

# VOICES OF THE LEADERS OF TOMORROW



## About GfK Verein

“Let the voice of the consumer be heard.” This idea was the original vision when the GfK Verein was established in 1934 and still guides it today. Consequently, the purpose of the Verein since its inception has been the advancement of market research. Today, the GfK Verein is a respected market research think tank acknowledged both by those in scientific circles and those engaged in practical application. It is also the majority shareholder of GfK SE, a leading market research company headquartered in Nuremberg, Germany.

Its remit as a not-for-profit organization is to create and share knowledge required for better understanding markets. Thus the GfK Verein develops new market research methods – frequently in close cooperation with business and scientific organizations – and studies societal trends. More-over the GfK Verein is committed to teaching and training market researchers. As part of its mandate to share market research knowledge, GfK Verein co-operates with universities and colleges in several continents to offer academic programs that help develop the next generation of market researchers to meet the needs of future business.

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## About the St. Gallen Symposium

The St. Gallen Symposium is a global gathering of 600 Leaders of Today and 200 Leaders of Tomorrow that takes place annually in May at the University of St. Gallen, Switzerland. It is organized by the International Students' Committee (ISC), a team of students from the university. Its goal is to provide a setting for relevant debates between Leaders of Today and Tomorrow on topics of management, politics and civil society. It provides leaders and young talents from more than 60 countries with fresh insights into the most relevant issues concerning our world in order to create meaningful change in the lives of key decision makers.

The 200 Leaders of Tomorrow are at the heart of the St. Gallen Symposium. They qualify for the symposium through a rigorous selection process and comprise the world's most promising young academics, entrepreneurs, politicians, scientists and professionals. Their role at the symposium is to challenge the status quo and to share their own views and perspectives during the debates with some of the world's most influential leaders and decision makers.

The 45th St. Gallen Symposium (7–8 May 2015) is held under the topic “Proudly Small”. This topic makes a strong argument for cherishing the small and for raising awareness about the fact that, despite all challenges and disadvantages, small entities in business, politics and society can be a decisive force for good in the world.

## St. Gallen Symposium

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The internet and information tools have changed what it means to be "large" or "small". Many industries discovered that the information revolution changes the coordination of work, the sharing of knowledge and the balance of power with their customers and partners. Ultimately, this forces many businesses to reinvent themselves - how they create and provide value for their customers in a hyper-transparent market.

In addition to these changes, there is a growing awareness of a new generation that has been ascribed almost mythical qualities: the Millennials, Gen Y or Digital Natives. Everyone agrees that understanding and engaging this generation as customers, as employees, as citizens and as leaders is crucial for businesses and whole societies.

But there is disagreement on what it will mean to have Digital Natives join traditional companies - not only as talent to be attracted and retained, but especially how they would fit in as the future leaders.

We want to give the Digital Natives themselves a voice. In particular a subgroup of the Digital Natives: The Leaders of Tomorrow. Understanding this group is of particular interest for many people, as the future leaders will shape companies, work, leadership, decision making - and ultimately society - according to their ideas, values, dreams and concerns.

*Trust and empower but guide the upcoming generation without harming their spirit and idealism. Student of Finance*

It is in the spirit of open dialogue that the St. Gallen Symposium and GfK Verein jointly publish the "Global Perspectives Barometer 2015: Voices of the Leaders of Tomorrow." To fuel this discussion, we will not only report numbers and charts reflecting the answers provided by the Leaders of Tomorrow. Where appropriate, we also link the results with current management topics and illustrate possible implications that today's executives should watch out for.

We hope this will help foster a much-needed discourse for the upcoming "changing of the guard". For there may indeed be something new: this time, a new generation of leaders also brings a new skill-set in dealing specifically with the very lifeblood of business and public decision making: information literacy.

Dr. Andreas Neus,  
Head of University Cooperation, GfK Verein

*Listen to the youth: Even though you think most of what we say is "bullshit" - some of it could still be useful. Always be open-minded, listen and then evaluate if anything is useful, because even the most stupid person can have a special view on something that can be beneficial for even the biggest CEO. Student of Transport Services*

*"Today's students have not just changed incrementally from those of the past, nor simply changed their slang, clothes, body adornments, or styles, as has happened between generations previously. A really big discontinuity has taken place. One might even call it a "singularity" – an event which changes things so fundamentally that there is absolutely no going back. This so called "singularity" is the arrival and rapid dissemination of digital technology in the last decades of the 20th century." Mark Prensky*

The first generation that grew up under the influence of this "singularity" as Mark Prensky called it in his influential 2001 article "Digital Natives, Digital Immigrants" are the Millennials, also called Generation Y or Digital Natives. Their entry into the workplace is a topic that is hotly discussed by countless authors, bloggers, think tanks and consultancies. In public discourse, on one end of the spectrum, there are fantastic claims about the Digital Natives. They don't want to lead and refuse to be managed. They are walking "selfies" in love only with their image. They don't believe in large companies. They spontaneously shrivel and die when unplugged from social media.

On the other end of the spectrum, there are claims that everything is still normal. We are only seeing the same clash of generations societies have had since the dawn of time. That Digital Natives may appear strange to older generations - but not stranger than when Rock-n-Roll music was feared to mean the end of civilization. Yet others claim that Digital Natives will magically revert back to "normal" (whatever that is), once they start a career and family.

So much has been written and talked about the Digital Natives in this vein that many of these claims seem to have become accepted truths on the internet. But of course popularity does not make something true – this would be the logical fallacy known as an "argumentum ad populum" since Greek and Roman times. A widely accepted idea might also just be a popular myth.

We would like to contribute to a more empirically grounded discourse and have invited the Leaders of Tomorrow – who are also part of the Digital Natives – to openly share their views.

To generate insights into the minds of some of the future's top talents, St. Gallen Symposium and GfK Verein joined forces again to conduct this year's Global Perspectives Barometer. This survey allows us to better understand the thinking of future leaders and the goals they pursue. The insights can offer a valuable basis for deepening the dialogue between the generations, which has always been a central aim of the St. Gallen Symposium.

We are looking forward to a constructive dialogue both during and after the 45th St. Gallen Symposium.

GfK Verein & St. Gallen Symposium

*Times have changed. What made leaders of you are not the same values/criteria that will create the next generation (Y generation) of leaders. Student of Law*

## Recruitment of “Leaders of Tomorrow – Wave 2015”

The study was targeted at “Leaders of Tomorrow”. These are characterized by St. Gallen Symposium as young people, studying at (or having recently graduated from) good universities, who show an interest in global affairs, are eager to take on responsibility in the future and want to make a difference in the world.

The study was conducted in English, using the online survey platform of GfK SE during January and February 2015. A total of 1,095 participants completed the online survey. As part of the online-questionnaire, we invited the Leaders of Tomorrow to share their thoughts and opinions with us also in many open-ended questions – without being constrained by fixed, predetermined categories. With an average interview time of 30 minutes the survey demanded an intensive reflection of the issues from the respondents. In more than 500 hours of cumulated interview time, the respondents gave us approximately 21,000 open answers that allow new insights into the Leaders of Tomorrow’s mental model of the world. As an incentive, participants will receive a more detailed analysis of the results than is generally available.

The respondents for the Global Perspective Barometer 2015 were selected using three different channels (Figure 1):

**Selected excellent universities:** We selected the best universities for each world region based on data from the QS World University Ranking. We contacted professors responsible for study programs including business, law, engineering, social and natural sciences\* at these universities. We asked these professors to extend the invitation to participate in the survey to those ten of their students who they consider best fit the Leaders of Tomorrow definition.

\* Programs that research has shown to produce a high number of CEOs, e.g. QlikTech (2014)

**Wings of Excellence Award Candidates:** Students from all over the world who submitted an eligible essay to the “Wings of Excellence Award” program were invited to take part in the survey by a direct invitation from the St. Gallen Symposium. These respondents have demonstrated a high interest in the leadership topics of the St. Gallen Symposium and are prepared to engage other students and Leaders of Today in a dialogue on how to shape the future.

**St. Gallen Symposium network:** Finally, the St. Gallen Symposium team approached participants through their international network which is used to keep in touch with former participants and candidates of previous events. In addition, the survey invitation was published through the Social Media channels of the St. Gallen Symposium, e. g. in the Facebook groups for alumni and candidates, and also on the website of the St. Gallen Symposium. This allowed members of the St. Gallen Symposium network, who are active at other universities, to

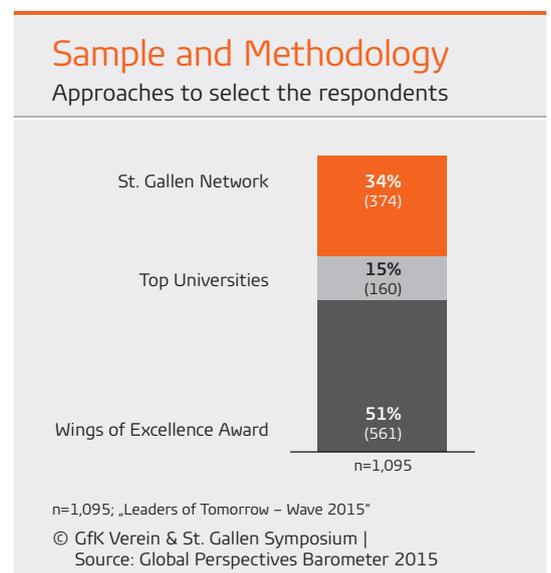


Figure 1

self-nominate via their strong interest in the St. Gallen Symposium and its topics.

We have chosen the described approach for recruiting the 2015 wave in order to capture a broad and international group of participants that fulfill the Leaders of Tomorrow definition and also explicitly allow some self-selection through a demonstrated motivation and interest in the study topics.

One of the challenges of identifying and recruiting the Leaders of Tomorrow both for the St. Gallen Symposium and for the Global Perspective Barometer is the need to identify talented future leadership candidates before their potential is fully realized. For a perfect study, one would use a time machine to travel one generation to the future, identify those who have become outstanding leaders, and go back in order to interview them today.

Because we cannot know for certain today all of those individuals who will take on relevant positions of leadership and responsibility in 20 years, this survey cannot claim to be "representative" in the traditional sense of population sampling - neither of all future leaders in general, nor of the regions in which participants live. But the Leaders of Tomorrow we have recruited to participate allow a very interesting snapshot of a highly selected group of more than 1,000 young and qualified individuals from ca. 100 countries around the world who show an interest in global affairs, are eager to take on responsibility in the future and want to make a difference in the world. These 1,095 survey participants will be referred to as "Leaders of Tomorrow" in this study.

Like in the previous year, the majority is under 26 years and there are somewhat more male than female participants in the sample (Figure 2). The sample covers a wide range of areas of study, with students from business and management study programs, the STEM fields (science, technology, engineering and mathematics) and other areas of study, particularly law and the social and political sciences (Figure 3).

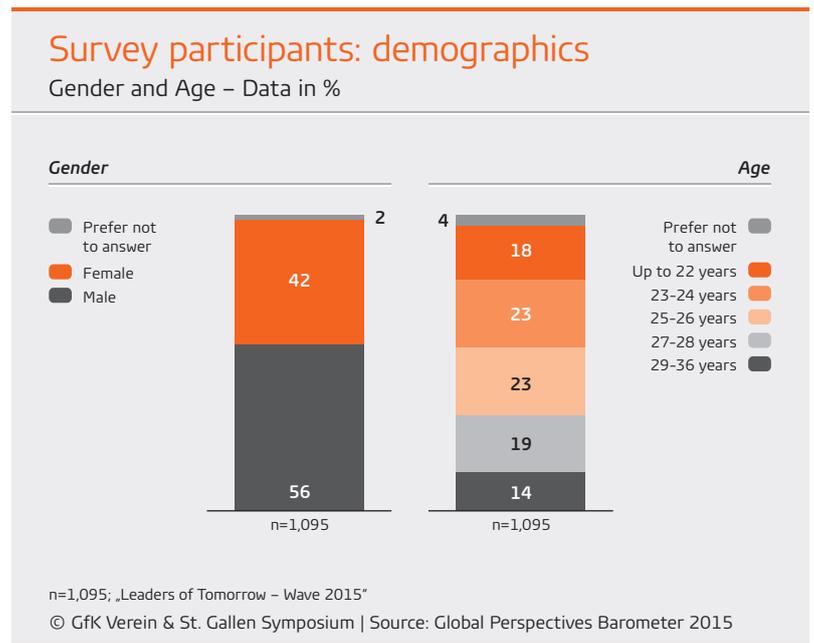


Figure 2

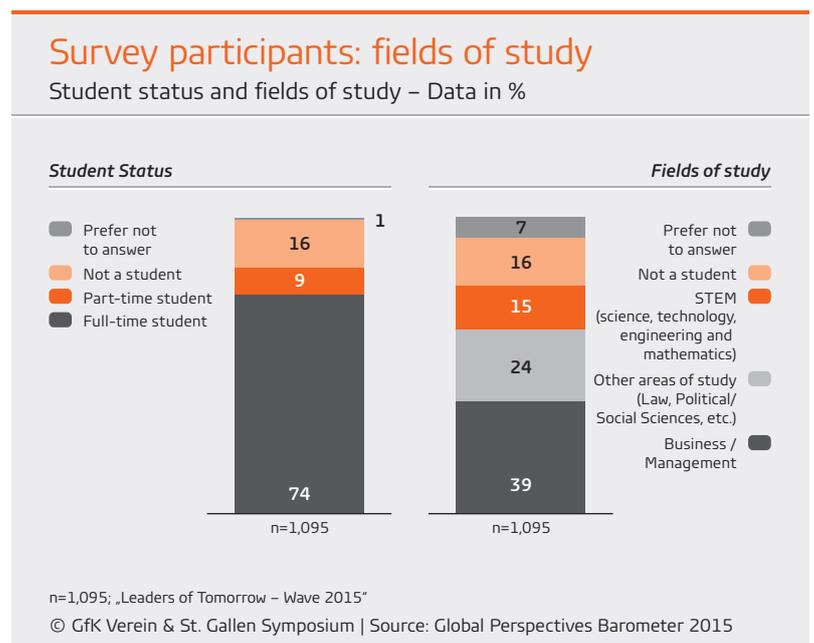


Figure 3

### A truly global sample reflecting a global world

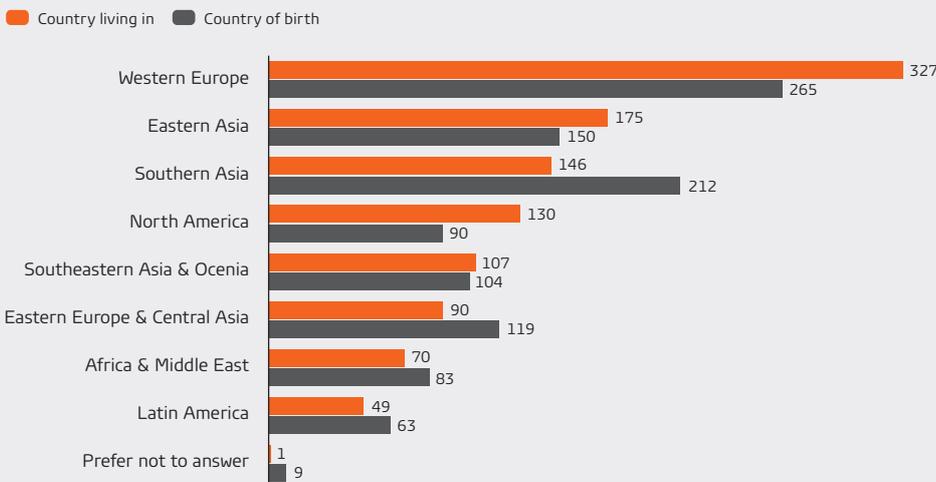
A truly global group representing 94 countries of residence and 105 countries of birth, from Afghanistan to Zimbabwe, participated in the survey. Figure 4 provides a regional perspective on the participants: the largest number of respondents are currently living in Western Europe, Eastern Asia and Southern Asia or North America. In order to identify marked differences between those Leaders of Tomorrow from developed economies versus those from emerging or developing economies, we will be using a country's OECD membership as a proxy indicator of development status. Slightly more than half of the participants lived in OECD and slightly less than half lived in non-OECD countries during the time of the survey. The distribution of participants is relatively close to the current purchasing power distribution between OECD and non-OECD countries. However, the purchasing power is set to shift toward non-OECD countries in the next 15 years, with 57% of global purchasing power predicted to be in non-OECD countries (OECD 2010).

In order to understand how an increasingly globalized world is developing, it is important to have this broad participation from across regions and countries, and from both developed and emerging or developing economies. Too often, social science studies suffer from only interviewing "WEIRD" people: "Western, Educated, Industrialized, Rich, Democratic" (Henrich et al., 2010). With active and very vocal participants coming from ca. 100 countries – about half of them from non-OECD countries – this study can give a voice to a culturally and economically diverse set of contexts, values, desires and mental models. Something that is necessary to reflect the truly global and increasingly multi-polar world we live in.

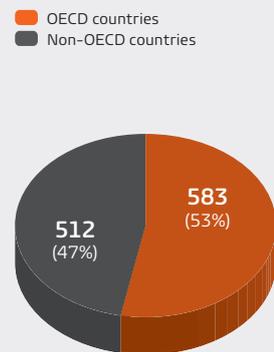
## Survey participants by region

According to country of birth and country currently living in

### Country by UN sub-region



### Country by OECD-membership



Regions follow United Nations sub-region scheme; the more common term "Middle East" was used for what is formally called "Western Asia".  
 OECD countries: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States

n=1,095; „Leaders of Tomorrow – Wave 2015“

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Figure 4

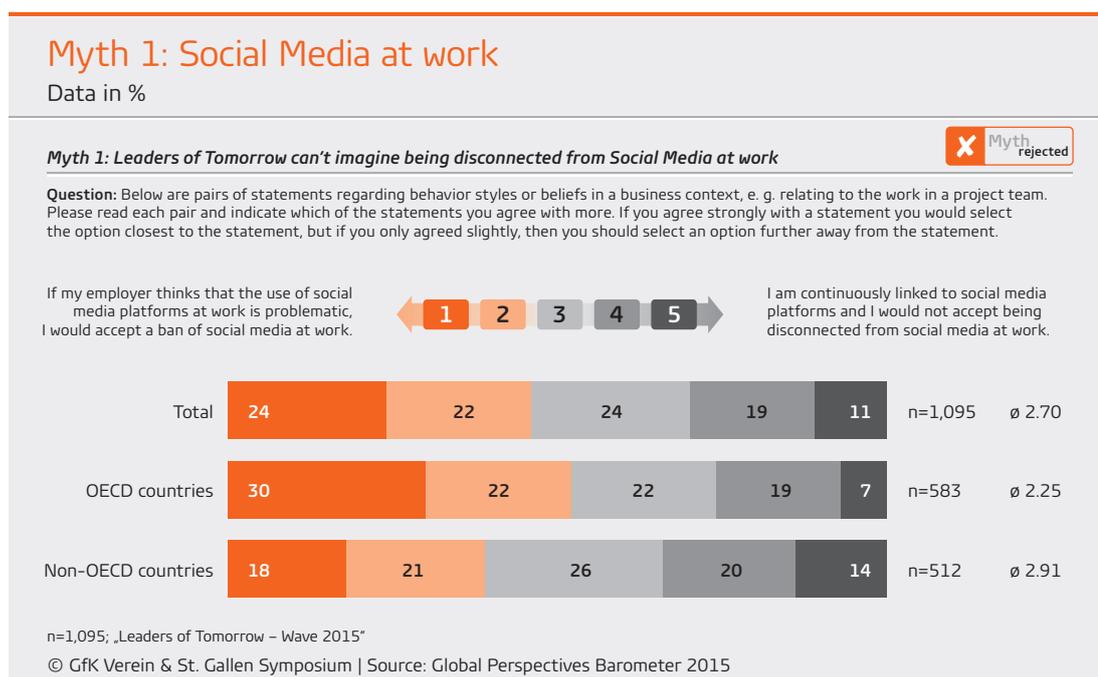
# Ten myths about the Leaders of Tomorrow

We have investigated and checked whether ten popular myths surrounding Digital Natives apply specifically to the particularly ambitious and qualified Leaders of Tomorrow. One key finding is that the Leaders of Tomorrow deserve a much more differentiated view than just seeing them as a uniform group of people from an also uniform generation.

The most obvious myth is that Leaders of Tomorrow are always online and can't live without being connected to Social Media – even in the workplace. Our results show evidence that this myth is not true – at least not for the majority of Leaders of Tomorrow. Being connected to peers online might be an essential part of modern life. But at least at work a large share of the Leaders of Tomorrow would accept being disconnected from Social

Media. Among OECD countries\* the acceptance of a ban of Social Media at work is even higher than in the non-OECD countries, where internet-based communication seems more important than in the developed OECD-economies (Figure 5).

However: it is true that companies might lose up to one third of Leaders of Tomorrow talents if they try to disconnect them from Social Media at work. This is a strong signal for companies to think about their rules for using Social Media at work and clearly communicate boundaries they wish to set on where and how the use of Social Media is permitted. Companies are also well-advised to provide clear guidance on the increasingly grey area between private and professional use of Social Media communication related to the company in public.



\* OECD countries:  
Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States

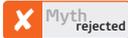
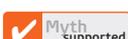
Figure 5

*Reinvent the decision making process all the time so that it is in tune with the current scenario. Student of Systems Science*

*Veteran status is no longer a prerequisite to become a business leader. So learn to unlearn conventional ideologies. Student of Human Resources*

*Bring in younger people. It's their world you're living in. Student of Mechanical Engineering*

The results of examining the other nine myths are embedded in their respective context within this study. You can go directly to each myth by using the list below as a guide. The study also provides an insight into how the next generation of leaders sees the world, which desires and goals they pursue, what priorities they set and what they expect from companies, managers and teams.

Myth	Result	Page
Myth 1: Leaders of Tomorrow can't imagine being disconnected from Social Media at work	 Myth rejected	7
Myth 2: Leaders of Tomorrow seek career success primarily in meaningful work rather than salary or fringe benefits	 Myth supported	11
Myth 3: The Leaders of Tomorrow don't aspire to traditional top level executive careers	 Myth supported	12
Myth 4: Leaders of Tomorrow won't work for companies whose values they don't share	 Myth supported	18
Myth 5: Work-life-balance is a completely outdated concept for the Leaders of Tomorrow	 Myth rejected	18
Myth 6: Leaders of Tomorrow prefer flexible working hours instead of working nine to five	 Myth supported	18
Myth 7: Leaders of Tomorrow prefer bold-visioned start-ups over established companies	 Myth unclear	19
Myth 8: Hierarchy is an outdated concept for the Leaders of Tomorrow	 Myth rejected	20
Myth 9: An ongoing information exchange makes regular meetings unnecessary for the Leaders of Tomorrow	 Myth rejected	22
Myth 10: The Leaders of Tomorrow value passion over experience	 Myth supported	23

# Leaders of Tomorrow are not stereotypical Digital Natives

Even though the terms Millennials, Generation Y and Digital Natives are often used synonymously, these terms do not necessarily describe the same group of people. In the following section we will show that although all the Leaders of Tomorrow in this study are Millennials/Generation Yers by birth and Digital Natives in that they have grown up in the Information Age, many prejudices about Digital Natives do not apply to them.

Generation Y or Millennials are terms coined by social scientists following the idea that members

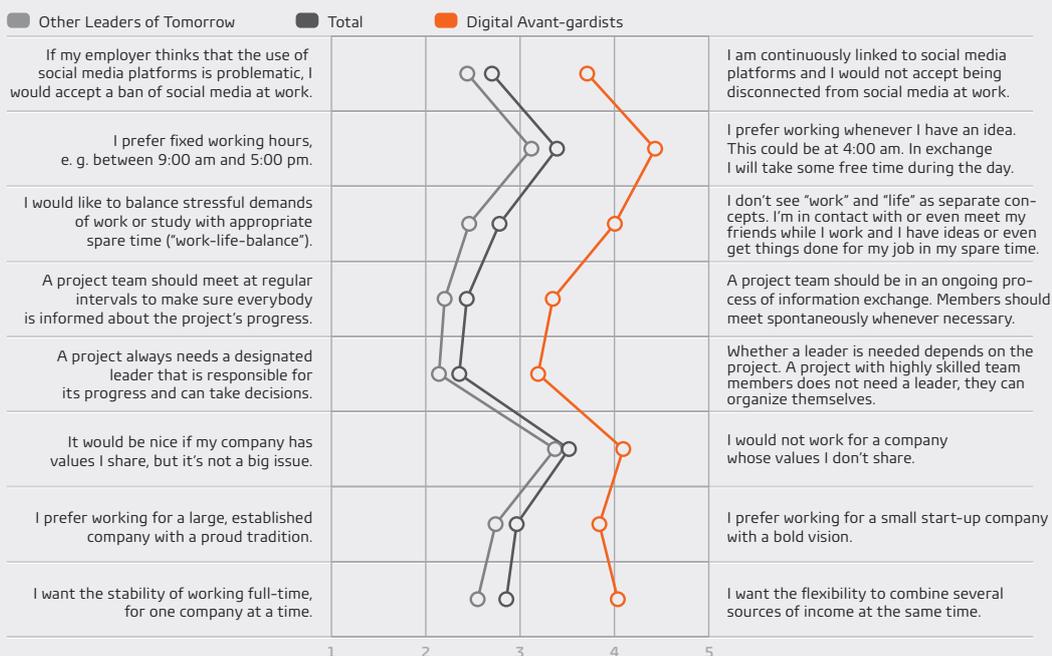
of a demographic cohort share a common culture and identity what distinguishes them from the members of the previous generations. Generation Yers/Millennials are born between the early 1980s and the early 2000s\*. Digital Natives on the other hand is a term coined and popularized by the American author and educator Marc Prensky (2001). It is a designation for those young people who grew up "surrounded by and using computers, videogames, digital music players, video cams, cell phones, and all the other toys and tools of the digital age".

\*The previous generation was Generation X, the demographic cohort born between the early 1960s to the early 1980s; the following generation is often called Generation Z (starting with birth years in the early 2000s).

## Stereotypes about Digital Natives

Numbers represent averages on each semantic differential ranging from 1-5

**Question:** Below are pairs of statements regarding behavior styles or beliefs in a business context, e. g. relating to the work in a project team. Please read each pair and indicate which of the statements you agree with more. If you agree strongly with a statement you would select the option closest to the statement, but if you only agreed slightly, then you should select an option further away from the statement.



n=1,095; „Leaders of Tomorrow – Wave 2015“

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Figure 6

*\* On the scale from 1 to 5, with all the answers that were stereotypical for Digital Natives on the right side (value 5), we used a minimum average score of 3.5 over all 8 questions as an indicator for being a "Digital Avant-gardist".*

The Leaders of Tomorrow in this study are a very special target group within the group of Digital Natives. An interesting question is how many of them do act like a stereotypical Digital Native? We assumed that widespread stereotypes hold at least a grain of truth for a subgroup we will call "Digital Avant-gardists". We have used eight popular stereotypes about Digital Natives, formulated as semantic differentials (Osgood, 1964), to distinguish those 20% of the Leaders of Tomorrow with the strongest tendency towards the stereotypes (the "Digital Avant-gardists") from the rest of their peers\* (Figure 6).

Whilst many of the evaluated stereotypes and myths around Digital Natives have to be carefully differentiated for the Leaders of Tomorrow as a whole, the small group of Digital Avant-gardists does fulfill many of the prejudices about Digital Natives. In the following sections we will keep reflecting on whether and how this group differs from the other Leaders of Tomorrow.

We identified the "Digital Avant-gardist" category by defining a cutoff point for the semantic differential to capture those Leaders of Tomorrow that clearly gave more pronounced opinions resembling the Digital Natives stereotype. This approach does not allow drawing any quantitative conclusions regarding the size of this group; but it does allow us to compare how this particular group of "Digital Avant-gardists" responds in comparison with the other Leaders of Tomorrow.

*Be radical, humble and forget the old motto 'business as usual'.*

*Student of Finance*

*Change your business models as they are outdated. You have to create businesses where individuals are recognized within large systems and where flexibility is key.*

*Student of Finance*

*Set multiple goals for the future and be ready for the unexpected by encouraging innovation (preferably in small teams) in order to disrupt the current business models. Instead of evolution you need 'totally new' in order to obtain a proper competitive advantage.*

*Student of Law and Business*

# Leaders of Tomorrow strive for meaningful work – in new ways

Having an impact on society and working on challenging tasks motivates the Leaders of Tomorrow the most

In order to find out what motivates them in their career we asked the Leaders of Tomorrow to choose the 3 most important criteria by which they would measure the success of their professional career in 10 years. Having a positive impact on society was the most important measure for career success, chosen by 46% of the Leaders of Tomorrow, followed by working on interesting and fascinating projects (34%) (Figure 7).

Classical conceptions about measuring career success like a high level of salary (14%), having extensive decision-making authority (12%), leading a large team (5%) or a position with power over people (3%) are reported to be much less important. But these answers should be interpreted with some caution as these are particularly prone to social desirability bias: Saying you want money and power is typically viewed as “uncool” in the generation of the Digital Natives. On the other hand soft factors like making work and personal life complement and enrich each other, building relationships with other people, and personal skill development (at 25-26% each) seem to be more desirable.

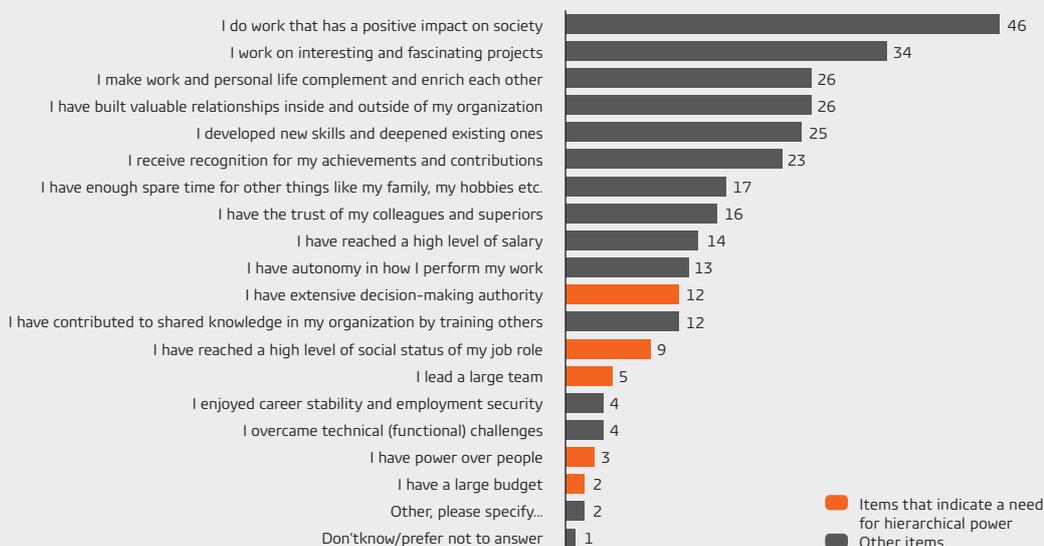
## Myth 2: Measures for career success

Data in %

**Myth 2: Leaders of Tomorrow seek career success primarily in meaningful work rather than salary or fringe benefits**



**Question:** Imagine yourself in 10 years, looking back on your professional career so far: By which criteria will you measure the success of your career? Please choose the 3 most important categories in your opinion.



n=1,095; „Leaders of Tomorrow – Wave 2015“

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Figure 7

In summary, the Leaders of Tomorrow intend to measure their career success by meaningful work content, rather than by formal career status criteria (supporting Myth 2). Traditional extrinsic motivation factors seem to be important for only a small group. Setting these results in the context of the classical extrinsic/intrinsic motivation discussion in management literature (McGregor, 1960), the Leaders of Tomorrow show very clear support for the "Theory Y" view (intrinsic; work is as natural as play or rest; people are self-motivated to work on meaningful tasks) rather than "Theory X" (extrinsic; people inherently dislike work and must be controlled and coerced to perform).

The low attractiveness of traditional management responsibility in how the Leaders of Tomorrow plan to judge their success should give companies pause. Half a century of management research since McGregor's Theory X/Y concepts has repeatedly confirmed the importance of intrinsic motivation, meaningful and self-directed work and corporate culture as key factors of driving individual and organizational performance. Yet many of the tools that companies today use to attract, motivate and manage talent were designed with an intrinsically lazy "Theory X" employee in mind who is mostly interested in money, power and hierarchical promotions. Most companies have bonus and promotion plans in place. But making-a-difference-in-the-world plans, getting-to-do-interesting-projects plans or being-recognized-for-my-contribution plans are much harder to find – perhaps, not least of all, because they are harder to implement.

Companies should engage especially their new leadership talent about how they define career success and what context and tools they will need to stay motivated as employees and to start leading as managers. Promotion along only one dimension – along management career levels – may be less desirable for many of the Leaders of Tomorrow than, for example, a promotion along more varied and interesting projects or making a positive impact. Instead of defining career success only as increasing power over people or budgets, companies should ask themselves how they could offer growing power to affect meaningful changes inside and outside of the company.

Consistent with the low importance of criteria relating to classical managerial careers, only about 25% of the Leaders of Tomorrow have a career goal of being known as a "top level executive with extensive decision-making authority and leading a large team" (Figure 8). By far the most attractive career goal is becoming "a well-known expert with deep knowledge in a field of your choice" (44%). A position as a project manager, which could be seen as an intermediate position between being a top executive and an expert, is attractive for 24%. These results also support the validity of Myth 3: The Leaders of Tomorrow do not aspire to traditional top level executive careers.

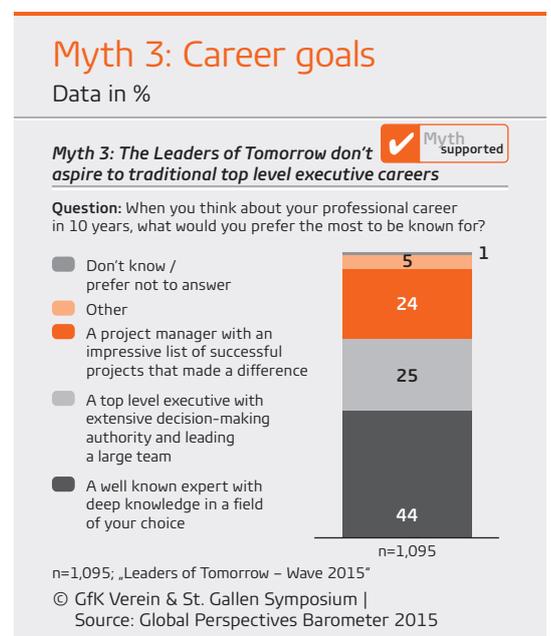


Figure 8

By identifying the success criteria shown in Figure 7 that clearly reflect a need for hierarchical power it becomes obvious that the overall Leaders of Tomorrow very rarely choose power criteria. Although items from the power category are more often chosen among those who want to become top level executives, even among those, more than half have not chosen even a single power item from the five we offered them (Figure 9). At the same time positive impact on society is also a very important motivation for future executives. Among the interviewed Leaders of Tomorrow truly power-motivated aspirants for a career as executive are scarce. But that does not mean they do not exist.

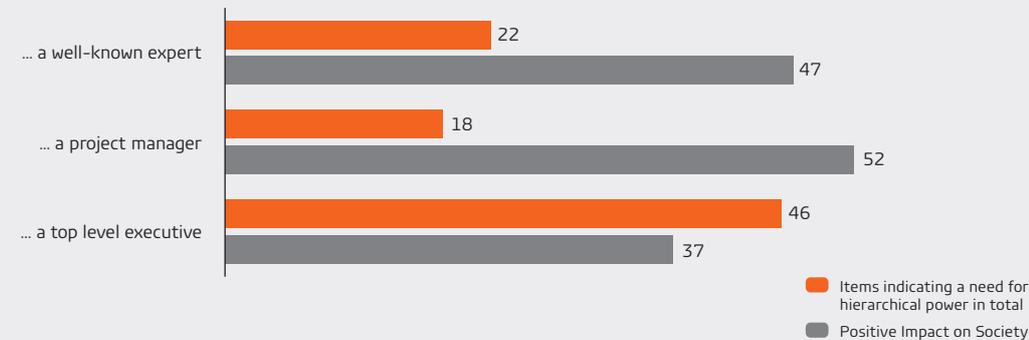
Figure 9

## Measures for career success

Answers categorized, separated by career goal – Data in %

**Question:** Imagine yourself in 10 years, looking back on your professional career so far: By which criteria will you measure the success of your career? Please choose the 3 most important categories in your opinion.

*I want to be known for being ...*



n=1,095; „Leaders of Tomorrow – Wave 2015“

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Companies hiring management trainees have to think about whether they want to address only those among the Leaders of Tomorrow who are interested in a traditional top level executive career or if they need to revise their recruiting and management tools to also attract those leadership talents who have non-traditional ideas about a successful career.

CEOs, executives and HR should be cautious not to perpetuate a “leadership monoculture”. If they rely on the traditional top executive blueprint with their incentive, retention, career and management toolset, this is not only limiting the leadership talent pool available to them. Instead, the limitation can be amplified, if future employees prefer a different leadership style from their manager.

On the other hand, it is not yet clear whether the high value the Leaders of Tomorrow place on building networks and receiving recognition for their achievements and contributions is the *cause* or the *effect* of the high engagement with Social Media and near-continuous instant messaging that many in this group engage in. But it is not inconceivable that actively leading a semi-public life via Social Media, having to manage one’s public image, receiving constant a stream of weak-signal information through feedback on opinions, posts and tweets, might be linked with a higher need for affiliation

(or perhaps just a higher sensitivity for it?) than was generally required in a pre-internet world.

There is some evidence to suggest that the traditional feedback methods, frequencies and formats may not meet Digital Natives’ needs and that some current managers feel overwhelmed by an expectation of constant feedback from Digital Native reportees (Meister & Willyerd, 2010; Kiisel, 2012). It is entirely conceivable that also in an organizational context the affiliation and feedback needs of the Leaders of Tomorrow could be different from what organizations and leaders are used to provide. This might be both in frequency (e.g. hourly feedback through one’s social network but only one annual performance appraisal in a company), source diversity (dozens or hundreds of acquaintances versus one manager) and amplitude (a constant flow of weak signals over time versus very few, very clear, perhaps even perceived as rude (?), instances of feedback at half-year and annual reviews).

Current leaders – and especially HR departments – might be well advised to engage their Digital Native employees to identify a frequency and format of feedback that works well for both.

### Is entrepreneurship the new gold standard?

Millennials are deemed to be one of the most entrepreneurial generations ever. The majority of the Leaders of Tomorrow in this study can imagine to become an entrepreneur during the next five years (Figure 10). Depending on the field of study 67% (STEM fields), 62% (Management/Business) or 53% (other areas of study incl. the social and political sciences, law, etc.) stated they were planning some kind of entrepreneurial activities. Unsurprisingly the percentage is higher in non-OECD countries, where the combination of high economic growth, rising purchasing power, non-saturated markets, a more limited range of established businesses and the opportunity to affect significant “social impact” with a startup may make entrepreneurship particularly appealing.

Becoming an entrepreneur seems to be the gold standard for careers for many Leaders of Tomorrow. They grow up in a world where a good idea can – apparently – make you a billionaire overnight. The rapid dissemination of new digital technologies opens up unlimited possibilities for entrepreneurs while costs – and the risks for company founders to experiment – will continue to fall (Thomke, 2001). The McKinsey Global Institute (2013) summarized these developments in a study on disruptive technologies: “The future for innovators and entrepreneurs looks bright”.

This may be especially true for the surveyed Leaders of Tomorrow: Given their qualifications and ambitions, most of them should have no problem getting a good job at a regular company after a failed start-up. So the “risk” usually associated with entrepreneurship may be lower for them.

The good news for hiring companies is that it does not mean Leaders of Tomorrow directly start building their own firms; most of them want to start as employees. The bad news is that many of the Leaders of Tomorrow might just want to gain experience and knowledge at a company first and pursue entrepreneurial ventures shortly thereafter. The strongest desire to become an entrepreneur is among the Leaders of Tomorrow with more job experience (24 months and more). 67% of those respondents want to become entrepreneurially active compared to 53% of those with less job experience (up to 6 months). And the more experienced Leaders of Tomorrow also have the largest share of those who want to become entrepreneurs right away. These are sobering numbers (38% of those who plan entrepreneurial activities) for many companies that are holding on to the hope that the Leaders of Tomorrow will “come to their senses” as they get older, drop their entrepreneurial plans and start following in the footsteps of previous generations by dreaming about a company career instead. On the contrary, the results show that more job experience is associated with an increase, rather than a decrease, of entrepreneurial ambitions.

The small group of “Digital Avant-gardists” we identified (see section “Leaders of Tomorrow are not stereotypical Digital Natives”) is most interested in becoming entrepreneurs. Among these respondents, 72% plan entrepreneurial activities in the next five years, compared to a 57% share of the others. And they more often plan to become entrepreneurs right away (53% of those who plan entrepreneurial activities) compared to the other Leaders of Tomorrow (26%).

Companies should think about making attractive offers to young talents convince them to stay in their jobs. One way could be providing entrepreneurial experiences in the company – intrapreneurship is a concept whose benefits have been

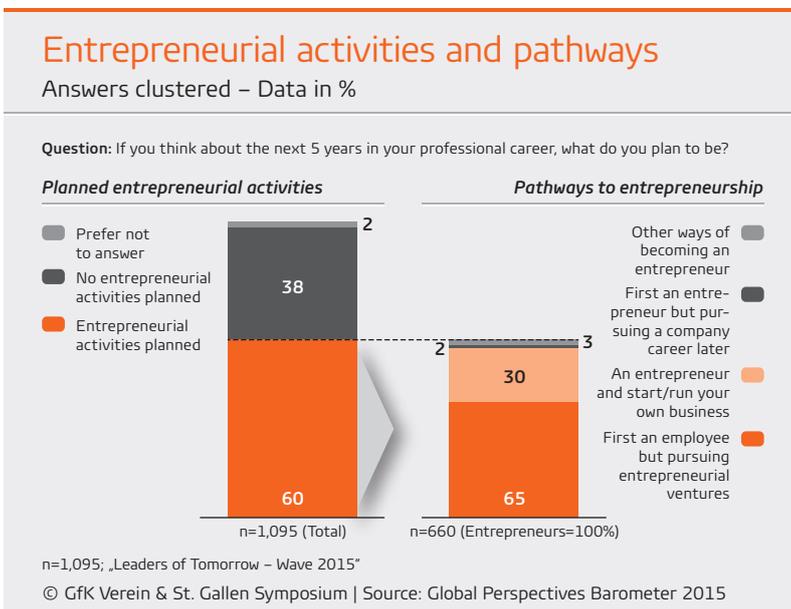


Figure 10

debated and researched for several decades, but that has not yet seen widespread practical implementation (Rule & Irwin, 1988; Antoncic & Hisrich, 2001). The preferences of the Leaders of Tomorrow – who are at the epicenter of the “War for Talent” – may end up forcing the companies’ hand in this respect. Becoming an entrepreneur is a question of opportunities, and finding opportunities is a question of seeking them out. Unless companies manage to keep their talents with interesting projects and give them a chance to act intrapreneurially within the company, they might find many of them leaving after putting 2-3 years of “on-the-job training” under their belts. In a world where life-long careers and loyalty are becoming the exception, and where professional networks – with the aid of social networks – can easily survive even very frequent job-hopping, companies may find it hard to retain key talent long enough to successfully capitalize on the inevitable initial investment in their hiring, onboarding and training.

### The preference for the sector to work in is guided by the career goal

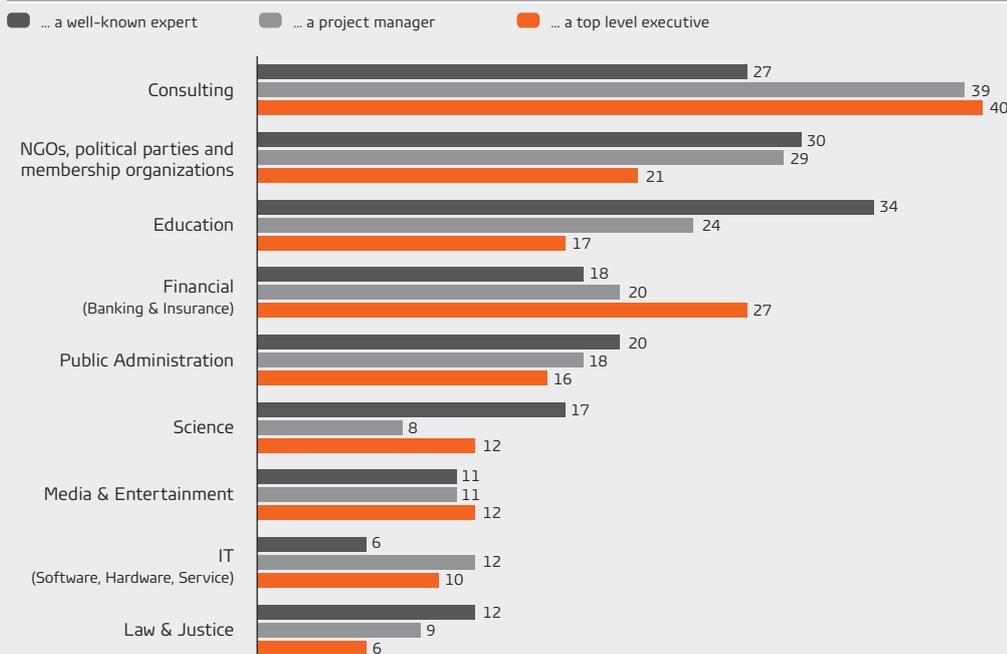
The sectors in which the Leaders of Tomorrow would prefer to apply their talents differ among the 3 career goals (Figure 11). Those who aspire to be top-level executives prefer Consulting (40%) and Financial sectors (27%), future project managers prefer Consulting (39%) and NGOs, political parties and membership organizations (29%). Future well-known experts find the Education sector most attractive (34%), followed by NGOs (30%) and Consulting. Part of the Education sector preference for the aspiring experts may be due to academic careers, but the education sector is also seen by many – including entrepreneurs – as a key lever for social change. Especially respondents from non-OECD countries show a higher preference for the education sector (33% vs. 22% of respondents from OECD countries).

## Sectors preferred for working in

Separated by career goal – Data in %

Question: In which sector would you prefer to work in the next 5 years? Please choose up to 3 sectors.

I want to be known for being ...



n=1,095; „Leaders of Tomorrow – Wave 2015“

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Figure 11

Consulting looks like a good place to start for future entrepreneurs: 37% of Leaders of Tomorrow who want to become entrepreneurially active chose this sector. Entrepreneurship for the Leaders of Tomorrow seems to be much more than just a way of making money but also a way to make a difference in the world and to have a major impact on society while shaping one's own projects.

*The Y-Gen is expecting dynamic tasks, which many companies fail to provide. If they want to catch the current trend without losing talents, they should involve more Y-Gen into processes of designing workflows and tasks within a company. If it is too radical, they should start listening to them and their ideas on a regular basis, and then they can take appropriate actions.*

*Student of International Management*

**Intrinsic motivations dominate the choice of an employer to work for, but the salary level is not irrelevant**

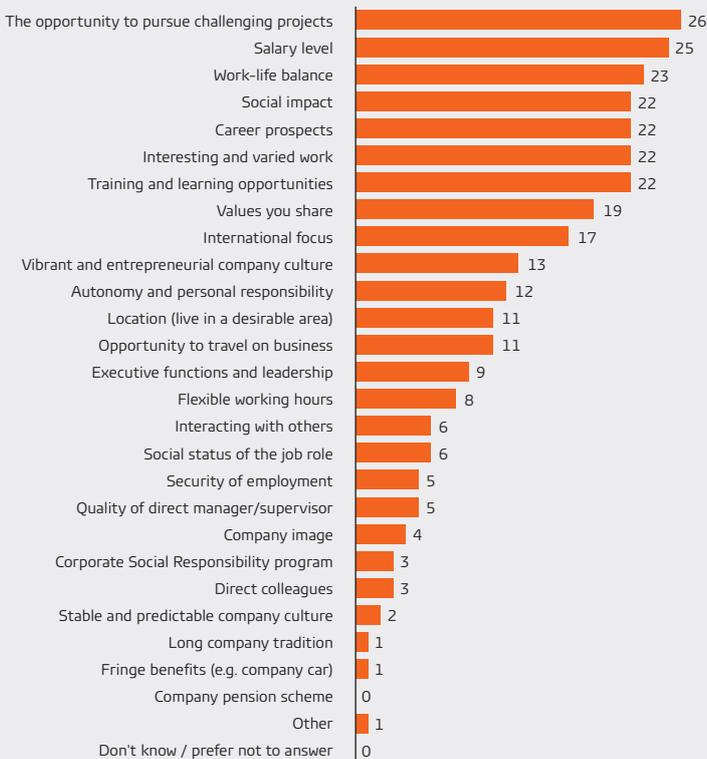
In a business world that increasingly finds itself in a "War for Talent" (Chambers et al., 1998) the Leaders of Tomorrow we surveyed will likely be able to choose between several employers. To attract and maintain the best talent, companies might be well advised to compete on more dimensions than just via salary levels, benefit packages and management perks. We asked the Leaders of Tomorrow to choose the three most important factors for choosing a company to work for out of a list with the option to add other factors. None of the factors in Figure 12 was chosen by more than a quarter of the respondents, which indicates very diverse – and individual – preference profiles. Like brands competing in a saturated market, companies will need to better understand and match their strengths to the profile and preferences of their future talents.

Even though it seems that the Leaders of Tomorrow want a job with at least a reasonable salary level (Rank 2, at 25%) it is very likely that other factors are also making a difference between two job offers. Among the most important reasons, soft factors and motivation intrinsic to the work are dominating. The most important factor is the opportunity to pursue challenging projects (26%). Classical incentives from HR's toolbox like company pension schemes and fringe benefits (1% each) share the last places with a long company tradition (1%) and a stable and predictable company culture (2%). When Leaders of Tomorrow have to choose between different job offers, also less important factors could of course make a difference. But the main recommendation for companies and their HR departments is to gain a more granular understanding of the diversity of preference profiles spread across a large number of dimensions and reassess if they have the right incentives in place for attracting – and perhaps more important: retaining – the best talent. One size does not fit all – especially not with the top talent reflected in the Leaders of Tomorrow sample. As last year's Global Perspectives Barometer (GPB 2014) already revealed, attracting and maintaining the best talent

## Choosing a company to work for

Important factors – Data in %

**Question:** What would be the 3 most important factors for you in choosing a company/organization to work for? Please select up to 3 factors.



n=1,095; „Leaders of Tomorrow – Wave 2015“

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Figure 12

is not only a question of adjusting the incentive package for the Leaders of Tomorrow. The large established players could be in danger of losing ground in the “War for Talent” compared to small and more flexible companies because of the more level playing field resulting from an unprecedented transparency. In such an environment small players with more opportunities for the creation of an individual work environment and the promise of real possibilities of change in the world might become more attractive for the Leaders of Tomorrow.

“People join companies - but they leave managers.” The observation that a powerful or shiny brand may help to attract a new talent but it is still up to the first-line manager to create the day-to-day environment and microclimate to motivate, retain and develop the talent has - if anything - only gained in importance.

The disruptive world of today requires a fundamental rethinking of the way companies co-ordinate both their external market-facing decisions and their internal value creating activities. This is especially true for firms whose main revenue stream follows a business model from the pre-internet era. The dramatic changes in transaction costs are now impacting even those business models that were long considered to be immune from the internet revolution because they were decidedly non-digital, like hospitality (hello AirBnB!), transportation (hello Uber!), automobiles (hello 3D printed car by Local Motors!) and consumer electronics (hello Kickstarter-funded Pebble watch!). In a way, the internet has more than flattened the playing field - it has created a transparency and ultra-low transaction costs that require faster adoption and development of business models from players across whole industries. And to survive in that competition for speed and relevance, companies need the right talent that can not only make the right decisions but also implement them swiftly and effectively.

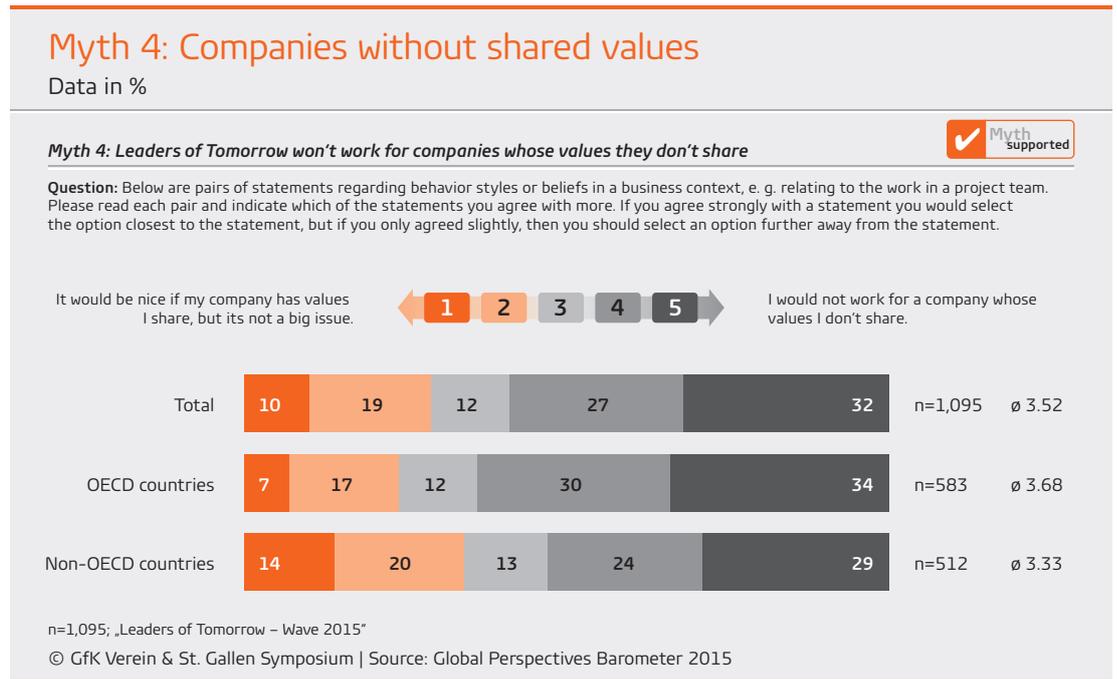
But not all companies have the luxury of first re-designing their business model and talent strategy, so a differentiated view on important factors can help to harvest some of the low-hanging fruits: Leaders of Tomorrow aspiring to become top level executives can be more easily persuaded by money

- (35% chose the salary level as important factor) than future project managers (19%) or experts (24%). Aspirants for an executive career also value career prospects (30%) and challenging projects (25%). Future project managers most often chose the opportunity to pursue challenging projects (32%) before social impact (29%) and work-life balance (23%). Leaders of Tomorrow that want to become well-known experts prefer jobs with interesting and varied work (26%), challenging projects (25%) and pay attention to the salary level (24%).

The Digital Avant-gardists (see page 9) bring up some new topics that are less important for the rest of the Leaders of Tomorrow, but all the more crucial if you need to tap into this special, very digital subgroup. They chose social impact most often (31% vs. 20% among the other Leaders of Tomorrow); followed by challenging projects (28% vs. 26%) and shared values (25% vs. 17%). But even though shared values are not prevalent among the top 3 factors, Figure 13 (Myth 4) shows that a majority of Leaders of Tomorrow would not work for a company whose values they don't share. Digital Avant-gardists also value a vibrant and entrepreneurial company culture much more highly than other respondents (22% vs. 10%). The salary level, however, is only mentioned on the 11th rank (14% vs. 28%). If - and that's a big “if” - Digital Avant-gardists were trendsetters for their peers, companies would have an even harder time attracting talents with their classical toolbox of incentives and management tools in the future.

A controversial topic is the importance of work-life balance. On the one hand, 23% of the Leaders of Tomorrow chose work life balance as an important factor. On the other hand they are thoroughly split on the work-life balance topic in a more in-depth question as can be seen in Figure 14 (Myth 5). The separation or the integration of work and spare time is certainly a topic that the Leaders of Tomorrow are concerned with. But further research appears to be necessary to find a better, more appropriate concept to reflect the new reality of connected life.

Figure 13



There is more consensus in the issue of flexible vs. fixed working hours (nine-to-five job) as can be seen in Figure 14 (Myth 6). Most Leaders of Tomorrow prefer flexible working hours – a strong signal for companies with fixed standardized working hours to rethink their approach.

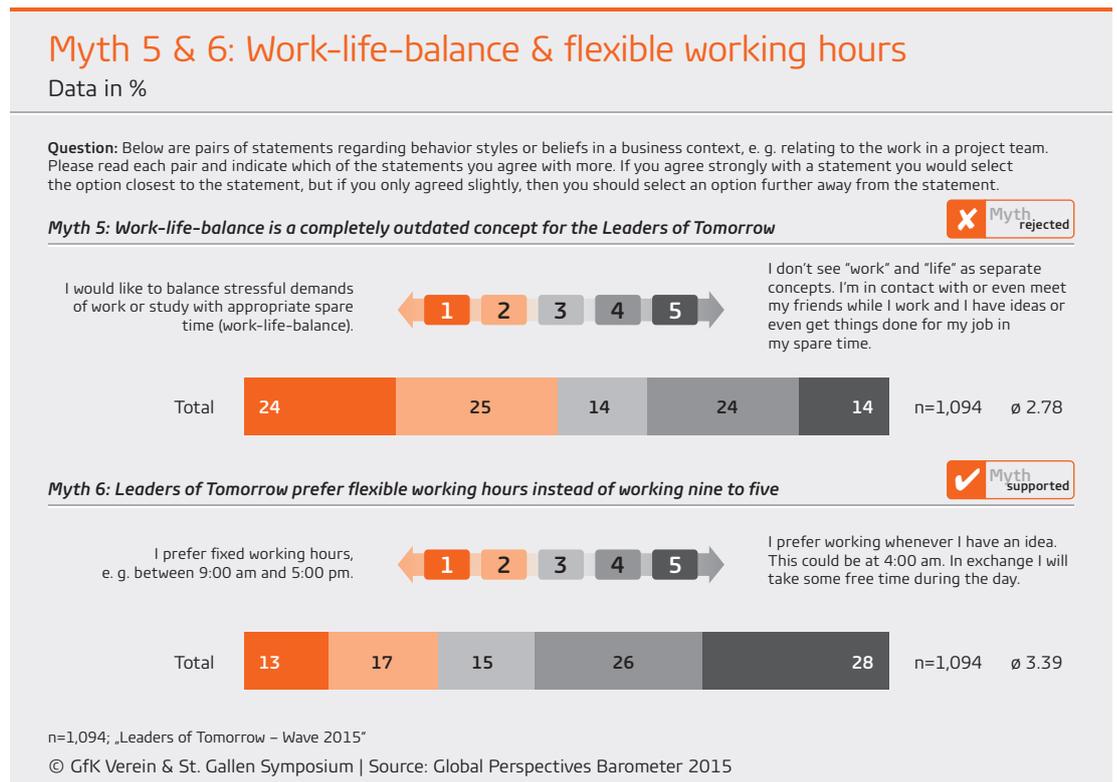


Figure 14

## Leaders of Tomorrow differ in their preferences of company sizes

A company's or an organization's attractiveness as an employer for the Leaders of Tomorrow is not very dependent on its size in terms of the number of employees. Results show that a majority (55%) of the respondents has absolutely no preference for a certain number of employees when choosing a company.

The situation is much clearer when it comes to the question of internationality of an employer. 91% of the Leaders of Tomorrow prefer an employer with international activities – the more world regions, the better.

The question if they prefer a large, established company with a proud tradition, or a small start-up company with a bold vision, splits the Leaders of Tomorrow (Figure 15). It is obvious that even though a proud tradition is not among the most frequent chosen factors in choosing a company to work for, if the question is reduced to this dichotomy, only a few of the Leaders of Tomorrow will clearly decide for one side of this semantic differential – the categorical results closely match a Gaussian curve. The good news for traditional companies: the myth that the next generation is mostly interested in working for start-ups with a bold vision is not true. Instead, traditional companies can probably attract about half of the kind of talent for which the Leaders of Tomorrow are

a sample. The bad news – as previously discussed – is that even those who join a large, established company with a proud tradition may do so only with the intent to leave after a short on-the-job training and then look for other challenges, including becoming an entrepreneur. Especially considering the result that respondents with a higher job experience (more than 24 months) show a stronger preference for start-ups (37% chose 4 or 5) than those Leaders of Tomorrow with up to 6 month of job experience (27% chose 4 or 5). And that they are more interested in becoming entrepreneurs (see page 14).

*The world is changing faster, so that the leadership style must change to adjust to technology. Hence the bureaucracy must be reduced.*

*Student of Political Science*

*Take either honest social responsibility or none. There are too many ‚show case‘ social responsibility projects with very little true impact.*

*Student of Biotechnology*

### Myth 7: Bold-visioned start-ups vs. established companies

Data in %

**Myth 7: Leaders of Tomorrow prefer bold-visioned start-ups over established companies with a proud tradition** ? Myth unclear

**Question:** Below are pairs of statements regarding behavior styles or beliefs in a business context, e. g. relating to the work in a project team. Please read each pair and indicate which of the statements you agree with more. If you agree strongly with a statement you would select the option closest to the statement, but if you only agreed slightly, then you should select an option further away from the statement.

I prefer working for a large, established company with a proud tradition.



I prefer working for a small start-up company with a bold vision.

Total	14	21	32	20	13	n=1,094	σ 2.96
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n=1,094; „Leaders of Tomorrow – Wave 2015“

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Figure 15

# Leaders of Tomorrow seek guidance – by inspiring, visionary and open minded leaders

Only a few of the Leaders of Tomorrow aspire to a traditional executive position and hierarchical power. To be known for being a top level executive with extensive decision making authority and leading a large team was attractive for only about a quarter of the respondents. In line with the results, leading a large team, having power over people and even having a large budget were of subordinate importance as motivation factors for the Leaders of Tomorrow in total. But does this also mean that the Leaders of Tomorrow completely reject hierarchical structures – that they decline to lead and refuse to be led?

A project needs a designated leader, about 6-7 passionate team members and regular scheduled meetings

When it comes to project organization a majority of the Leaders of Tomorrow still prefers to have a designated leader, someone who is responsible for a project’s progress and takes decisions. As Figure 16 shows, this desire for a designated leader is even greater in non-OECD countries where Power Distance, “the extent to which the less powerful members of institutions and organizations [...] expect and accept that power is distributed unequally” is traditionally higher (Hofstede et al. 2010).

The good news for companies is that the Leaders of Tomorrow are not at all blind to some of the advantages of hierarchy in the context of leading a project to success and taking the necessary decisions, at least when they are close to the actual work

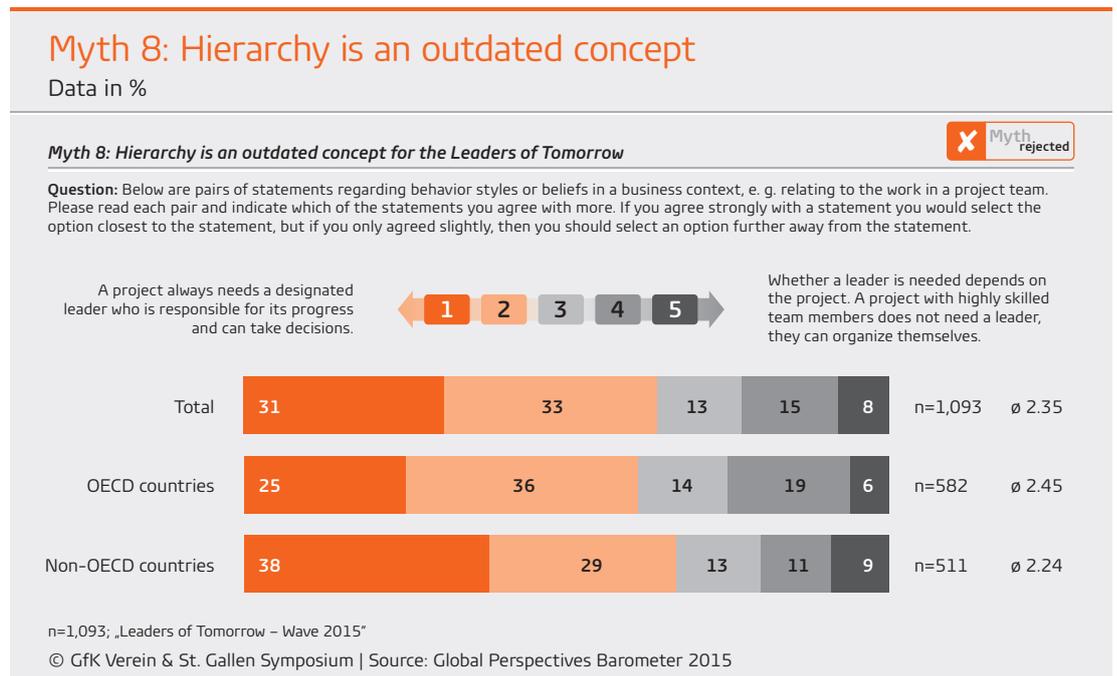
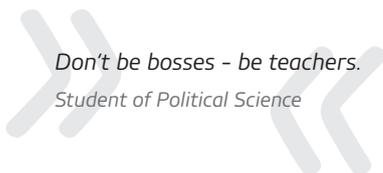


Figure 16

being done. But by comparison a more formal and abstract "top executive" hierarchy is only popular with about 25% of the sample.

The high level of endorsement for a clear leadership structure raises the question how a team leader should define his or her role. In a Harvard Business Review article, Oncken & Wass (1999) described five different degrees of initiative that an employee can exercise in relation to their manager. We asked the Leaders of Tomorrow to imagine themselves as a manager leading a team of qualified employees and choose their favorite degree of initiative that an employee should exercise. The degrees of initiative are distinguished by the level of control that managers are willing to delegate to their subordinates and ranges from lowest level of initiative – waiting until being told what to do – to the highest level – taking action on one's own, and routinely report on actions and results.

For members of a generation that many believe are self-organizing and non-hierarchical, it is interesting to observe that most of the Leaders of Tomorrow – if they themselves were in a management position – would prefer a significant level of control over their team's actions. 58% chose a degree of initiative that would allow their team members to approach them with recommenda-

tions, but only act once they have given their approval (Figure 17). Delegation of the ability to take independent action – which is the key to the Management by Objectives approach to leadership (Drucker, 1954) – was less popular. Limited delegation (act on one's own but advice at once) was at 16% and full delegation (act on one's own, and routinely report) at 22%. While almost none of the Leaders of Tomorrow preferred the two lowest levels of initiative from their team members, it is not clear whether as leaders they themselves would be prepared to extend the level of trust and delegation of power to their teams that they themselves seem to desire from their leaders.

But examining the Leaders of Tomorrow with higher job experience suggests that trust in employees and the willingness to delegate power is something that can be learned: Respondents with high job experience also show a higher willingness to delegating the power to act without first asking for approval.

Leaders of Tomorrow from non-OECD countries show a stronger preference to keep full control of their subordinates' actions (67% vs. 57% in OECD-countries), which is not a surprising result as the cultural Power Distance in many of those countries is higher (Hofstede et al, 1991). In contrast, the

## Preferred degree of initiative of employees

Separated by job experience – Data in %

**Question:** Imagine you are a manager leading a team of qualified employees. There are different degrees of initiative that an employee can exercise in relation to you as their manager. Which of the following degrees of initiative would you prefer in general?

*In general, your employees should ...*



n=1,095; „Leaders of Tomorrow – Wave 2015“

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Figure 17

group of Digital Avant-gardists, which we identified as most closely matching Digital Natives' stereotypes (see page 9) is much more open for the kind of delegation required for Management by Objectives. About 50% among them chose one of the two degrees of initiative with the employee taking action on one's own compared to 35% of the other Leaders of Tomorrow.

Another much debated topic is the necessity and utility of meetings. Most of the Leaders of Tomorrow think that project team meetings are indeed necessary at regular intervals to keep everyone informed (Figure 18). This clearly contradicts the hyperbole that claims Digital Natives are so hyper-connected to information that they do not see the need for structure in project work. Companies should not abandon traditional, low-tech means of creating a shared information space and should plan to have technology complement, rather than replace, structured and regular meetings.

When it comes to the question how the Leaders of Tomorrow would select the members of their project team among four factors (Figure 19), they value passion (89%) over experience in the industry (34%). From their point of view the best teams are made of people with passion for the idea or vision of the project and previous experience

with project work (38%), followed by teams with passion and previous experience in the industry (29%). Interestingly, the Leaders of Today see harder-to-measure factors like "passion" or generic project skills as key success factors for their team members, rather than more traditional qualifications like previous experience in the industry or graduating from a top university with good grades. The relatively low preference for experience in the industry also supports the idea that the Leaders of Tomorrow make perhaps a clearer separation than previous generations between "expertise" – understood as being really good at something or some topic – and "long experience at doing something" – which may be both a benefit or a liability in terms of resistance to change or being blind to innovation.

The ideal number of team members that Leaders of Tomorrow would like to directly manage for a challenging project ranges between 3 and 10 with an average of 6.3 team members (5% trimmed mean to reduce the influence of extreme values). This is somewhat lower but roughly in line with traditional span-of-control concepts. Perhaps the most striking result, however, is that more than half of those who have stated a preference preferred leading teams of 5 members or less for their project team. This low number is more in line with

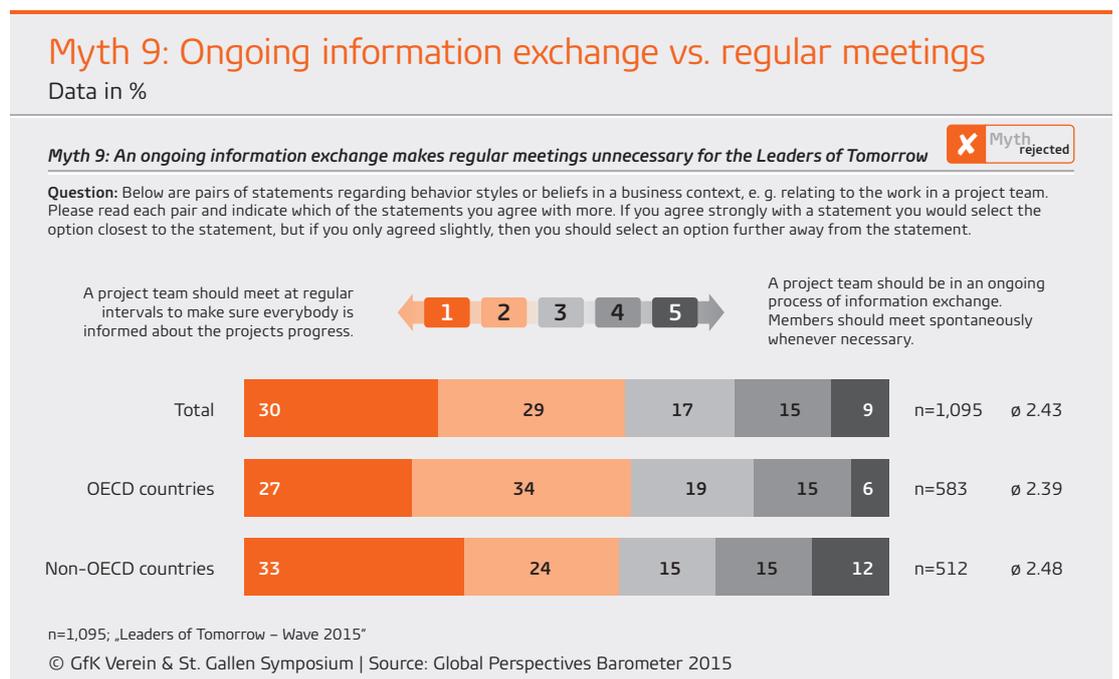


Figure 18

the results of research on the adverse effects of communication overhead in project work that rises exponentially with the team size, while the work performed only rises linearly. As Brooks (1975) concluded in his book *The Mythical Man Month*: “Adding resources to a late project makes it later”. It is possible that the Leaders of Tomorrow – due to their early exposure to many-to-many communication and alignment situations in their social network activities – have developed an early, intuitive understanding of the drawbacks of having teams that are too large.

### The best leaders inspire their team and provide a clear vision and communication with the team

We asked the Leaders of Tomorrow which were the top 3 characteristics or behaviors that make someone an “outstanding leader” in their opinion. A question that really seems to matter for the Leaders of Tomorrow: we were given about 3,000 open answers representing a broad field of leadership behaviors and personal characteristics of leaders. In order to structure the open answers, we used an existing framework from empirical research on leadership. The GLOBE (Global Leader-

ship and Organizational Behavior Effectiveness Research) Study. This large-scale international study on the relationships among societal culture, leadership and organizational practices with 17,000 middle managers in 62 nations researched “the extent to which specific leader attributes and behaviors are universally endorsed as contributing to effective leadership” (House et al. 2002). The authors found 21 primary leadership dimensions constituting the following six global leadership styles (House et al. 2013):

**Charismatic/Value-Based leadership:** Broadly defined to reflect the ability to inspire, motivate, and expect high performance outcomes from others based on firmly held core values.

**Team-Oriented leadership:** Emphasizes effective team building and implementation of a common purpose or goal among team members.

**Participative leadership:** Reflects the degree to which managers involve others in making and implementing decisions.

**Humane-Oriented leadership:** Reflects supportive and considerate leadership but also includes compassion and generosity.

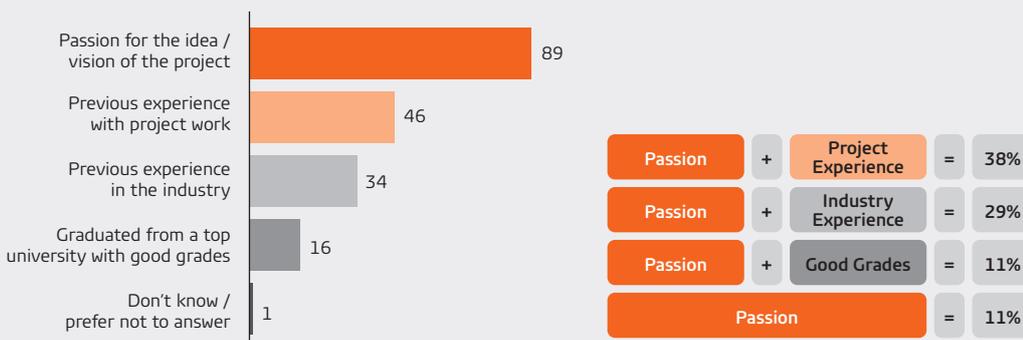
## Myth 10: Passion vs. experience

Data in %

**Myth 10: The Leaders of Tomorrow value passion over experience**



**Question:** Imagine you have been asked to develop a new product or service for a large company. You have been asked to propose a project team that would have to develop the concept quickly and expectations are high. What would you find most important in selecting members of your project team? Please select up to 2 criteria.



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Figure 19

**Autonomous leadership:** Referring to independent and individualistic leadership attributes.

**Self-Protective leadership:** This global leadership dimension focuses on ensuring the safety and security of the individual and group through status enhancement and face-saving.

We used the GLOBE Study’s leadership dimensions as a framework to code the open answers in our survey and assigned them to the 21 global leadership styles plus other important characteristics and behaviors not explicitly addressed in the GLOBE study (Figure 20).

Consistent with the findings of the GLOBE Study, the three primary leadership dimensions described as universally desirable – Visionary, Integrity and Inspirational – were also among the top 10 characteristics or behaviors that make someone an “outstanding leader” in the eyes of the Leaders of Tomorrow. According to the GLOBE study, this means that leaders cross-culturally “are expected to develop a vision, inspire others [...] while behaving with honesty and integrity” (House et al. 2013). Among the characteristics that are not explicitly named in the GLOBE framework, empathy as well as expertise are the most important for the Leaders of Tomorrow. Leaders should be empathic, that is being able to understand their subordi-

nates, take them seriously as individuals with their own concerns and needs, and have expertise and experience in the field of their projects.

Taking the 10 most frequently mentioned leadership characteristics and behaviors as a blueprint, Figure 21 shows the “ideal” team leader in the eyes of the Leaders of Tomorrow.

Understanding this bottom-up constructed concept of an ideal leader is important to know which characteristics and behaviors the Leaders of Tomorrow are looking for. But it is also important because it illustrates that the Leaders of Tomorrow set very high expectations along a broad range of characteristics, many of which apparently contradict each other. Of course just because Leaders of Tomorrow ask for these leadership characteristics and behaviors does not mean they would actually be effective in practice.

The current leaders will likely have a twofold challenge when Leaders of Tomorrow enter their organizations: first, understanding which of the leadership behaviors are actually crucial to working productively with the Leaders of Tomorrow, and second, managing expectations with the Leaders of Tomorrow that their “ideal” leader probably does not exist – and perhaps cannot exist, due to the partially contradictory characteristics.



Figure 20

Figure 21



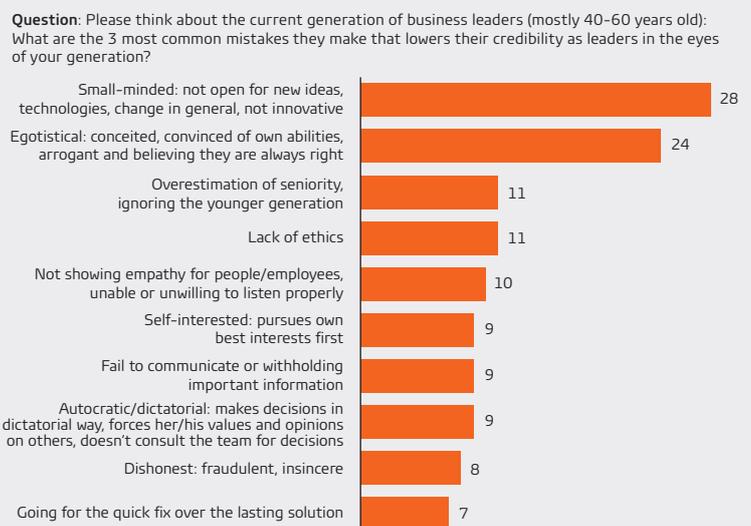
### The worst leaders are small-minded egoists overestimating seniority

The "dark side of leadership" can be seen as the mistakes that leaders make. Due to the lever that leaders have on their team and the organization, leadership mistakes are amplified and can do a lot of damage. Asked to name the most common mistakes that the current generation of business leaders (mostly 40-60 years old) makes that lowers their credibility in the eyes of the Leaders of Tomorrow, they most often stated being small-minded (28%). By this they mean that someone is not open for new ideas, technologies, and change in general. Also among the top 3 mistakes are being egoistical, that is being conceited, arrogant and self-opinionated, and the overestimation of seniority. This means in particular not listening to the younger generation (Figure 22).

*Try to think of ways to make the world better, instead of ways to fill your pockets with cash. Use your power to make real changes. Student of History*

### Top 10 mistakes of current generation of leaders

Mostly 40-60 years old – Data in %



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*Inspire by example and not by authority. That is true leadership.*

*Student of Business*

Figure 22

# Education is a key challenge identified by the Leaders of Tomorrow

We asked the Leaders of Tomorrow to name the most urgent challenges to be resolved in the country they currently live in. We used this question to get an idea, which challenges the Leaders of Tomorrow focus on when they talk about their motivation to have a job with positive social impact.

Having a “positive impact on society” was the top-rated career success measure for the Leaders of Tomorrow. The list of urgent challenges to be resolved can therefore provide important insights for companies wishing to involve Leaders of Tomorrow in “social impact” projects. This would allow companies to move beyond “image oriented” corporate social responsibility programs to bottom-up employee initiatives that can combine real social impact with a positive retention effect (Bode et al., 2015; Bhattacharya et al. 2008).

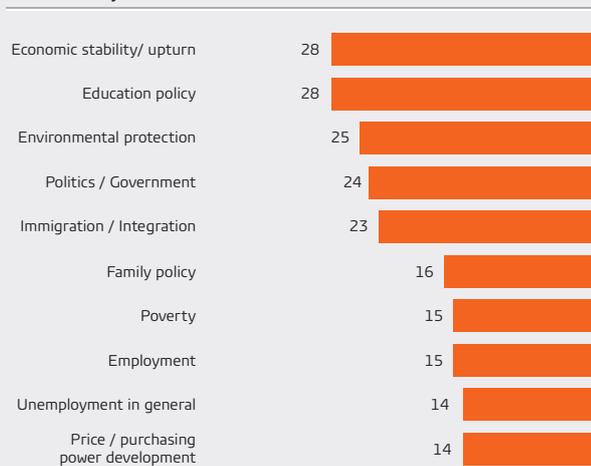
Leaders of Tomorrow from OECD countries are mostly concerned with economic stability (28%), education policy (28%) and environmental protection (25%) (Figure 23). The concern for education policy is shared by the Leaders of Tomorrow living in non-OECD countries as it is the most often stated challenge from those respondents (38%). This might be a reason for many of the Leaders of Tomorrow to also think about working in the education sector (see page 15), especially those, that want to have a job role with social impact. Immigration (23%) is an important challenge for OECD countries, while corruption (38%) is concerning the Leaders of Tomorrow from non-OECD countries.

## 10 most urgent challenges in country of residence

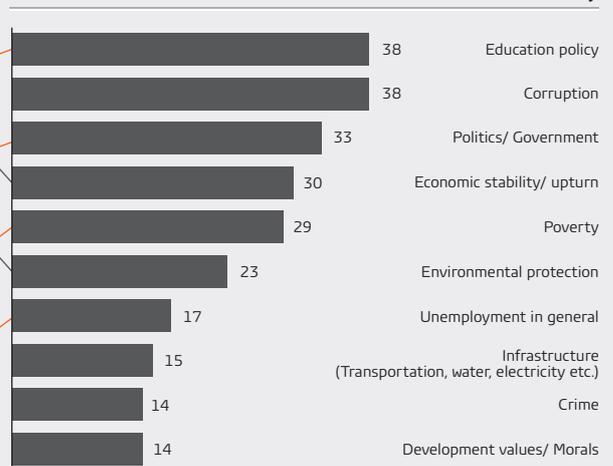
Clustered open answers – Data in %

**Question:** In your opinion, what are the most urgent issues to be resolved currently in the country you live in today?

**OECD country**



**Non-OECD country**



n=1,095; „Leaders of Tomorrow – Wave 2015“

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Figure 23

## Leaders of Tomorrow think they value different personal qualities than current leaders

The Leaders of Tomorrow were asked to choose up to 5 items from 11 “qualities that children can be encouraged to learn at home”, a question that was used as part of the World Value Survey, a global study on changing values and their impact on social and political life. We used it to find out which personal qualities the Leaders of Tomorrow value and which differences they see between themselves and the current generation of leaders that is mostly 40–60 years old.

The most important personal qualities (Figure 24) for the Leaders of Tomorrow are tolerance and respect for other people, chosen by 74% of the respondents, feeling of responsibility (69%), determination and perseverance (60%), followed by independence (55%) and imagination (55%). The Leaders of Tomorrow were then asked to choose up to 5 items from the given 11 qualities that they believe to be especially important for the current generation of leaders.

The most striking difference lies in how the Leaders of Tomorrow think the current leaders value “tolerance and respect for other people,” “independence” and “imagination”: These qualities are very important for the Leaders of Tomorrow, but - in their view - are considered much less important by the current leaders. On the other hand, the Leaders of Tomorrow think that the current leaders value hard work, obedience and thrift (saving money and things) more highly than they do.

This kind of perceived – or perhaps only imagined? – gap in own and ascribed values can certainly be the root of a number of misunderstandings between the two generations of leaders. The Leaders of Tomorrow see the current generation of leaders as differing fundamentally in the evaluation of a number of values that the Leaders of Tomorrow

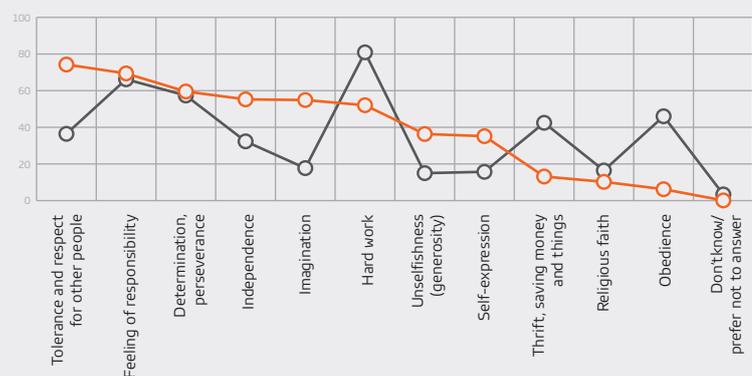
see as very important to their identity. To have this in mind might help bridge a gap of understanding and resolving battles that are fought with allegedly rational arguments but actually have their root cause in a feeling of being imposed upon by the other generation’s values. The current generation of leaders would be well advised to be sensitive to how they are perceived by the younger generation – and to avoid unnecessarily reinforcing an unhelpful stereotype. Similarly, values that are conceded as already shared by the Leaders of Tomorrow might be a good bridge for building further understanding. The Leaders of Tomorrow, on the other hand, should actively reach out to understand what values the current generation of leaders actually holds.

### Personal qualities considered as important in life

Data in %

**Questions:** 1) Here is a list of qualities that children can be encouraged to learn at home. Which, if any, do you consider to be especially important? Please choose up to 5 qualities!  
2) The current generation of leaders is mostly 40–60 years old. Regarding the list of qualities again: Which, if any, do you think the current generation of leaders (mostly 40–60 years) considers to be especially important? Please choose up to 5 qualities!

Legend: ● Leaders of Tomorrow ● Current leaders (40–60 years) as seen by Leaders of Tomorrow



n=1,095; „Leaders of Tomorrow – Wave 2015“

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Figure 24

## Dear leaders of today, please ...

*"Management is doing things right. Leadership is doing the right things."*  
Peter Drucker

The Leaders of Tomorrow were quite open in their criticism and advice they give to the current generation of business leaders. To put it in Drucker's terms, they criticize that today's leaders are doing too much management and not enough leadership. And that in the management that they do, they are too short-sighted and their professional craftsmanship is somewhat lacking.

The full spectrum of advice both for business and political leaders will be published later in a separate report. For now we have distilled the advice the Leaders of Tomorrow formulated for the current generation of business leaders into ten important messages.

### Checklist of major expectations that future leaders shared in their open responses with regard to the behavior of the Leaders of Today

#### Dear Leaders of Today, please...

- Listen to us with an open mind and take us seriously, even if our ideas seem "radical." You can either accept that we do have things to teach you or get out of the way and let us lead.
- Learn to differentiate between "skills" and "experience". Merely doing something for a long time does not mean it was done right. Assign the best person for the job, not the most senior one.
- Be authentic. Stop trying to trick us with a faked image of yourself or your company. It's not working. It's an insult to our intelligence. And you will get caught.
- Accept that your status-driven idea of leadership may not work for us. Leadership is granted and delegated upwards by a team to an inspiring individual, rather than downwards by hierarchy.
- Learn how to use new technology properly – you are now guests in our world not we in yours. If you treat us with respect, we're quite happy to show you how this new digital world works.
- Create a culture that rewards innovation, creativity, risk-taking and results – not long hours or effort invested using the old methods.
- Fulfill your responsibility to the society that sustains your business – both as your company's leader and as a private citizen.
- Reinvent your outdated decision making process. Business decisions should be rational, based on research and analysis of the best available evidence and using sound methods.
- Fix your organizations' workflows, hierarchy and bureaucracy if you want us to join you. Realize that your most important assets go home every night and might not come back.
- You have to reinvent your outdated business models and become more innovative if you hope to survive in a digital future characterized by disruptive market changes.

# The way forward starts with understanding goals and dreams

The Global Perspective Barometer 2015 provides a range of insights into the ideas, values, aspirations and visions of the Leaders of Tomorrow, the first generation of “Digital Natives” taking over leadership responsibilities in companies that were still mostly shaped by a pre-internet world. The Leaders of Tomorrow set out to reshape and

reinterpret the meaning of “leadership” in order to tackle current and future challenges of an increasingly transparent, accelerated and data-driven world.

We invite everyone to take part in this dialogue on jointly shaping a positive future. Let’s get to work.

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