

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 it 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. Thus the GfK Verein e.g. develops new market research methods - frequently in close cooperation with business and scientific organizations. Moreover the GfK Verein is committed to teaching and training market researchers. As part of its mandate, GfK Verein co-operates with universities and colleges in several countries and offers academic programs at Bachelor and Master level to help educate the future generation of market researchers to meet the changing needs of businesses.

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 around the globe with fresh insights into the most relevant issues concerning our world in order to create meaningful change in the lives of key decision makers.

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They [young people] have exalted notions, because they have not yet been humbled by life or learnt its necessary limitations; moreover, their hopeful disposition makes them think themselves equal to great things – and that means having exalted notions. They would always rather do noble deeds than useful ones: their lives are regulated more by moral feeling than by reasoning; [...] All their mistakes are in the direction of doing things excessively and vehemently. They disobey Chilon's precept by overdoing everything, they love too much and hate too much, and the same thing with everything else. They think they know everything, and are always quite sure about it; this, in fact, is why they overdo everything.

This quote from Aristotle's book Rhetoric (Book II, 1389.a31), shows that in principle the "Clash of Generations" is not a novel phenomenon – it has been going on for millennia. But this quote provides only the perspective of one side of the debate between the generation that had set society's rules and values in Athens, ca. 322 BC, and the young generation. Unfortunately, we do not know the view of the young generation, described by Aristotle, of the leaders of their times. But we can try to understand how today's young generation – the Leaders of Tomorrow – see the current Leaders of Today.

The Leaders of Tomorrow are currently preparing themselves for taking over the reins in a few years. They do this through formal education, internships in large corporations, and roles in start-ups or social business – and also through globe-spanning social networks with their peers that previous generations could only dream of. But is the higher quantity of connections and discussions via social media a blessing or a curse? Are we really heading toward a revolution, as some of the rhetoric would have us believe? Will the Leaders of Tomorrow fundamentally change how businesses and nations are run – will they truly change the world?

Or will a very vocal Clash of Generations in practice merely be followed by a rather routine "changing of the guard"? As the Leaders of Tomorrow take on the weight of responsibility of leadership, learn how to manage an organization, make hard decisions in the face of limited resources, entrenched structures and conflicts that offer no apparent win-win solution, the question arises: Will their approach to leadership really be different?

In order to further explore these questions, St. Gallen Symposium decided to join forces with GfK Verein, a non-profit organization for the advancement of market research and a shareholder of GfK SE, to conduct this year's Global Perspectives Barometer. This survey allows us to better understand the thinking of future leaders and the goals that they pursue. The insights deliver a valuable basis for a dialogue between the generations, which has always been one of the central aims of the St. Gallen Symposium.

We are looking forward to a constructive dialogue on these topics both during and after the 44th St. Gallen Symposium.

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St. Gallen Symposium

Leaders of Tomorrow: Methodology and Sample

The study was targeted at „Leaders of Tomorrow.“ These are characterized by St. Gallen Symposium as young people (under 35), 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. As in previous years, the St. Gallen Symposium team approached the participants through their international network.

As an incentive, participants receive more detailed analysis of the results than is generally available. The study was conducted in English, using the online survey platform of GfK SE during February/ March 2014. A total of 876 participants completed the online survey.

As participants were contacted through the St. Gallen Symposium network, the respondents are self-selected via an interest in the topics of the St. Gallen Symposium. This yields both limitations and advantages. A limitation is that the results are not representative – neither of young leaders in general, nor of the regions from which they participated. But a distinct advantage is that the survey results provide a very focused snapshot of a special group of young people from around the globe, who share an interest in the topics addressed by the St. Gallen Symposium, and who can see themselves taking responsibility as the Leaders of Tomorrow. As such, the results can provide valuable inspiration for an international and cross-generational dialogue between current and future leaders that is at the core of the 44th St. Gallen Symposium, held in May 2014.

The 876 survey participants will be referred to as “Leaders of Tomorrow” in this study due to their academic background, their global interest and their eagerness to make a difference in the world. They are relatively young with the majority under 26 years and almost 3 out of 4 are full-time students. There are somewhat more male than female participants in the sample (Figure 1).

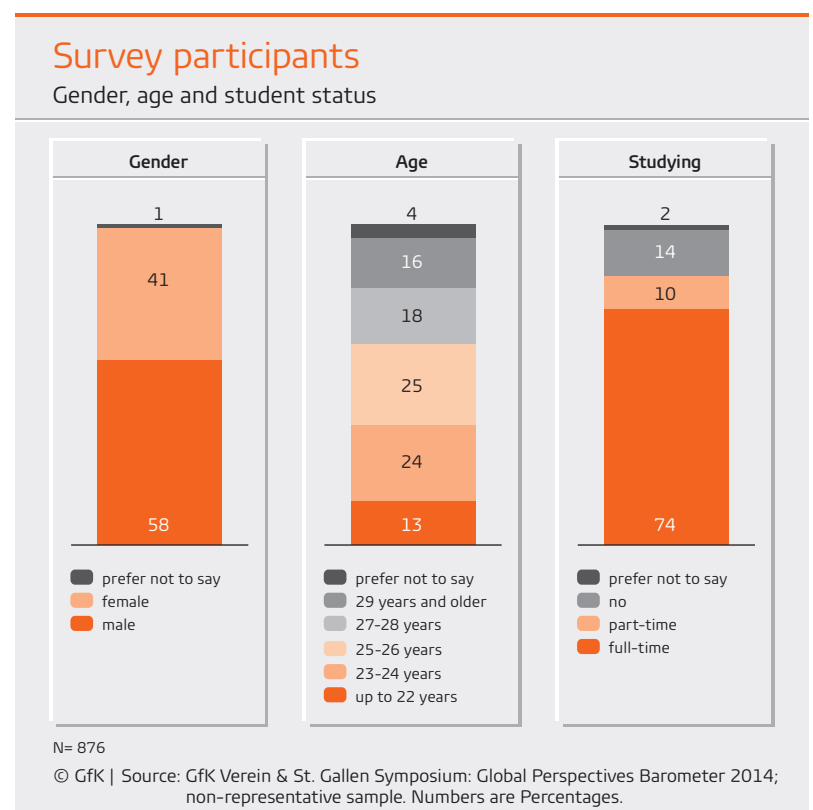


Figure 1

The Leaders of Tomorrow are international and mobile

The Leaders of Tomorrow who participated in the survey are truly a global group. 107 countries of birth are represented in the survey, from Afghanistan to Zimbabwe. From a regional perspective, West Europe, Southern Asia and Eastern Asia have the largest number of participants (Figure 2). A regional comparison of country of birth with country of current residence shows a regional migration of respondents towards North America, West Europe, and to a lesser extent to Eastern Asia.

The Leaders of Tomorrow are not only mobile but are also keenly following political developments. 63% stated they were "very" and another 32% "somewhat" interested in political issues. But their interest does not curb a certain skepticism: 61% stated that the policies of the government and the authorities in their country of residence had "often" failed on decisive issues. The appraisal of business and industry was somewhat better, but at 48% perceived failure, there would seem to be ample room for improvement, not only for government.

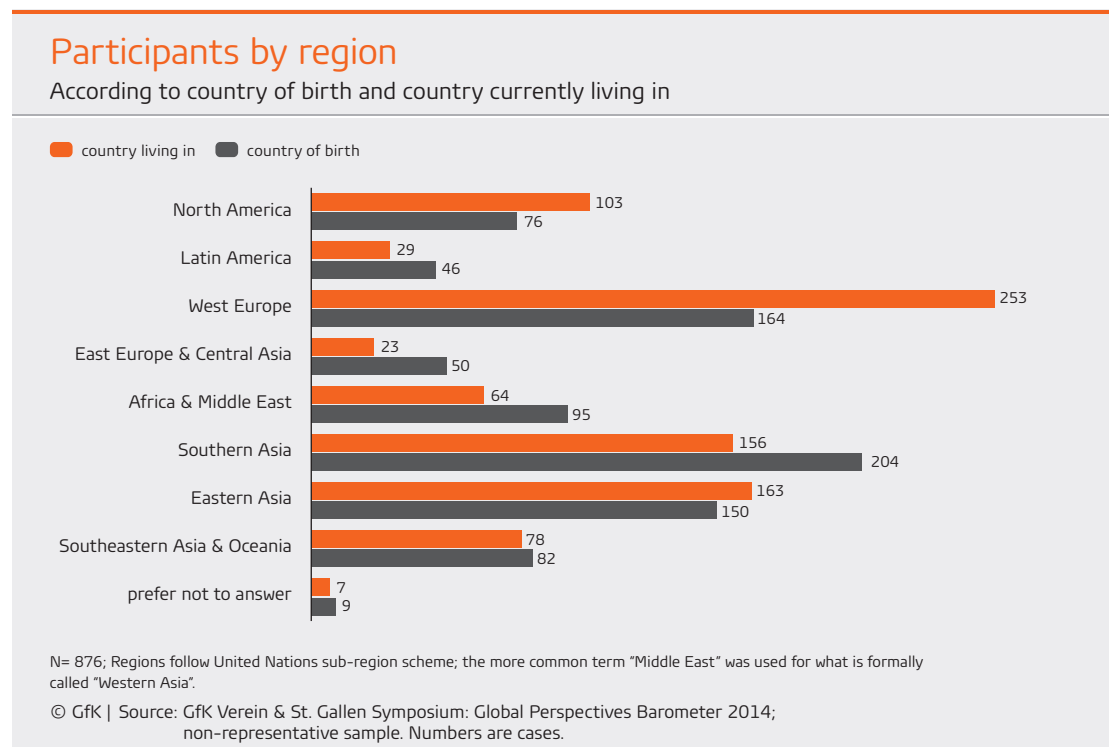


Figure 2

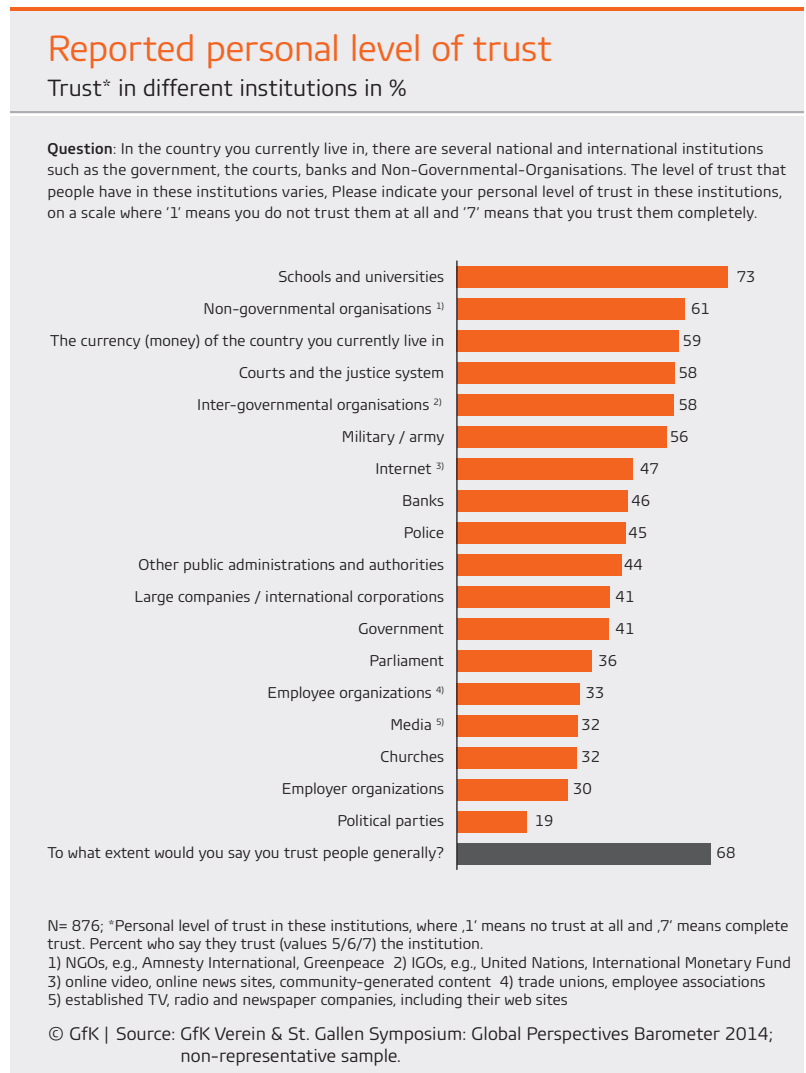
Trust in the internet is high – as is awareness of social media risks

Looking at trust in institutions, schools and universities are trusted by 73%, whereas political parties are trusted by only 19% of the Leaders of Tomorrow (Figure 3). NGOs and the currency are also generally considered trustworthy at around 60%. Banks, Police, large companies/international corporations and government are in the middle of the field regarding trust.

An interesting result is that the internet (including online news sites and user-generated content) is considered as much more trustworthy, at 47%, than established Media sources (including established TV, radio and newspaper companies and their web sites), at 32%. Churches are receiving similar low trust ratings from the Leaders of Tomorrow. Overall, the Leaders of Tomorrow report a high trust in people in general: At 68% this value is higher than all institutions other than schools and universities.

While the Leaders of Tomorrow state that they trust the internet much more than traditional media outlets, they are also very aware of the potential for abuse of their data on the internet. 70% agreed that data on social media platforms can fall into the hands of the wrong people. 70% agreed that data on social media platforms can fall into the hands of the wrong people (Figure 4). At the same time, unsurprisingly, they clearly see social media as here to stay.

Figure 3



Views on Social Media

Data in %, N= 876

Question: Please tell us if the following statements about social media platforms are true in your opinion.

- agree
- somewhat agree
- somewhat disagree
- disagree
- prefer not to answer

I'm aware that my data on social media platforms can fall into the hands of the wrong people.	70	25	3	2
Social media platforms are changing the world.	58	35	5	2
I've already attended events and parties through social media platforms.	47	24	10	16
I observe other people through social media platforms.	35	44	13	6
Social media platforms are superficial.	17	43	26	11
Social media platforms are a passing trend.	11	26	31	30

© GfK | Source: GfK Verein & St. Gallen Symposium: Global Perspectives Barometer 2014; non-representative sample.

Figure 4

Higher education is facing serious challenges

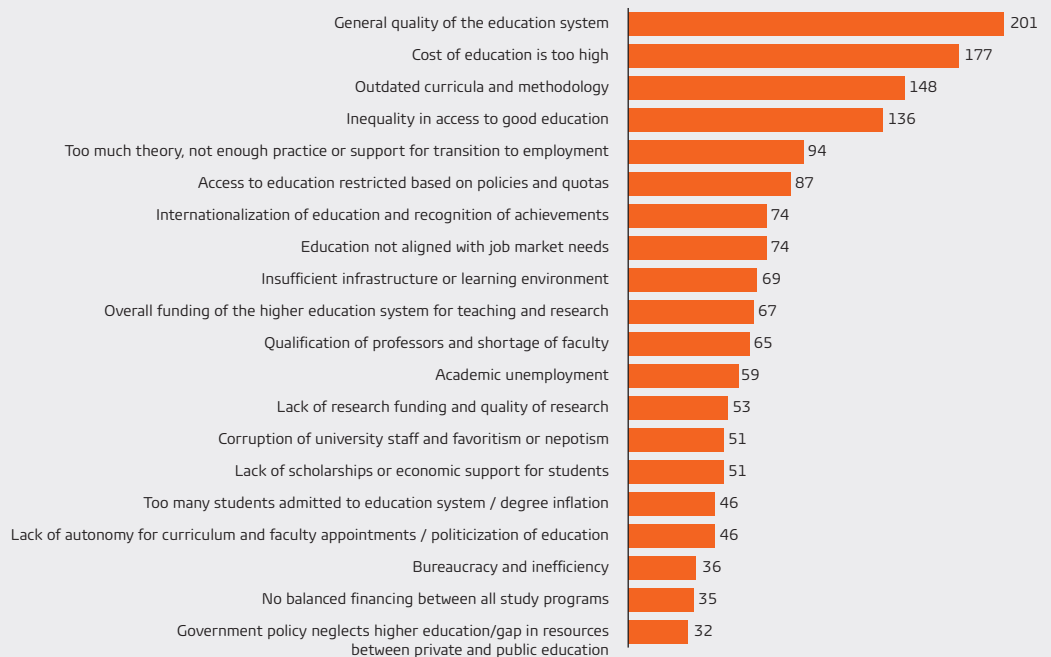
The higher education system is supposed to prepare the Leaders of Tomorrow for their future roles in business or public organizations. But how well is this system working? What challenges do the Leaders of Tomorrow see, and what would they change about the education system that they are either a part of or have recently graduated from? We asked the Leaders of Tomorrow to identify the most urgent challenges that need to be addressed in higher education and clustered the responses. The top three problems are a general quality challenge, the cost of higher education, outdated curricula and teaching methodology (Figure 5).

Also among the top 10 challenges identified by the Leaders of Tomorrow are an inequality of access to higher education, too much focus on theory and not enough practice, as well as education not being aligned with job market needs.

Most urgent challenges of higher education

Clustered open answers

Question: Please think of the country you are living in at the moment. In your opinion, what are the most urgent issues to be resolved currently concerning higher education?



N= 876; Numbers are cases of clustered open answers; multiple answers per participant were possible.

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Figure 5

The preference of the sector to work in is not guided by its prospects

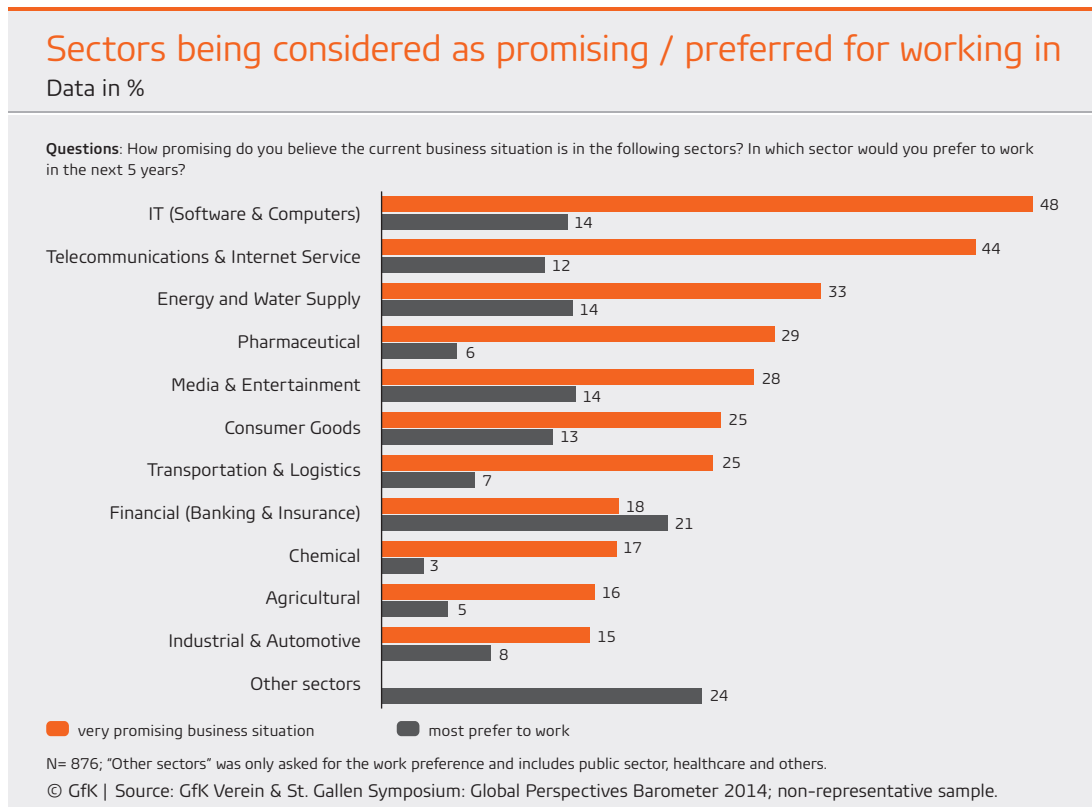


Figure 6

After higher education, the Leaders of Tomorrow will have to choose where to apply their talents. We have asked them which sectors they find very promising from a business perspective and in which sectors they would most prefer to work. Interestingly, the financial sector, while seen as having among the least promising business situation, is by far the most preferred sector for the participants to work in. Although studies show that the image of the financial industry has suffered in recent years, apparently it is still attractive to ambitious young talent. Some of the particular interest in the Leaders of Tomorrow group may of course also be due to the educational background of this sample.



Leaders of Tomorrow look for intrinsic motivation in work

The Leaders of Tomorrow are part of the “Millennial” generation, the age group born between ca. 1980 and 1995, who were in their formative years around or after the Millennium. This is also the first generation of “digital natives” who – in many countries – never really knew an “offline” world. Since this generation, sometimes also called generation Y, started entering the working world, there has been a lot of discussion among HR and business experts about how their priorities and values differ from previous generations – and what this means for companies who are hiring them. Typical characteristics often attributed to Millennials include a more collaborative approach to work, skepticism towards hierarchy, a seamless integration of fun and work, a greater willingness to move projects and companies to pursue their interests and a greater idealism and interest in making the world a better place – rather than a corporate executive position with a corner office and a large company car (PwC 2013; Ashgar 2014; Moore 2012).

Indeed, some are concerned that, over the next decade, Millennials may turn out to create not one but two leadership challenges. The first and most pressing challenge are concerns that Millennials may not respond well to traditional extrinsic incentive models. The “homo oeconomicus” paradigm is still ingrained in the management systems of many organizations. Extrinsic motivation and hierarchical control may have to give way to an approach more focused on intrinsic motivation and coaching if they wish to attract and motivate the best talents.

When asked which factors were important in choosing the next company to work for, the Leaders of Tomorrow show a number of surprising preferences (Figure 7). Traditional extrinsic motivation factors seem to have lost some of their previously perceived glamour in the eyes of the Leaders of Tomorrow: Only 11% state that fringe benefits (e.g. a company car) are important, for only 22% is the social status of the job role attractive, and only 30% are particularly interested in job security. But even more striking is that the Salary – a key tool for HR in attracting the right talent – is only of average interest to the respondents at 36%. Instead, soft factors and motivation intrinsic to the work, corresponding to “Theory Y” (McGregor 2006) are rated as much more important. Interaction with others (44%), social impact (54%), autonomy and personal responsibility (60%), as well as interesting and varied work (68%) make up the lion’s share of the top factors the Leaders of Tomorrow consider in choosing a company to work for. The most important factor overall is career prospects (74%) – which might help explain the relatively low importance of the salary, if the Leaders of Tomorrow are choosing strategically.

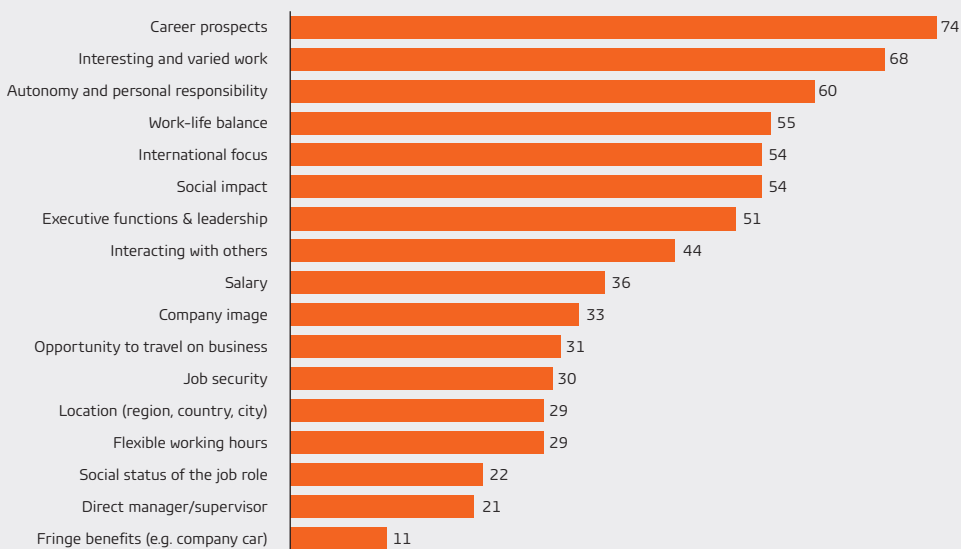
These results show that the Leaders of Tomorrow, as a special group among the Millennials, may turn out to be particularly difficult to attract and retain using HR's traditional toolbox. But a second challenge could prove to be even more problematic: Some experts warn of a generation that may simply refuse to lead in a way that current organizational structures require. Rather than just having to adjust the incentive package to attract and maintain the Leaders of Tomorrow, a more fundamental rethinking of the way a company co-ordinates its value-creating activities might become necessary. In a market environment in which traditional transaction costs have been lowered dramatically through technology, it is becoming easier for small companies to compete on a more level playing field. Unless established companies adapt to reflect the values and attitudes of the Leaders of Tomorrow within their organization, there is a chance that a larger share of these ambitious young leaders may opt to create a work environment of their own design, rather than join and submit to the existing structures of larger organizations.



Importance of factors for choosing the next company to work for

Data in %

Question: How important are the following factors for you in choosing the next company to work for?



N= 876

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Figure 7

The Leaders of Tomorrow see themselves as different – even from their peers

But are Millennials truly so different from the generations before them? Looking at the results of their assessment reveals an interesting perspective (Figure 8). The Leaders of Tomorrow do see their own generation as different from the Leaders of Today, especially with regard to being less risk averse and more entrepreneurial, more laid-back and somewhat less status-oriented. But on all the other dimensions, Leaders of Tomorrow see their own generation as having almost identical positions.

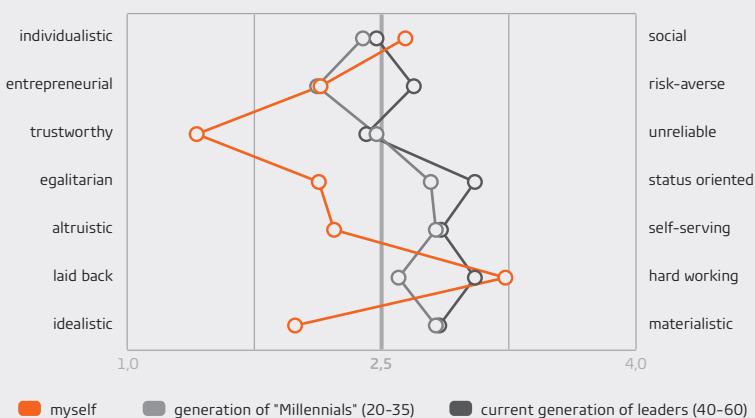
The most striking difference lies in how the Leaders of Tomorrow see themselves as opposed to both their own generation and the current generation of leaders: much more trustworthy, idealistic and more egalitarian, altruistic and hardworking. Of course we can expect any survey participant to attempt to portray a particularly positive image of

themselves – a well-known bias in survey research called “social desirability” (Bertrand & Mullainathan, 2001). But the differences here are so pronounced when compared with the differences across generations that additional factors might be at play. As the Leaders of Tomorrow tend to come from good universities, this may play a role in expectations they set for themselves. But the stark contrast in the self-evaluation of “trustworthy” and “idealistic” attitudes, compared with both their own generation and the current generation of leaders, is astonishing. Of course this self-evaluation is not necessarily an indicator that their behavior is actually radically more trustworthy or idealistic than those of the other evaluated groups. But the high expectations that the Leaders of Tomorrow have of themselves with regard to trustworthiness and idealism can also be found in the advice they give to the Leaders of Today in terms of honesty, integrity, and transparency.

Perceived attitudes

Own generation, leader generation and oneself

Question: The current young generation is often called “Generation Y” and its members “Millennials”. How would you describe your own generation/the current generation of leaders (mostly 40–60 years)/yourself?



N = 876; Numbers are represent averages on each dimension ranging from 1-4.

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Figure 8

Being the first generation to lead their lives online, Millennials are also subjected to a stronger pressure to shape, project and maintain a positive image to compete for the scarcest and most precious resource of their generation: human attention. A side-effect of having access to global communication tools that are more powerful than those of any generation before them is that Millennials are also exposed to a global competition for the attention of their peers, employers and potential partners. Some critics have questioned whether this pressure to maintain a desirable image 24/7 might make one prone to overstating one's uniqueness, going so far as to claim some Millennials act like their generation was the first to have “invented youth”.

Will the Leaders of Tomorrow adapt to organizational hierarchy or start a revolution?

An interesting question is what will happen when the habits, hopes and dreams of the new generation start clashing with the established organizational and political structures. Will they “grow out of it”, as some claim? Or will they use their skills in ad-hoc social organization to start a revolution? And what will the role of the Leaders of Tomorrow be? Will they ally themselves with existing power structures and the Leaders of Today or will they lead the storm against established ways of doing business? Or is this perhaps a false dichotomy and the Leaders of Tomorrow will find a third way that takes everyone by surprise – by networking around hierarchies and making them less relevant? Nobody can predict exactly the changes that will happen once Millennials become the majority, not merely in the workforce itself, but also in the leadership hierarchy. But an early glimpse of contentious topics might be provided by asking the 876 Leaders of Tomorrow explicitly what advice they would offer to the Leaders of Today. This is what we have done – and the Leaders of Tomorrow have not held back.

Dear Leaders of Today, please...

Stop competing, start cooperating. We have just one planet. Respect it.

Student of Business Administration

We should always give our best to understand – and communicate, i.e. explain – problems in their full complexity, rather than being content with simple, one-sided accounts that seemingly allow for simple, one-sided, and hence insufficient pseudo solutions.

Student of Sociology

Save education!! The young generation is absorbing all defects of your generation, materialistic, money and power oriented, with no ideals, nor social responsibility.

Student of Global History

Be more open-minded to changes... the young could also be right.

Student of Engineering

Stand by your words and agenda, even when you come to power.

Student of Civics and Politics

Education of the next generation of leaders is the key to the continuation of your work. Give education (not only formal education but also internships, etc.) more space in your companies / organisations.

Student of International Affairs

Imagine yourself in other people's shoes more often, that would help relieve your own anxieties as well as help you understand other people's positions better.

Student of Economics

The Leaders of Tomorrow expect high standards of the Leaders of Today

We have distilled the individual advice the Leaders of Tomorrow formulated for the Leaders of Today into 10 messages that respondents felt very strongly about. It can be thought of as a checklist with which Leaders of Today can evaluate themselves against the expectations of their future peers

(Figure 9). Note that no judgment is made as to whether these expectations are justified or not: but they do exist and in one way or another, the Leaders of Today will need to respond to and deal with these expectations as the Leaders of Tomorrow join their organizations.

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

Dear Leaders of Today, please...

- Step back and pause to see the big picture again: plan with your grandchildren in mind.
- Be brave and lead by example, not words.
- Rediscover your values and your moral integrity – and be aware that immoral actions will become increasingly harder to hide.
- Take responsibility for the mess you created and help repair the damage.
- Fix the education system – it is an important part of the solution.
- Realize that it's better for business if you optimize the overall ecosystem around you, instead of maximizing special interests.
- Stop just amassing money for yourself – your children will not be able to build walls high enough to defend their inherited wealth from a planet still stuck in poverty.
- Make a real positive change in your community and in the world – Corporate Social Responsibility has to stop being just a label.
- Engage your customers, your community and your families in an open dialogue.
- Start to gracefully hand over responsibility to the next generation

Figure 9

The way forward starts with understanding goals and dreams

The Global Perspective Barometer 2014 provides a first insight into some of the priorities, values and dreams of the Leaders of Tomorrow, but it can only help to start a dialogue about what leadership means across generations. It will be the conversation across the generations of leaders, the challenging of existing concepts, the exploration and experimentation with new solutions from which the

future will be built. We invite you all to take part in building this future together – for generations to come. As one of the Leaders of Tomorrow put it: “Stop competing, start cooperating. We have just one planet. Respect it.”

Cooperation starts with understanding each other’s goals and dreams. Let’s get to work.

Dear Leaders of Today, please...

Be brave. Take the decisions which are necessary and not necessarily easy. You owe that much to us.

Student of Finance

Don’t forget that you are leading people, and this means that you are influencing people’s lives. This is a big responsibility. Don’t play with that. People need more than just a salary or a job title; people need attention, comprehension and guidance.

Student of Computer Science

Think about how you want to be remembered.

Student of International Affairs

Advise the new generation, but also let them influence your choices.

Student of Psychology

Please start looking at long term sustainable solutions over myopic decisions to further your political agenda.

Student of Business Administration

Listen to young people and consider how your decisions will affect your grandchildren.

Student of Political Economy

Say the truth, the whole truth.

Student of Marketing

Set people free, make less rules!

Student of Law

Please lead by example.

Student of Computer Science

Work hard, with dedication to serve humanity collectively and NOT only yourself!

Student of Electrical Engineering

Be brave to make a change, don’t leave every possibility of reform to us.

Student of Law

Be reliable, innovative, social, and idealistic to get followers.

Student of Business Administration

Life is short. Being a good human being is the most important thing there is.

Student of Organizational Communication and Technology

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