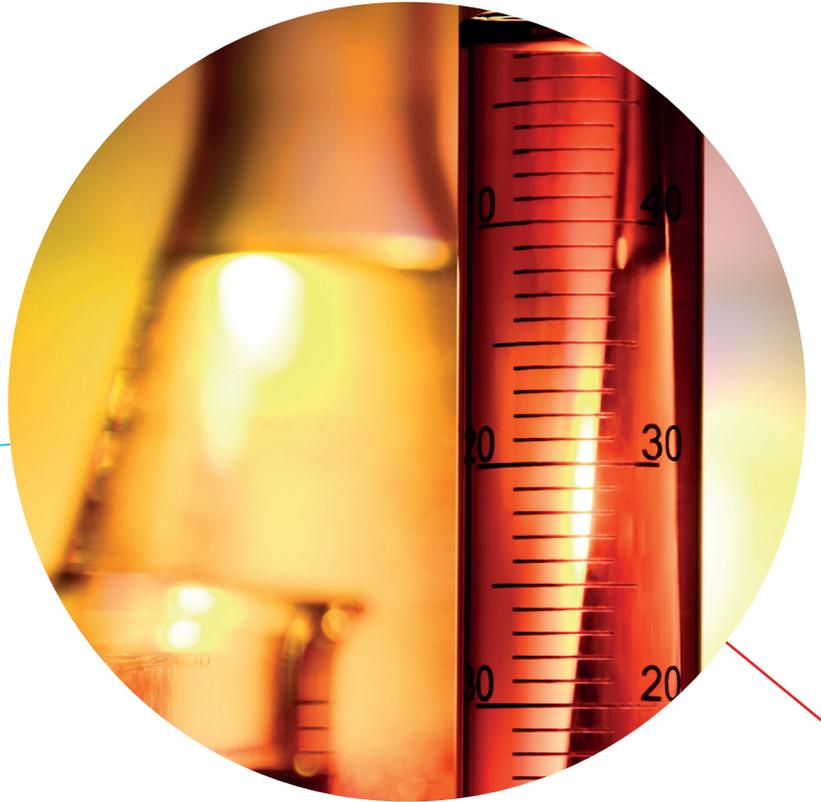




## The Early Talent Formula

Identify, Engage, Develop  
and Retain the Best



# Tomorrow's top table

## LEADING AND ENGAGING YOUR EARLY TALENT

Today's early talent are tomorrow's leaders. These 18-25 year-olds, whether they're graduates, school leavers or apprentices, are the future of business. But what kind of future is it going to be? And what kind of leaders will businesses need if they're going to make the most of it?

These questions have never been harder to answer. But you need to deal with them now, because change is happening faster and the future is unfolding more unpredictably than ever. This has a direct impact on the people you're bringing into your business now, and it affects how you lead them, keep them engaged and turn them into tomorrow's leaders.

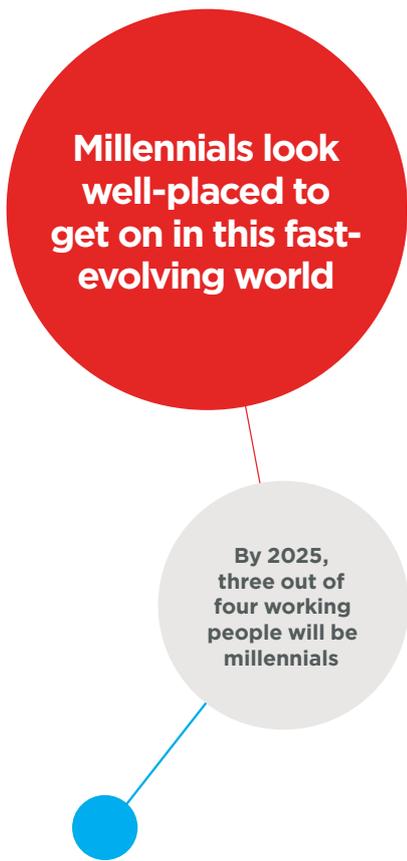
### Here, we look at:

- Why businesses need a new kind of leader.
- Why holding on to early talent and getting the best out of them means treating them as individuals.
- How managers can play a vital role in keeping them engaged by leading them in the way you'll need them to lead one day.

Along the way, we'll lift the lid on what makes them tick, according to our research. And we'll find out where leadership could be falling short of what early talent needs.

## THE WORLD IS CHANGING.

What kind of leaders will businesses need if they're going to make the most of the future?



**Millennials look well-placed to get on in this fast-evolving world**

**By 2025, three out of four working people will be millennials**

**26%**

**of executives have spotted how important work-life balance is to millennials.**

**BUT**

**28%**

**believe that their top motivation is making an impact on the organization.**

## DIFFERENT LEADERS FOR A DIFFERENT WORLD

Everyone knows the world is changing. But now businesses have to handle different kinds of change happening simultaneously, pulling them in different directions and threatening to catch them off balance.

The command-and-control leadership that went unquestioned for generations is suddenly looking flat-footed. It's down to a 'perfect storm' of trends<sup>1</sup> influencing what businesses do – and how they do it.

They'll need new partners and ways of working as climate change puts pressure on costs, and resources dwindle. They'll need a clear idea of what they stand for as values move up the agenda for customers and employees. They'll need to tune in more closely to those same people as they assert their individuality and become more demanding and less loyal. In fact, our research suggests this is already an issue. In 2014, nearly half the employees we talked to told us they were being ignored as individuals<sup>2</sup>.

Leaders also need to adjust to rapid, technology-driven changes to work itself. Teams form, dissolve and re-form quickly. They can work from anywhere, so leaders can't always see them, or communicate face-to-face, which makes it harder to build team spirit. Tech blurs their work and private lives. The younger they are, the less they mind. But their leaders need to keep up. And they have to manage ever-growing diversity. Many workplaces house four generations, from baby-boomers to millennials. And with more people prepared to uproot themselves to find work, there's more cultural diversity too. A potential strength, but only if leaders know what to do with it.

### Early talent to early leaders

Demographic change also stores up a practical problem. By 2025, three out of four working people will be millennials. Baby boomers are leaving the workforce at the rate of 10,500 a week, vacating leadership positions that someone has to fill. Even allowing for higher retirement ages, to plug the gap, younger workers will need to become leaders earlier in their careers than they used to.

### Goodbye ego, hello teamwork

To ride this uncertainty and change, businesses will have to change tack fast, experiment and be more far-sighted. They'll have to come up with new offerings, blend different technologies and work in new ways and new places. All at high speed.

So rigid hierarchies and decision-making processes won't cut it any more. Businesses will have to devolve power lower down the ladder. And that means a different kind of leadership. Some call it post-heroic. Some call it alto-centric. In short, where an ego used to help, it now gets in the way.

Tomorrow's leader doesn't bark orders and lay down the law. They're quietly encouraging. They use their emotional intelligence to create an environment for others to thrive. They're keenly aware of how their part of the organization fits in to the bigger picture – and how it could work with others in new ways. And they create loyalty by giving teams a sense of purpose.

### Are your new people leadership material?

Two bits of good news. First, millennials look well-placed in some ways to get on in this fast-evolving world. When we compared them with their leaders, our data<sup>3</sup> showed they're team players comfortable with supporting and consulting colleagues: good traits for would-be post-heroic leaders. Also, when it comes to being led, they respond well to exactly the type of qualities tomorrow's leader will need. Listening to them and being supportive makes them feel valued and appreciated.

The not-so-good news is that they could need help in other areas, like being flexible, resilient, and communicative (in a way that helps them build networks, for instance). Our survey suggested they're less likely to be drawn to behaving in these ways. Also, other research we've done suggests many don't see the value of social and emotional skills that will matter even more as new economic and demographic trends take hold. Some seven out of ten say these skills 'get in the way' of their work<sup>4</sup>.



## ENGAGE THE INDIVIDUAL, NOT THE GENERATION

Getting the best out of early talent means engaging them. Do it well and customer service ratings soar, while staff turnover plummets. But first, you need to understand them. And that means getting beyond the temptation to generalize about millennials, graduates or apprentices, and treating them as individuals. And it means giving leaders the support they need to play their key role in engagement.

As we've seen, nearly 50% of people have told us they feel ignored as individuals when it comes to what motivates them. Just over 80% said they'd be more engaged if their employer did understand them<sup>1</sup>.

The same study showed people are motivated by a wide range of different things, from authority and money to recognition and being professional. So, in parallel with engagement strategies that highlight macro trends across the organization, it could be wise to dig deeper, too. While engagement surveys are a valuable guide to the big picture and help you plot changes over time, other approaches give you extra insight right down to the individual level.

Our latest data on millennials underlines their value. We asked 1,182 people early in their careers in the UK, US, Mexico, South America and Australia to take our Talent Q Drives survey to find what they do and don't warm to<sup>5</sup>.

### What they want most

- **Well-being**, or a sensible work-life balance and a healthy working environment that makes them feel looked-after. This came out top everywhere.
- **Acquisition** – money and material things; being recognised as high-status.
- **Professionalism** – doing things to a high standard and quality, and by the rules.

But not all the world is the same. In Mexico, for instance, money is a strong motivator. And in the UK, along with well-being, millennials emphasize:

- **Affiliation** – a sense of belonging to a team, where they can form meaningful relationships and friendships with others.
- **Stimulation** – work should be fun.

And in Australia and South America, millennials value security – needing to feel in a safe position – and personal growth, the feeling that they're growing and developing as individuals through their work.

Research from Korn Ferry Futurestep shows just over a quarter of executives (26%) have spotted how important work-life balance is to millennials. But slightly more (28%) believe their top motivation is making an impact on the organization<sup>6</sup>.

So, not only are millennials motivated by many different things, but those things vary around the world. That's reason to avoid making blanket assumptions about them and look for more clues about what does, and doesn't engage them.

### What they want least

If those 'wants' are the motivation hotspots, two coldspots are autonomy – being free to decide how to do things and recognition – getting a sense of worth from being valued for your contribution.

Received wisdom says millennials want to work in their own way, and be recognised for what they do. So this may come as a surprise. It suggests they're not getting supportive enough leadership early on. Being left to get on with it, or not being given enough clarity about tasks, is the wrong kind of autonomy and undermines confidence. So make it clear that roles with a lot of remote or home working, for example, come with a lot of direction.

**Millennials are motivated by many different things, but those things vary around the world. Avoid making blanket assumptions about them.**

**Getting the best out of early talent means treating them as individuals.**

## **MATCH THE LEARNING TO THE PERSON**

However hard businesses try, losing millennials early is still a consistent bugbear. In China and Australia, for instance, 17% of graduates move on in their first year<sup>7</sup>. While it might not always be the prime motivator, money is still important. Today's early talent face a higher cost of living than their predecessors, and they're saddled with student debt too. So higher pay elsewhere can be a head-turner.

But higher pay is precisely what a lot of companies can't offer easily these days. What they can offer is development. Millennials value experiences that will equip them for bigger things. So emphasize the importance of moving around the business as a way to deepen skills and competence. Horizontal moves can be as good for a career as vertical ones.

A competitor's offer might also look attractive if the learning you provide early on looks too book-bound and academic. So don't turn early talent off with learning that feels like a chore that's remote from the action. We know they're motivated by learning and personal development, but it still needs to be the right kind.

Your new recruits have more than a decade of classroom learning under their belts. They think it's behind them. So the prospect of more will disappoint them, to say the least. Businesses are increasingly moving towards a balance of 70% on-the-job learning, 20% 'social' (from colleagues or peers) and 10% classroom.

### **Teach with tech**

Millennials are comfortable with technology – in fact, they're uncomfortable without it. So use it to make learning easier, even fun. That means going beyond PDF downloads. Apps, forums and game-based online simulations will make information go down easier. It will also get people engaged in a way that more traditional methods don't. And that means they'll retain more.

If you can build in diagnostics that give feedback on the impact they're having, you'll narrow the gap between learning and real life even more.

Technology also means people can choose when to do their learning. They won't mind doing some in the evenings or at weekends as long as they can limit the doses. So think bite-sized and easily accessible.

### **Serve a lighter starter**

Long inductions are becoming rarer. They can be off-putting for people who think they've come to start a career, not carry on reading or absorbing lectures. So feed them information as and when they need it for just-in-time learning.

## **HELP TODAY'S LEADERS TO HELP TOMORROW'S**

As they get further into their careers, your early talent will look to their managers more and more to shape their progression. Leaders are uniquely placed to affect their people's motivation, one way or the other. Some 47% of people who told our 2014 survey they wanted to leave their jobs said their manager didn't have the time or resources to manage them. So businesses have to make sure they're not spreading their leaders too thin. A manager who's not there for their team won't spot what they need until it's too late.

We've shown that the perfect leader for the fast-emerging new world of business has a lot of boxes to tick: self-aware, ego-less, collaborative, culturally sensitive, and capable of inspiring the troops with a compelling vision of the shared objective.

Are today's leaders strong in the ways that will help turn early talent into tomorrow's leaders? Yes and no, according to our data.

In the UK, US and Australia, around a third use an 'affiliative' leadership style, which means they want to run a happy ship. Good for millennials who want to be seen as a 'whole person', and be part of a team with a social dimension. But these leaders are also likely to be pacesettering, 'do as I do' managers who don't give much feedback or guidance. Not so good for people who need both early in their careers.

There's also a strong strain of directive 'do as I say' leadership in some countries, including China, India, South Korea and Brazil. But it's much less prominent in the UK, US and Australia – again, possibly not good news for early talent who want to be clear about the task in hand, and how they're expected to do it. The better news is that coaching is a dominant style for at least three out of ten leaders in most countries we surveyed. Japan and Poland were the only two big exceptions here.

### What leaders need

So leaders have some developing to do themselves if they're going to do all they can to develop and engage their successors. And do it in a way that keeps early talent where they are and not scanning the job boards.

They need the skills to support their teams, like using empathy and emotional intelligence to read people and situations, so they can dial up the leadership style that will work best.

As we've seen, individualization is a growing feature of life in general, so responding positively to it is part of a modern leader's toolkit. Coaching could help them make more of these skills and dial down any instincts to give orders first and ask questions later.

And backing managers up with on-demand training options for their team members will help them customize their approach to testing for, and developing, the right skills.

## ENGAGING TOMORROW'S LEADERS

The world is changing faster than ever for business. That change means an unpredictable future. But you need to prepare for it by keeping your early talent engaged, and making sure they get the right leadership.

### Find out what makes your early talent tick

The more you know about what does and doesn't motivate each person, the better your chances of finding the best ways to engage them, and keep them. Our Drives online questionnaire is a way to get insights into how to get the best out of your teams.

### Tune into your early talent's individual needs

Millennials aren't as different from other generations as everyone thought. But they still have development needs. Our data suggests they might need help with communication and networking, among other things. Find out what your early talent need, so you spend your budget on the right things.

### Help your leaders develop tomorrow's leaders

Managers play a critical role in the early stages of your early talent's careers. So give them the time and resources they need. If your early talent do 70% of their learning on the job, don't leave it to chance. Get managers actively involved in planning it. And make engagement part of managers' own targets, so it's seen as central to the role, not something to get round to when there's time.

1. Leadership 2030, Korn Ferry Hay Group 2014.
2. Putting the 'I' into Engagement, Korn Ferry Hay Group, 2014
3. Talking about Their Generation, Korn Ferry Hay Group, 2015.
4. Today's Graduates – Worth Their Weight in Gold? Korn Ferry Hay Group, 2015.
5. Korn Ferry Hay Group 2016 data: 1,182 people aged 18-25
6. Millennials in the Workplace, Korn Ferry Futurestep, 2016.
7. Korn Ferry Hay Group 2013 – 2014 China Fresh Graduate Attraction, Motivation and Retention Survey Report, and Graduate Outlook 2013 by Graduate Careers Australia



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