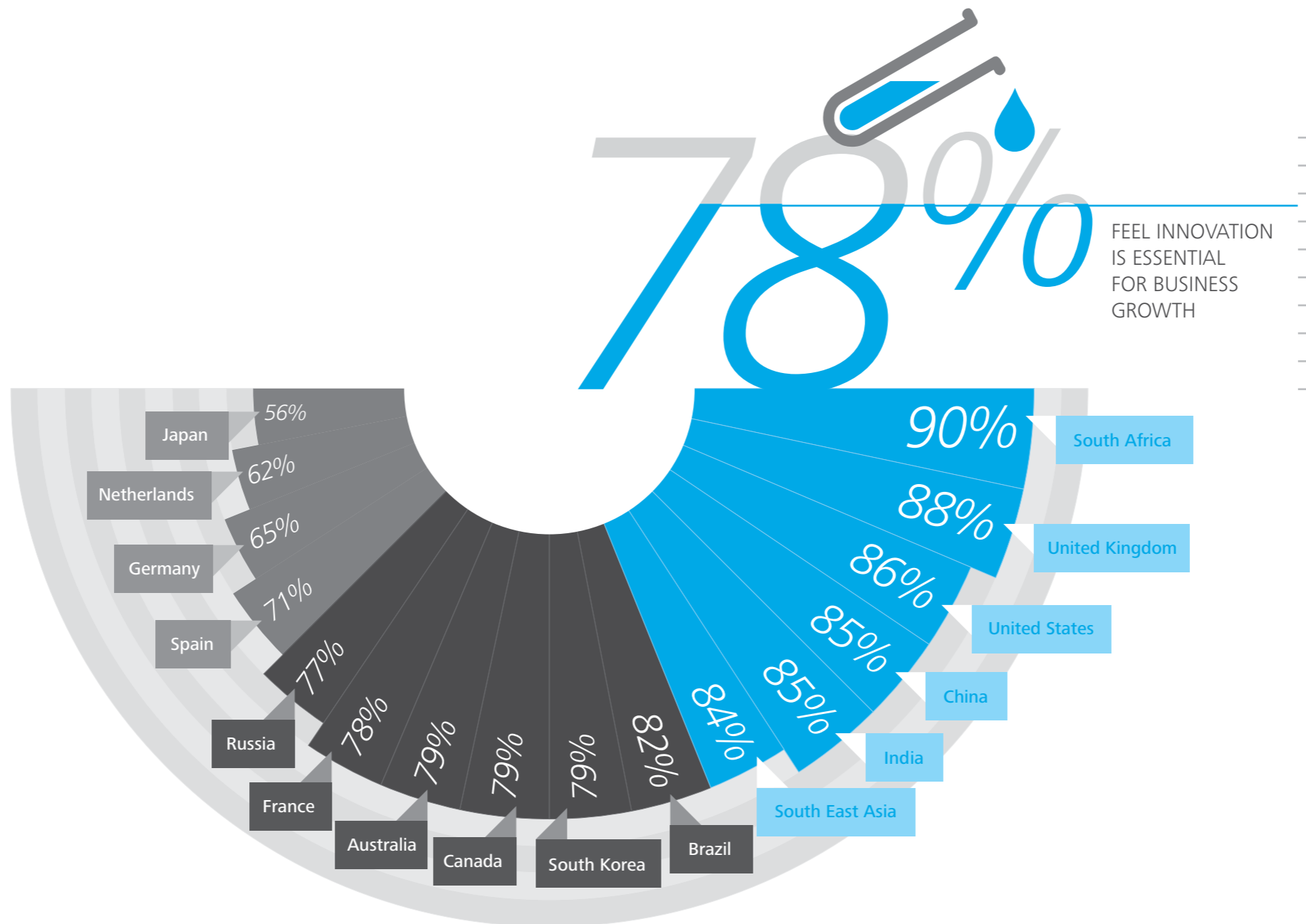
61% feel the importance of innovation is clearly demonstrated in their organisations

“It is clear from the way it operates that innovation is very important in my organisation”



Q. Please indicate the extent to which you agree or disagree with the following statements. Base: All 4,982 respondents

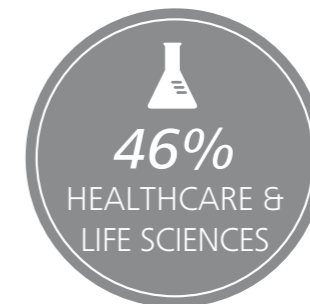
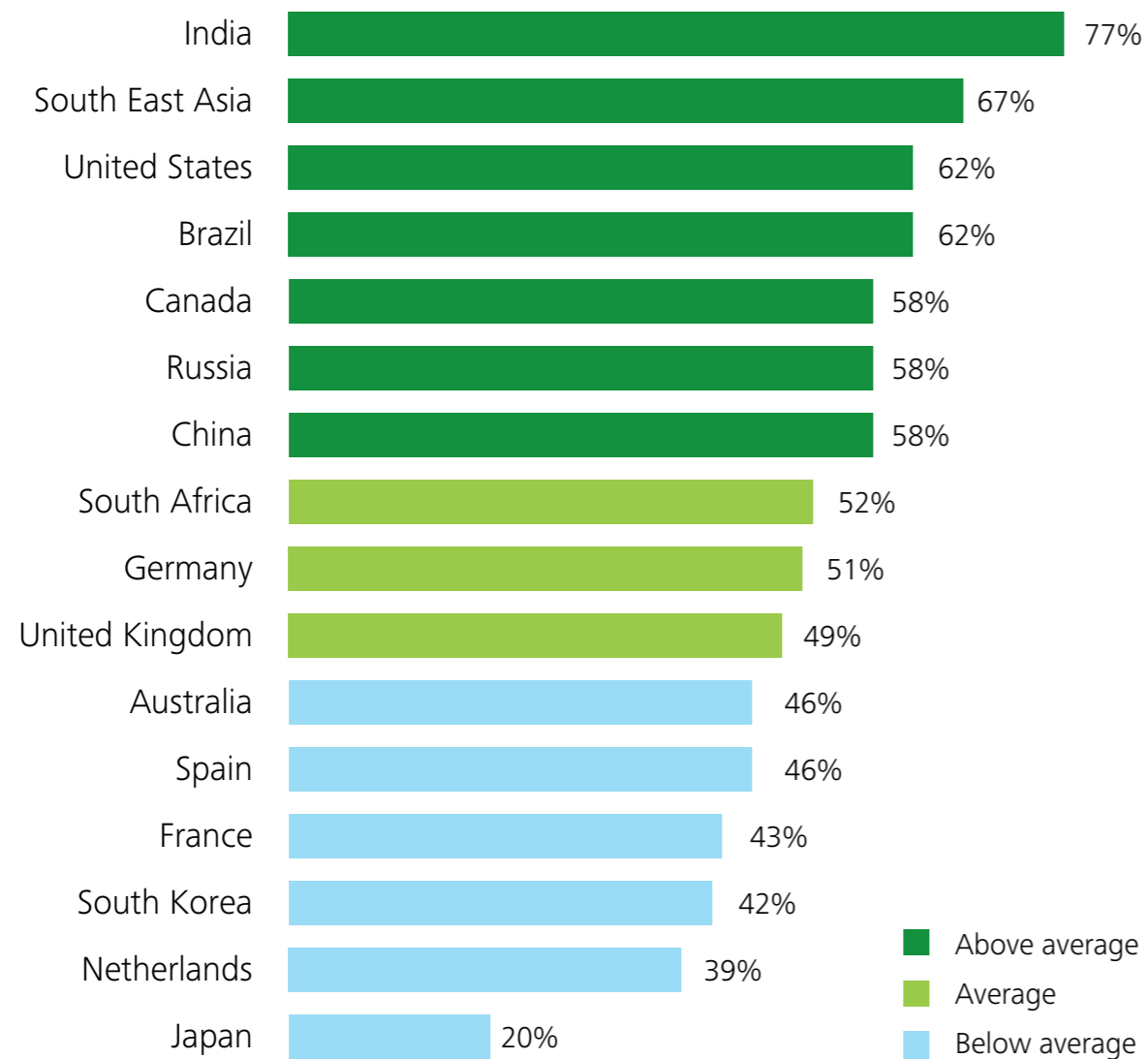
78% feel innovation is essential for business growth



Q. Please indicate the extent to which you agree or disagree with the following statements: Base: All 4,982 respondents

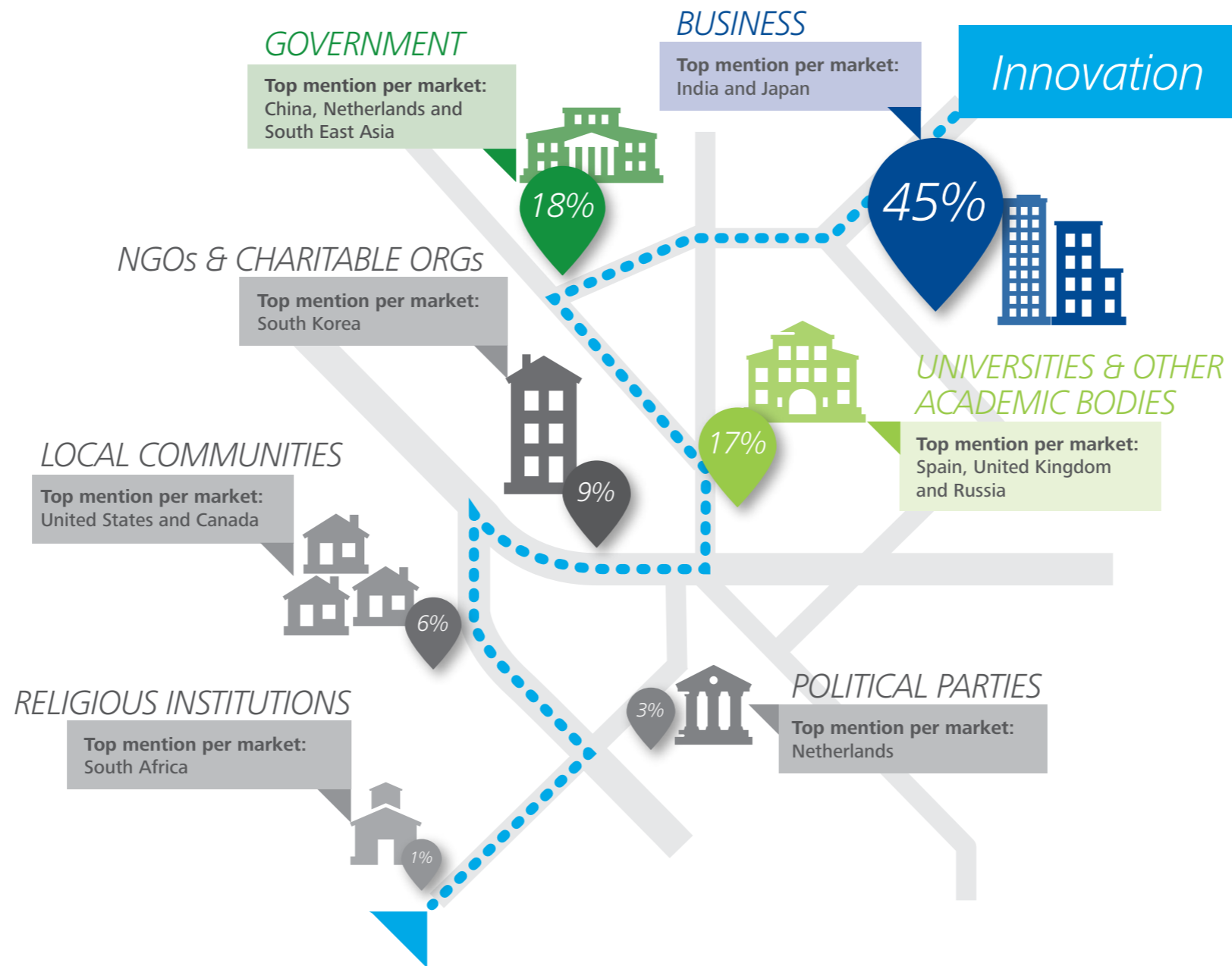
52% feel that their workplace environment helps them to be innovative

“Overall I feel my workplace environment helps me to be innovative”



Q. Please indicate the extent to which you agree or disagree with the following statements. Base: All 4,982 respondents

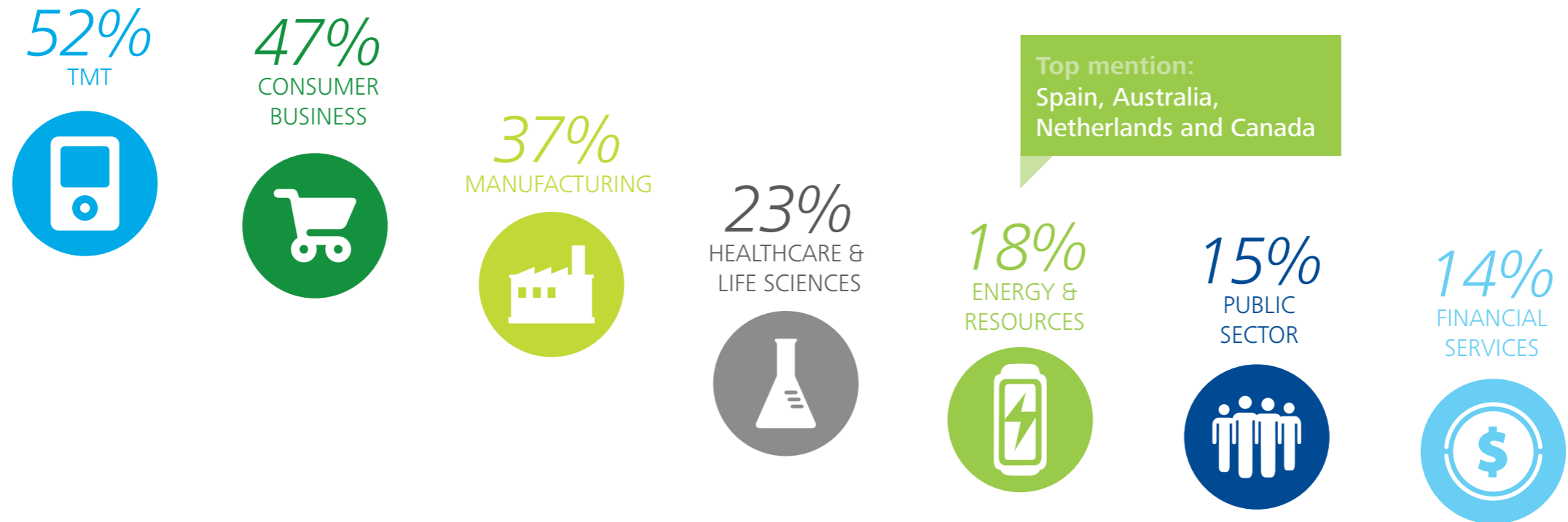
Who drives innovation?



Q. Which of the following do you believe drive innovations that have the most important positive impact on society? [Select one only] Base: All 4,982 respondents

Millennials consider the technology and media sector to be the most innovative

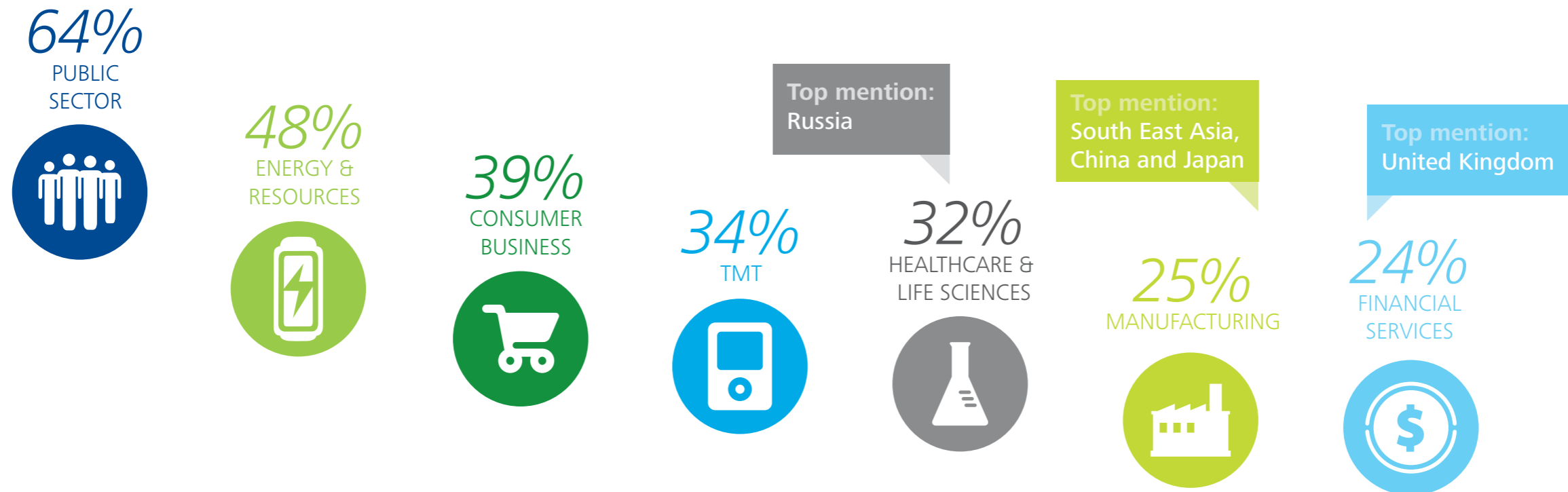
Sectors most *responsible* for innovation



Q. Which sectors would you say are responsible for the most innovations? [Select up to three] Base: filtered on Q6a (2,239)

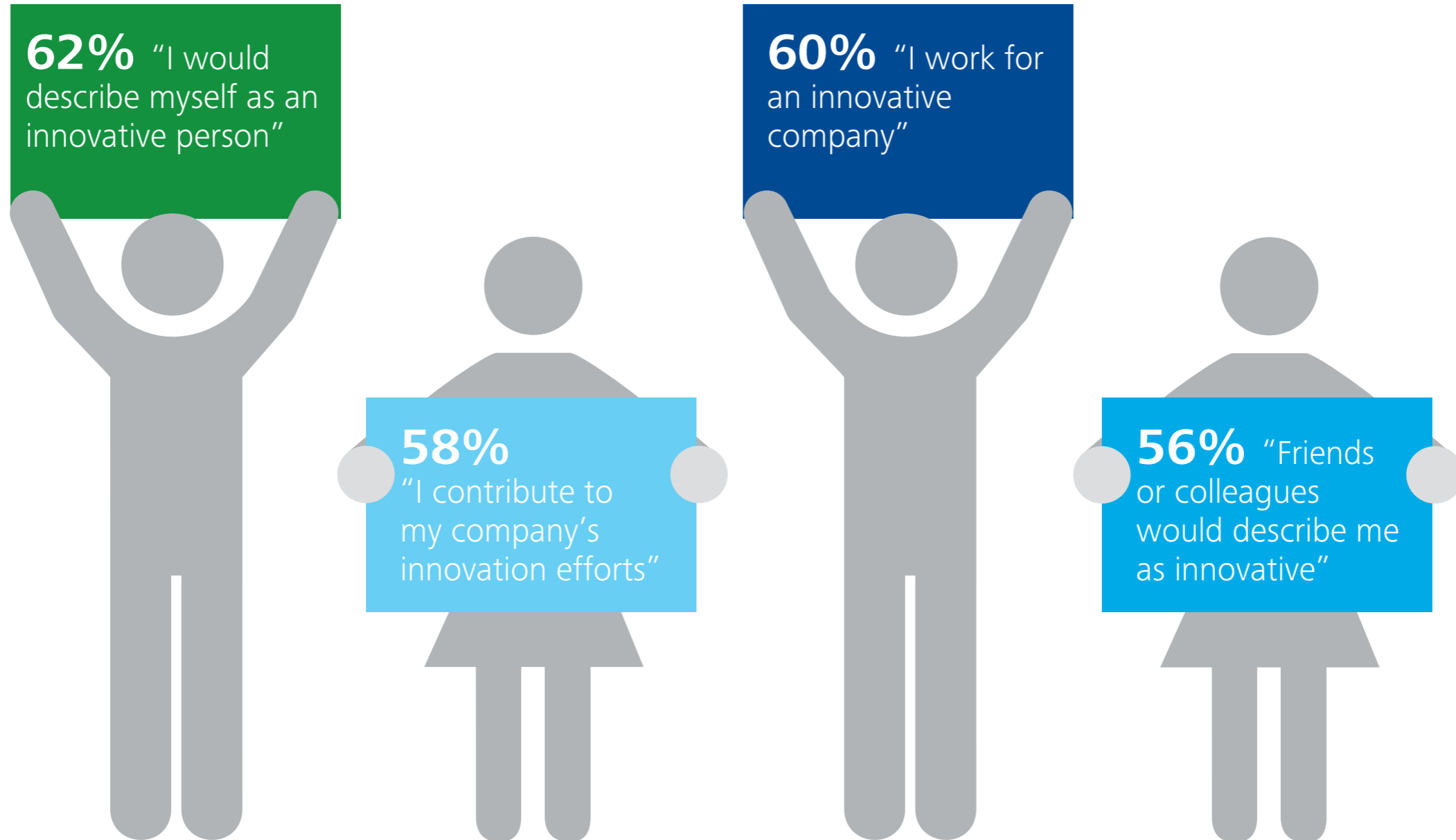
Millennials consider the technology and media sector to be the most innovative

Sectors most *in need* of innovation



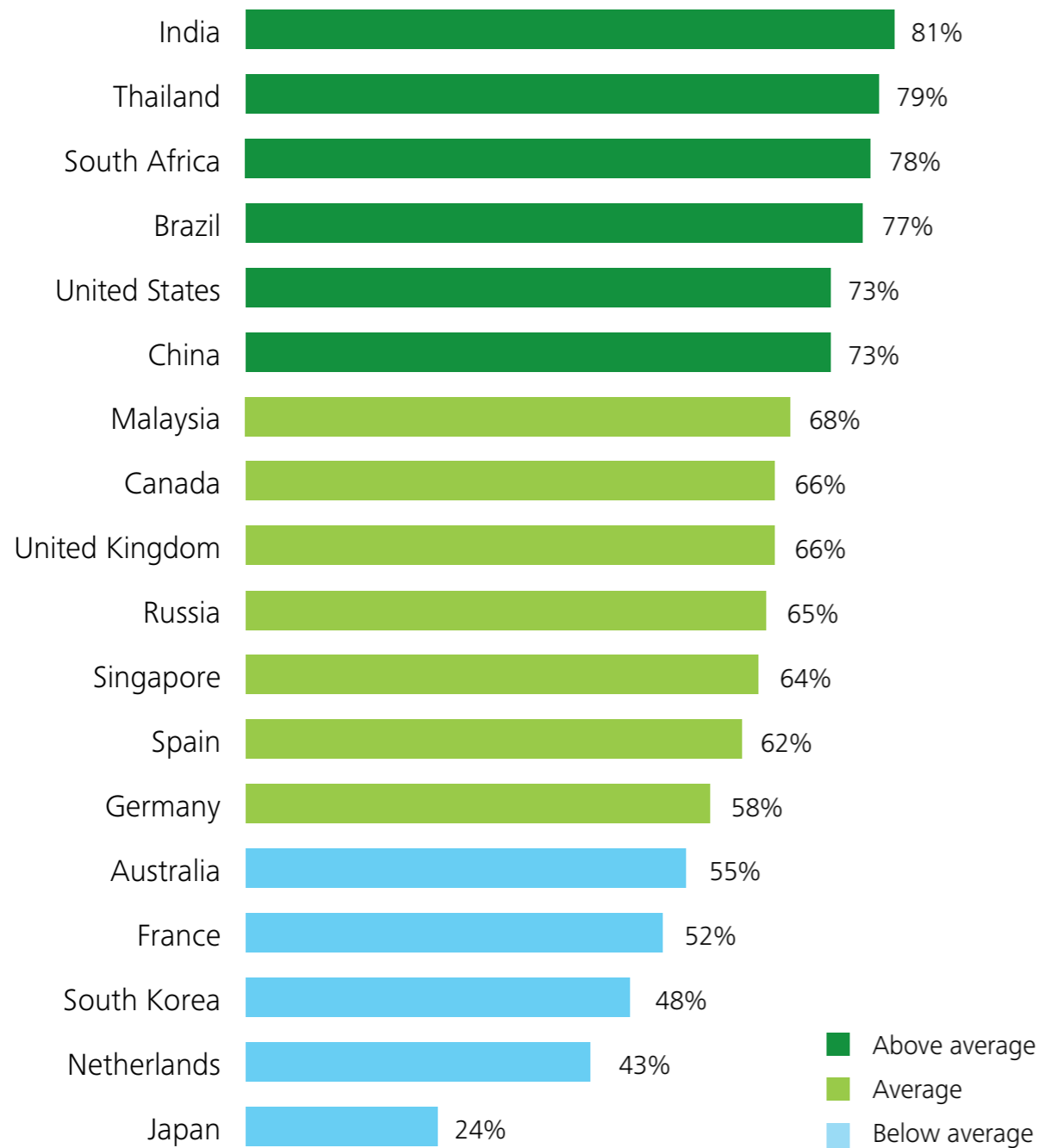
Q. Which one of the sectors and activities listed below do you think are in most need of innovation? [Select one only] Base: All 4,982 respondents

Millennials tell us they are innovative people



Q. Please indicate the extent to which you agree or disagree with the following statements?

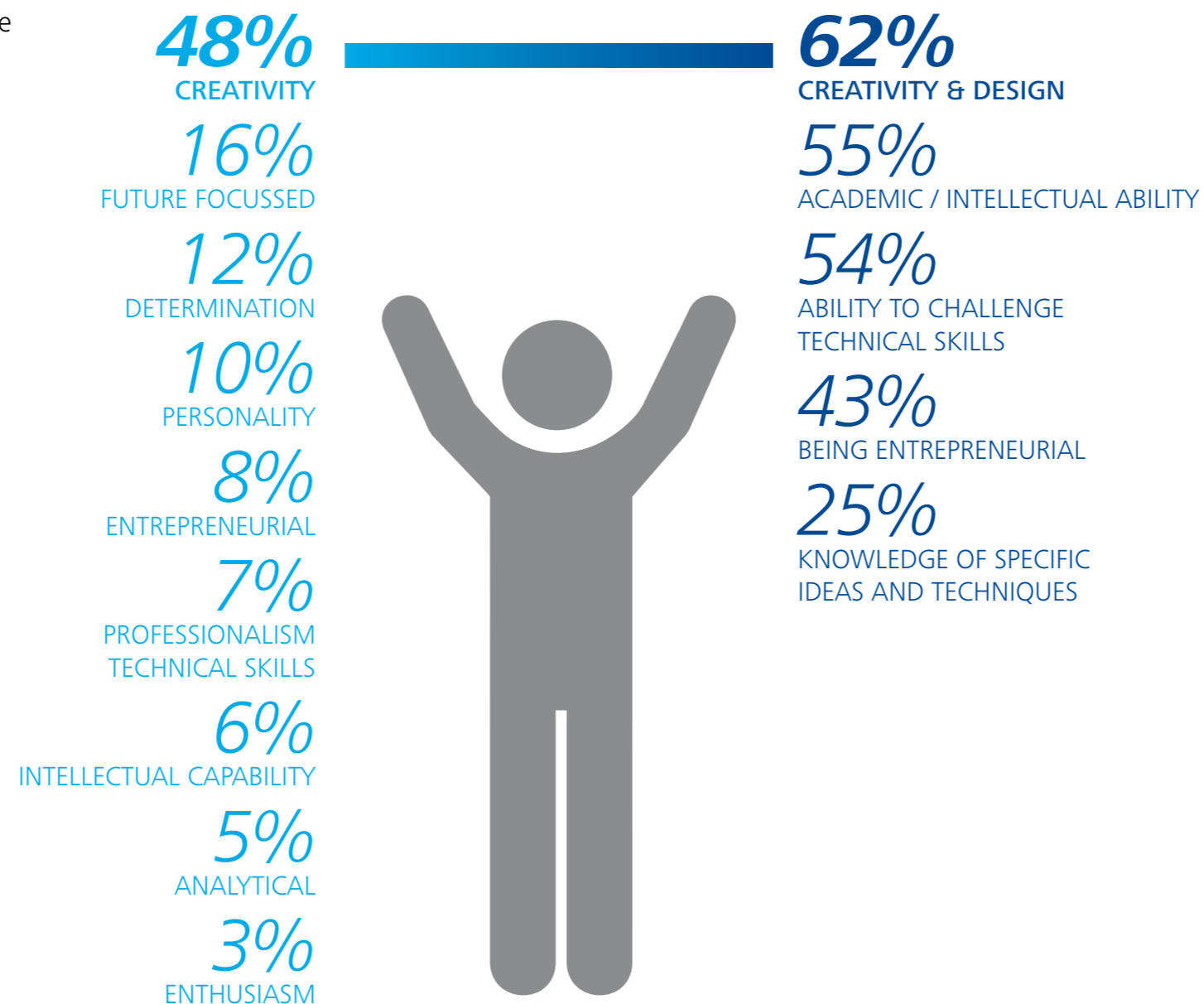
Innovative people are to be found in...



Q. Please indicate the extent to which you agree or disagree with the following statements: I would describe myself as an innovative person

Creativity is considered the hallmark of an innovate person

- “The characteristics that make me innovative..”
- “Tomorrow’s innovators will be characterised by...”



Q. What are the skills or characteristics that you think make you an innovative person? [Open Question]

Q. Which of the following characteristics or skills do you think will mark out the individuals who will be innovators in the future?

Tomorrow's innovators: The voice of Millennials

"Analytical skills: can pick out areas for improvement in energy use for example. Problem solving: able to quickly construct an idea of what needs to be done and engage people in helping me to achieve it." **United Kingdom**

"A person who looks to the future, seeking improvements within their professional and personal environments." **Brazil**

"I am dynamic—look for new ways of improving my way of working and in doing so take my company forward." **France**

"People do what they are told / asked to, they do it the best of their ability and with given resources. There is no culture of fostering talent, recognising when people go above & beyond what is expected of them." **South Africa**

"The ability to think outside the box—being able to resolve any problem—analysing the work carried out and trying to improve on it." **Russia**

"I am proactive and optimistic. I have good design concepts and original ideas." **China**

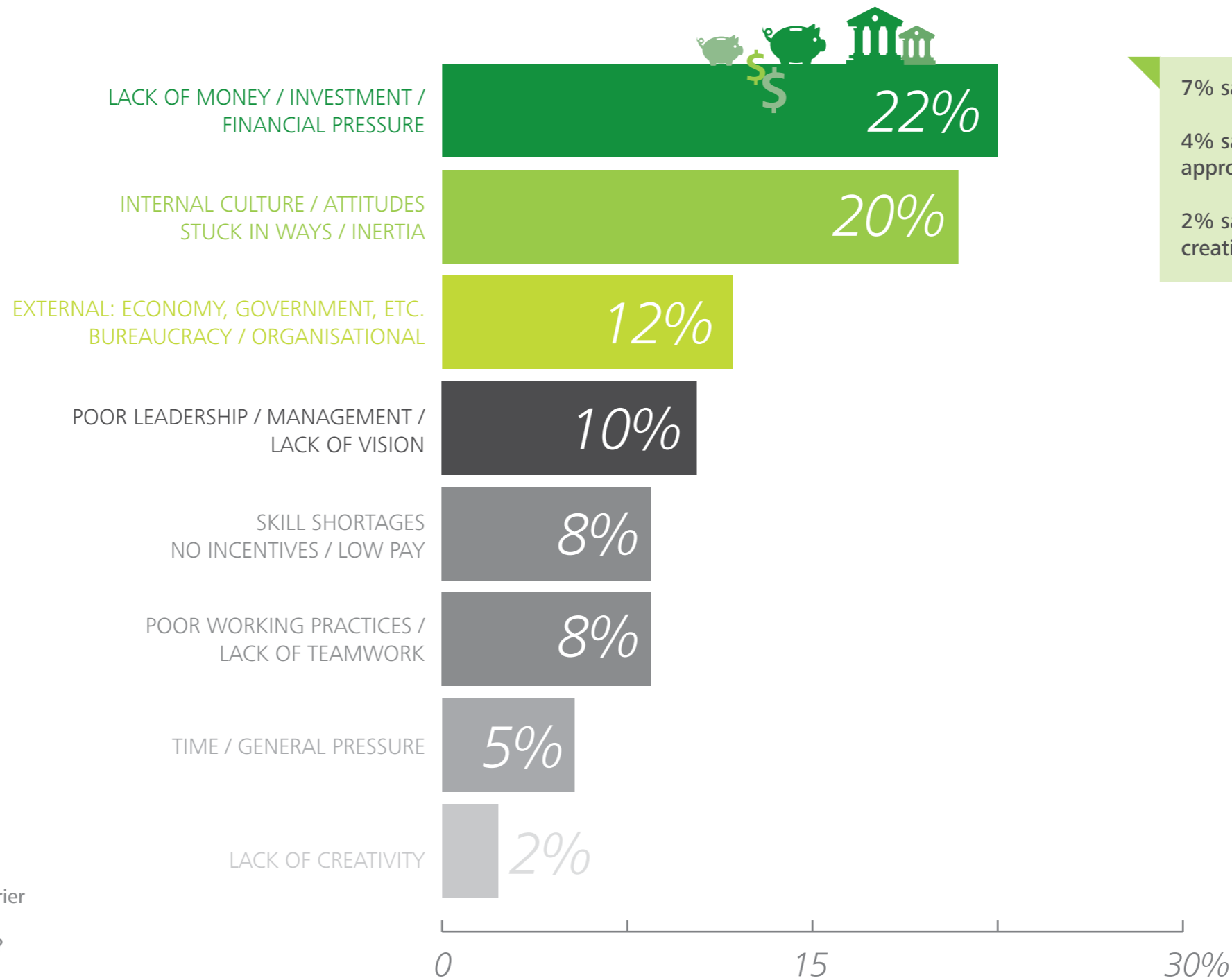
"I'm proactive at creating new processes to help me and my colleagues to become more efficient at managing our daily tasks." **Spain**

"Thinking ahead and seeing opportunities, thinking what people will need in the future, thinking outside existing frameworks, successfully conveying ideas about something new so that they can be achieved." **Netherlands**

"Thinking outside of the box, constantly striving to be better, constantly striving to improve work practices." **Australia**

Q. What are the skills or characteristics that you think make you an innovative person? [Open Question]

Barriers are 'financial and organisational'



Barriers to innovation: The voice of Millennials

"People who communicate well are promoted easily whereas people with technical and engineering knowledge climb up slowly. This pattern should be reversed." **Singapore**

"A management structure that does not accept opinions and an organisation that remains unchanged." **Japan**

"Bureaucracy with regard to the company's procedures for supporting technological research." **Brazil**

"Since my organization is a state agency, there isn't any room to really grow that much. New ideas about different ways of innovation or doing stuff, is looked at and then voted down by executive staff. After awhile, you don't even care anymore. You do not have an opinion about anything—just sit down and do your work. The only good thing about it is the pay." **United States**

"Bureaucracy. Working for the government means a lot of people and a lot of rules and regulations for every project which often slows down the process." **Canada**

"Communication barriers—too many layers of management and an unwillingness to change and innovate even where it is obvious multiple benefits of actions can be achieved encompassing socio-economic and environmental benefits." **United Kingdom**

"Have to confront pressure from the traditional thinking." **China**

"We work under the national government, there is no opportunities." **South Africa**

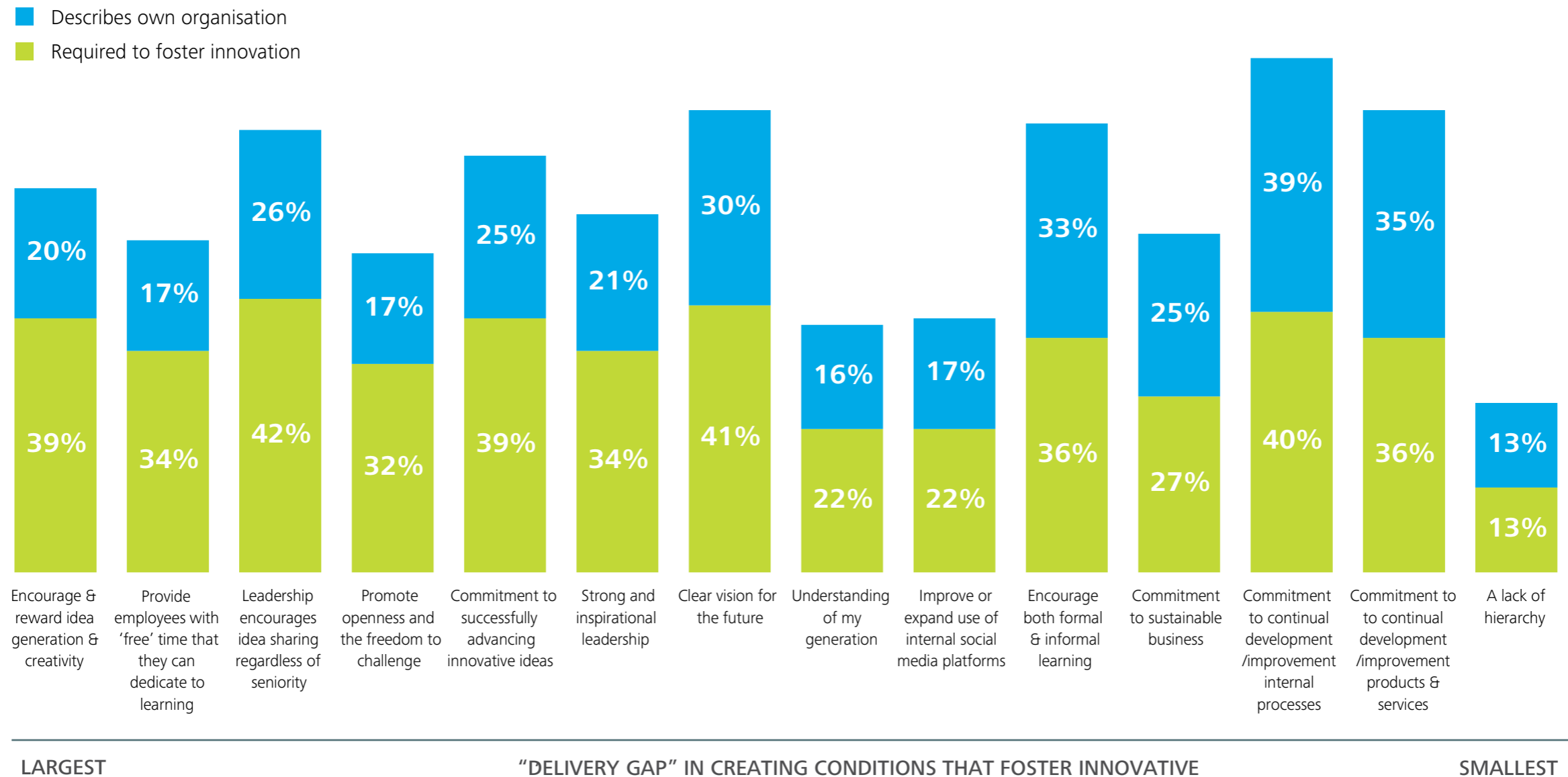
"Latest technology is not made available to employees." **India**

"Leadership. Although the company has a lot of resources available for its employees to do innovative work, there is still a lack of support from the leaders. A lot of them are still attached to old methods, they feel threatened sometimes and end up hindering their subordinates who are looking for new solutions (but even so, they get paid by results)." **Brazil**

"Employees aren't financially rewarded for innovative ideas whereas our company is making savings worth millions of Euros." **France**

Q. What do you consider to be the single biggest barrier to innovation in your organisation? UNPROMPTED

Requirement and provision of innovative conditions



Q. Which of the following describe your own organisation?

Q. And which are important for an organisation to have if it wants to create the conditions that foster innovation?

Where are the biggest innovation 'Delivery gaps' ?



"Encourage and reward idea generation and creativity"

Average gap -19

South Africa	-35
France	-26
Spain	-26
Australia	-26
South Korea	-26

Healthcare & Life Sciences	-28
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"Provide employees with 'free' time that they can dedicate to learning... investigation of new ideas"

Average gap -17

South Africa	-35
France	-26
Spain	-26
Australia	-26
Japan	-22

Healthcare & Life Sciences	-28
Public sector	-23
Sales / Marketing functions	-22

"Leadership encourages idea generation / sharing regardless of seniority"

Average gap -16

China	-24
Australia	-24
South Africa	-22
South Korea	-21
United Kingdom	-21

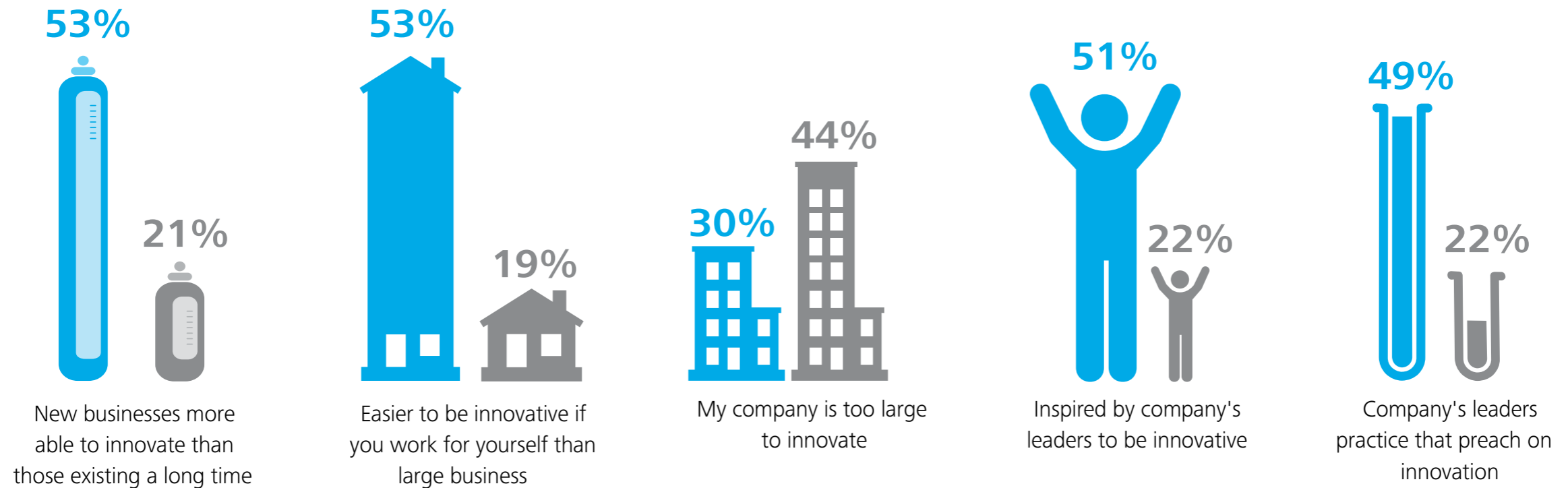
Public sector	-20
Financial / Legal / HR functions	-21

Largest gaps seen where millennials do not believe their current employer benefits society:
 (Encouragement -39)
 (Free time -39)
 (Leadership -31)

Structural and cultural barriers

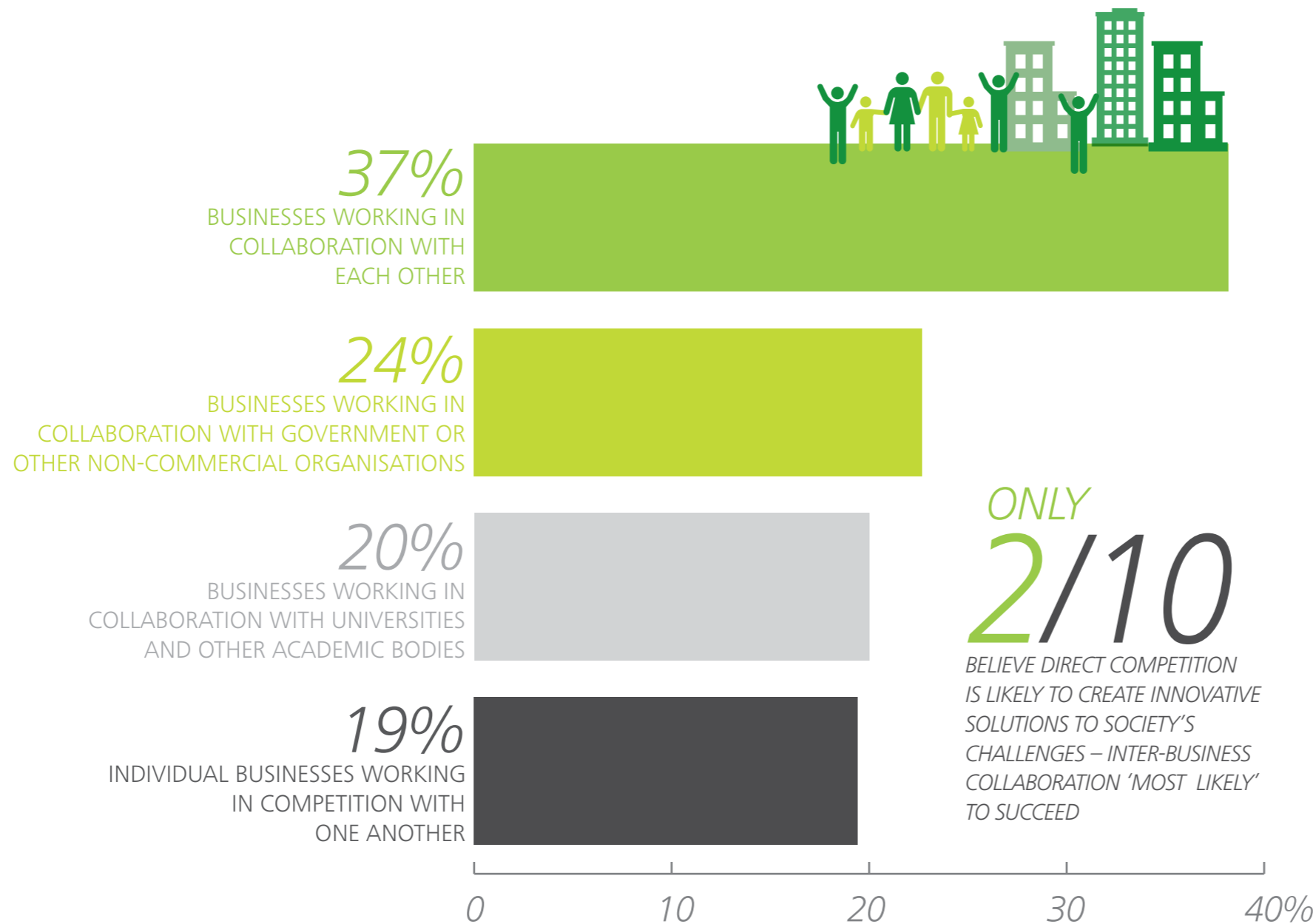
- Agree
- Disagree

Age and size of business are perceived barriers to innovation (but leaders inspire)



Q. Please indicate the extent to which you agree or disagree with the following statements?
"Can long-established businesses be as innovative as new enterprises?" AND "Do large organisations really stifle innovation?"

Business's route to social innovation



ONLY
2/10

BELIEVE DIRECT COMPETITION IS LIKELY TO CREATE INNOVATIVE SOLUTIONS TO SOCIETY'S CHALLENGES – INTER-BUSINESS COLLABORATION 'MOST LIKELY' TO SUCCEED

COMPETITION 'MOST FAVOURED'

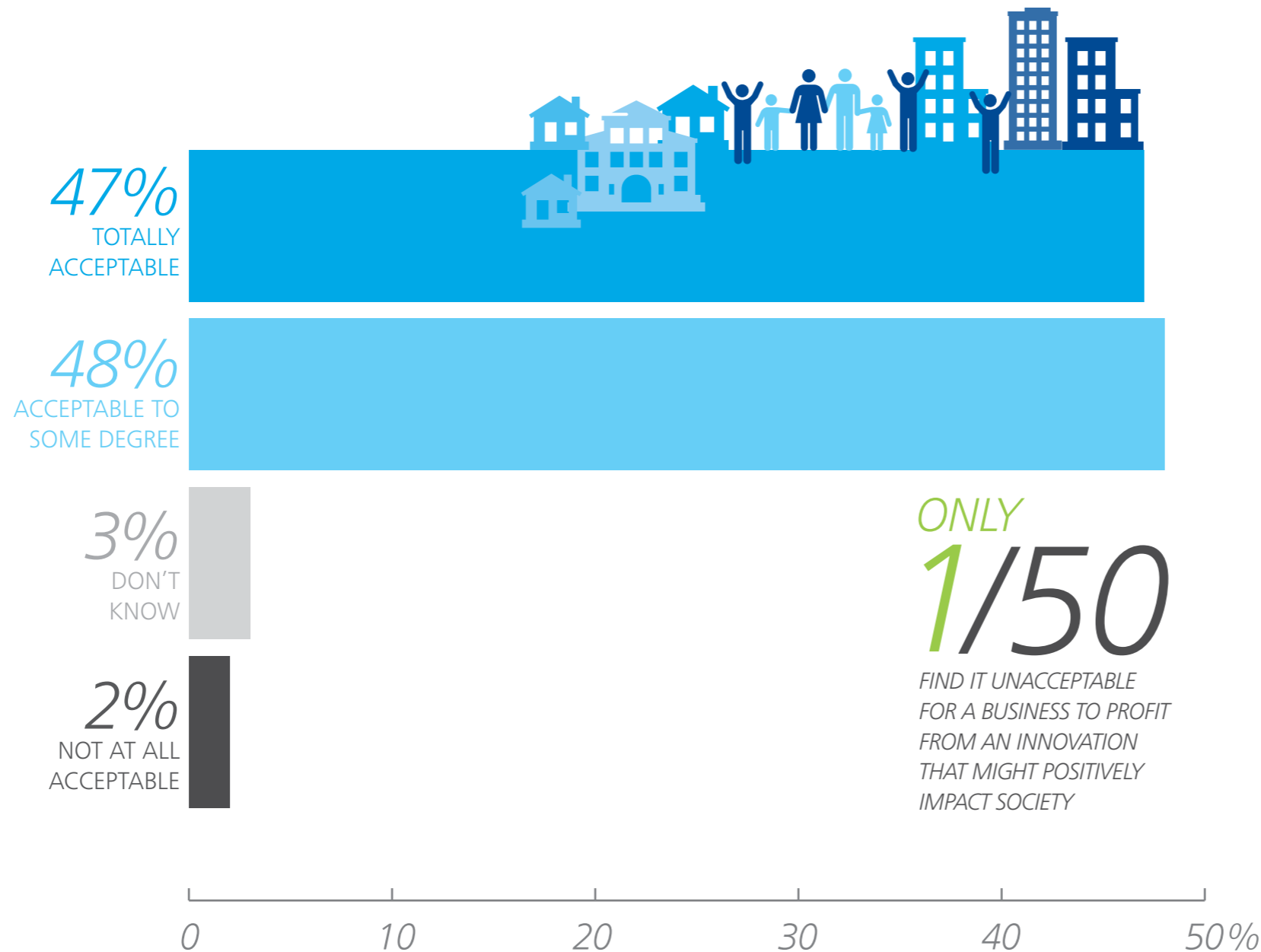
Russia (23%), USA (27%), India (29%), Thailand (34%)
IT function (23%), Sales and marketing (22%)

COMPETITION 'LEAST FAVOURED'

France (11%), South Africa (11%), Netherlands (12%), South Korea (12%)

Q. If businesses are to address some of society's challenges, which of the following is likely to create the most innovative solutions?

Millennials feel it is acceptable to profit from social innovation



ONLY
1/50
FIND IT UNACCEPTABLE
FOR A BUSINESS TO PROFIT
FROM AN INNOVATION
THAT MIGHT POSITIVELY
IMPACT SOCIETY

PROFIT TOTALLY ACCEPTABLE (HIGHEST)

India (65%), China (63%),
Brazil (57%), Russia (54%),
Germany (54%),
South Africa (53%),
Thailand (52%)

Financial Services (52%),
TMT (51%)

IT function (52%),
Strategy function (56%),
Men (52%)

PROFIT TOTALLY ACCEPTABLE (LOWEST)

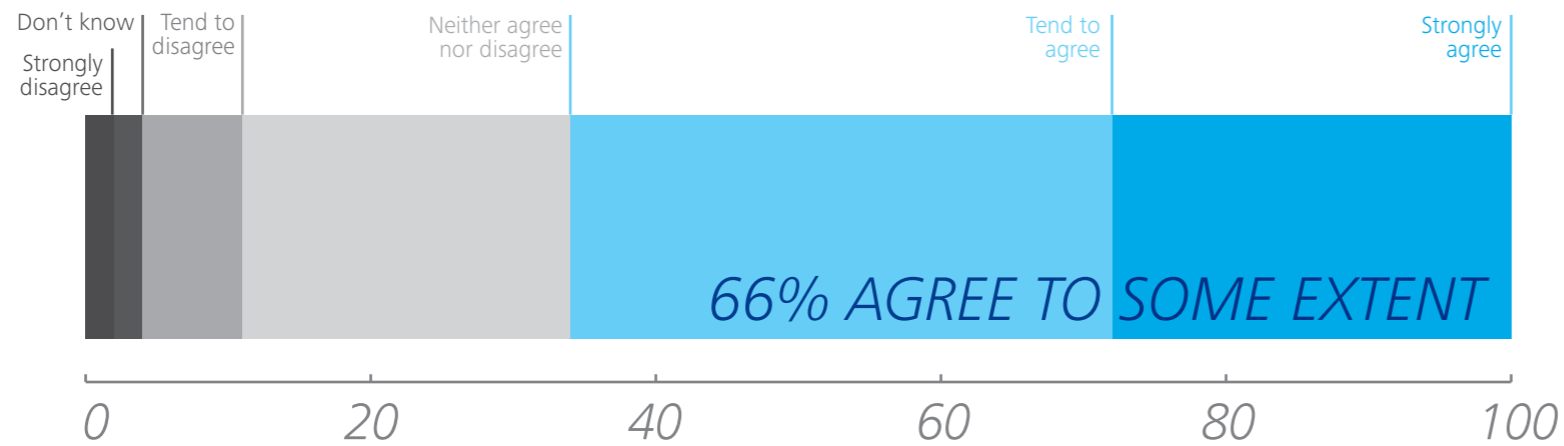
South Korea (24%), Japan
(32%), Singapore (34%), United
Kingdom (39%), Spain (41%)

Life Sciences / Healthcare (37%),
Public Sector (43%)

Admin function (42%),
Women (41%)

Q. If a business comes up with an innovation that will potentially have a positive impact on society; do you think it is acceptable for it to make a profit from this idea, product or service?

Innovative organisations will be better positioned to attract talent



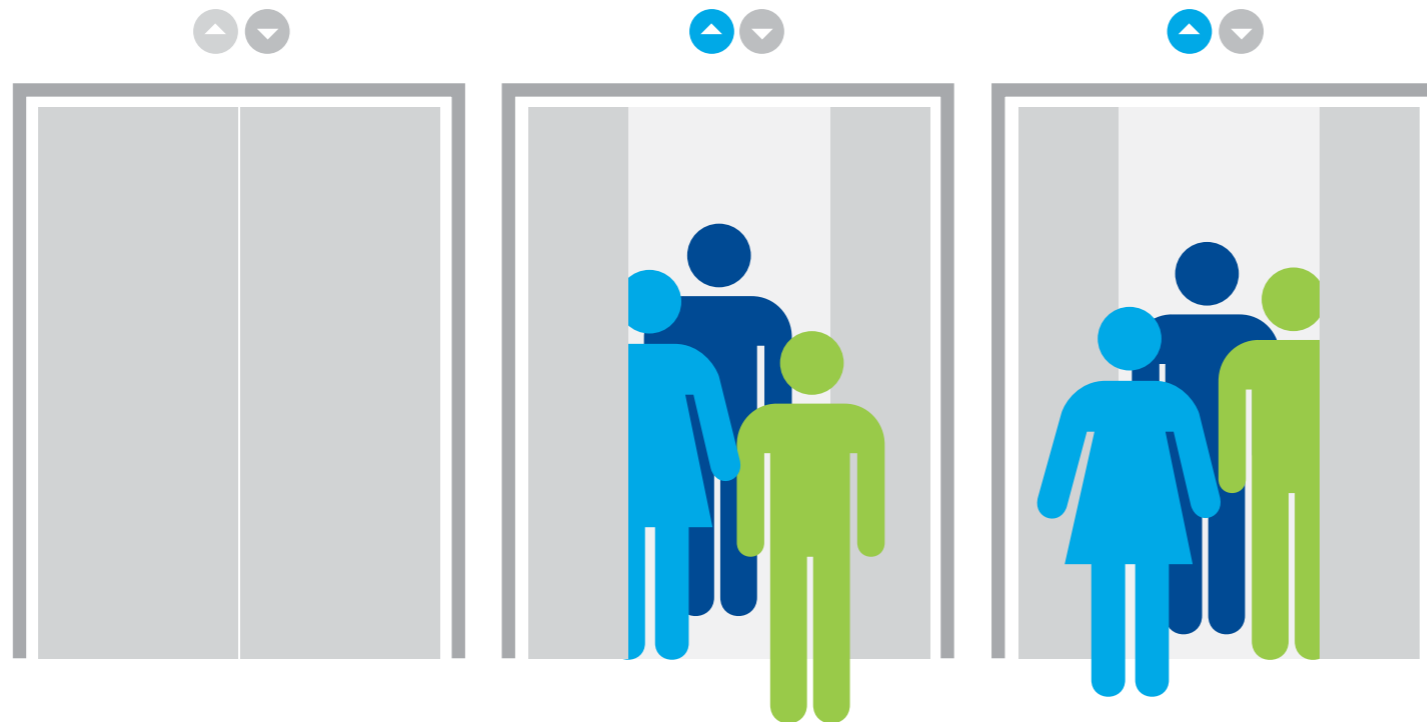
INNOVATION GREATER DRAW FOR EMPLOYEES*

India (82%), Brazil (81%), China (79%), South Africa (78%), Malaysia (78%), Thailand (77%), United States (74%)

* % Agree

INNOVATION WEAKER DRAW FOR EMPLOYEES

Japan (45%), Netherlands (50%), Spain (55%), Australia (56%), South Korea (57%), Russia (58%)



2/3

SAY INNOVATION IS A KEY INGREDIENT IN MAKING AN ORGANISATION AN EMPLOYER OF CHOICE

Q. Please indicate the extent to which you agree or disagree with the following statements: Innovation is a key ingredient in making an organisation an employer of choice.

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