

IBM Institute for Business Value

Connected generation

*Perspectives from tomorrow's leaders in a digital world
Insights from the 2012 IBM Global Student Study*



IBM Institute for Business Value

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By Anthony Marshall and Christine Kinser

“We stand on the precipice of a paradigm shift into a fully connected society. We must not be afraid to embrace change. Those who can manage this will survive; those who don’t will perish.” – *United States student, age 30*

Introduction

Markets, societies, businesses and governments are undergoing seismic shifts resulting from today’s highly connected world. These shifts have led to some daunting challenges. However, one notable opportunity for today’s organizations to meet these challenges is by recruiting, managing and retaining a new generation of employees with distinct experiences and values. Given that members of the millennial generation will soon bear responsibility for moving organizations toward successful outcomes, it is important to understand their particular capabilities, expectations and needs. It is also important to anticipate opportunities to capitalize on the differing perspectives that will inevitably emerge from divergent but overlapping generational viewpoints.

With this in mind, we conducted the second biennial IBM Global Student Study in conjunction with the 2012 IBM Global CEO Study.¹ We surveyed 3,400 college and university students worldwide to better understand the opinions, perceptions and aspirations of our future employees, customers, leaders and citizens (see Research Methodology sidebar). We compared the views of these students, who included undergraduate and graduate students in various fields of study, to those of CEOs.

The 2012 IBM Global Student Study reveals a pool of talent with diverse capabilities, substantially prepared to lead in a hyperconnected environment. It also points to areas where students feel unprepared by their education and to some critical organizational imperatives the next generation of leaders have yet to fully consider.

“The whole world is crossing through a transition state. Power is being shifted from one economy to another.” – India student, age 22

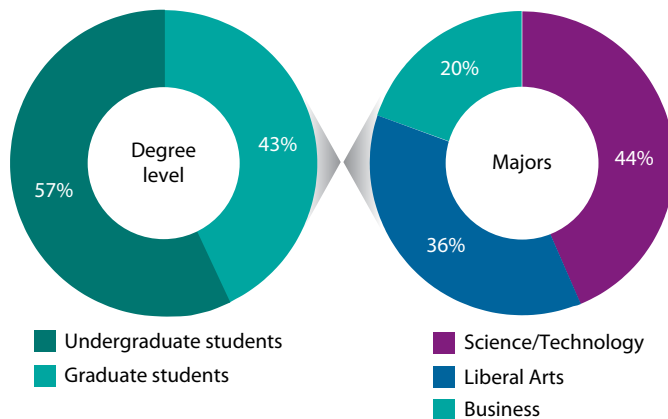
Forces of the future

Concerns with the economy and its impact on job prospects appear to have impacted students’ assessments of the external pressures affecting organizations. In the 2012 Student Study, we found that students viewed market and macroeconomic factors as the top-two forces likely to make an impact on organizations over the next five years. This contrasts with the 2010 Student Study, in which students were more concerned with issues of globalization and technology.²

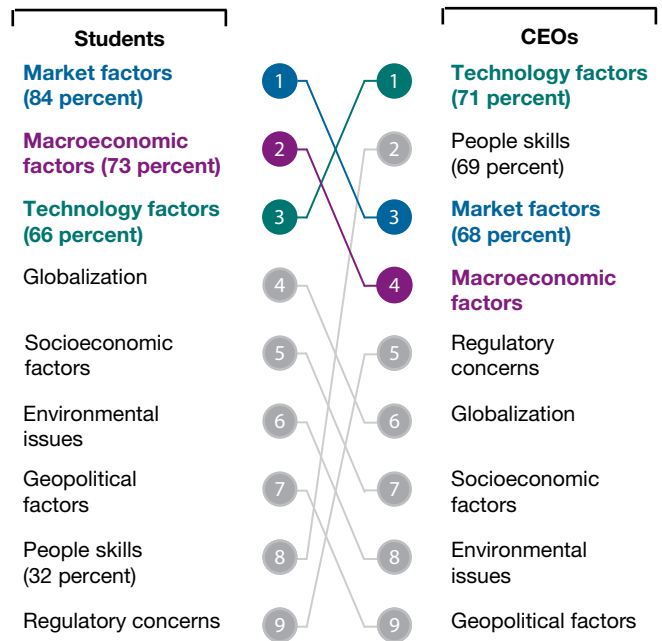
In 2012, the 1,709 CEOs we interviewed have de-emphasized economic and market issues, stressing instead the impact of technology and human capital on their organizations (see Figure 1). In fact, CEOs for the first time cited technology as the most important external force. For students in 2012, however, technology ranked third, lower than it did two years ago.

Research Methodology

For our 2012 Student Study, we surveyed more than 3,400 students from around the world – 54 percent from growth markets and 46 percent from mature markets. We included both graduate and undergraduate students engaged in various fields of study (see Figure below). The majority of student respondents were under age 26, with 40 percent age 21 to 25 and 39 percent under age 21. Only 21 percent were older than 25. Males were overrepresented at 63 percent, with 37 percent female.



External forces that will impact organizations



CEO data from the 2012 IBM Global CEO Study

Figure 1: Students believe economic and market factors will have the most impact on organizations, while CEOs cite technology and people.

Growing up with social and mobile technology at their finger tips, students have already integrated technology into their world view. When thinking about major forces, students are much more preoccupied with the impact of the economy on the job market. Indeed, many of the challenges that are top-of-mind for CEOs may seem like a distant abstraction to students eager to begin their careers in a challenging economic environment.

Navigating connectivity

“The CEOs of tomorrow need to be completely open with their intentions... Their actions have to be bold if they want to change the norm. Since boldness and risk go hand-in-hand, they must be risk tolerant.”

– United States student, age 21

Everywhere we look, we see new evidence that the hyperconnected environment in which we now live fundamentally changes how people engage with each other. Digital, social and mobile spheres are quickly converging – connecting customers, employees and partners to organizations and to each other.

As a result, employees are beginning to be empowered as part of open, less rigidly controlled organizations. Customers are increasingly engaged as individuals rather than market segments – anywhere and at any time. Partners are becoming ever-more important to strategy development and everyday operations.

CEOs now see technology as more than a driver of efficiency. They view it as an enabler of collaboration and relationships, the essential components that foster creativity and innovation. CEOs are looking to employees, customers and partners to connect in a way that fundamentally differentiates individual experiences and, by extension, provides strategic advantage for their organizations.

The CEO Study found that CEOs, especially those from outperforming organizations, expect demands for organizational transparency and openness to increase.³ Operational controls, which are so important in areas such as regulatory compliance, have also helped drive standardization and efficiency improvements. Many CEOs believe the measures they put in place during the global economic crisis are adequate for today. Instead of doubling down on control, a significant proportion of CEOs, especially the outperformers, are now prepared to make bold moves toward greater transparency, connectivity and openness to help stimulate creativity, innovation and growth.

Regional comparisons: Significant variation in student opinion and sentiment was evidenced across major geographic regions.

Top areas of divergence in student opinion

The table represents the top questions for which there was the most variation according to geographic region. For each question and answer, we have listed the percent of respondents who picked that answer for each region and highlighted the highest and lowest percentages. The question for which there was the most variation related to characteristics that contribute to a successful employee. Almost half of the respondents in Japan selected disruptive, while only 3 percent did in India, resulting in a 1400 percent variation.

Top-five questions from the 2012 IBM Student Study with greatest regional variation

	North America	Europe	South America	Japan	China	India
What personal characteristics contribute to a successful employee? Percent that selected disruptive:	6%	7%	9%	45%	16%	3%
What personal characteristics contribute to a successful CEO? Percent that selected transparency:	38%	38%	46%	27%	8%	31%
What organizational attribute will contribute to employee engagement? Percent that selected customizable compensation:	19%	12%	23%	7%	39%	16%
Online education is more valuable than classroom education. Percent that agreed:	10%	22%	33%	43%	42%	31%
What personal characteristics contribute to a successful CEO? Percent that selected Diversity driven:	15%	23%	24%	59%	28%	21%

Students indicated even higher expectations for openness than CEOs. As these students enter the workforce, organizations will be under even more pressure to “open up” sooner rather than later. Collaboration, innovation, communication and creativity are all enhanced and expanded in more open environments. Nonetheless, CEOs understand very well the need to maintain the right balance and walk a fine line between too much control and too much openness. Too much openness can jeopardize security, confidentiality and intellectual property. Too little openness can strangle the forces that create genuine competitive advantage. The 2012 Global CEO Study suggests that CEOs understand this tension and increasingly seek to identify and pursue the optimal balance between organizational openness and operational control.

While students will likely press for more rapid movement toward transparency, both students and CEOs agree on the need for less top-down control. In the new organizational environment, where information is open and values and

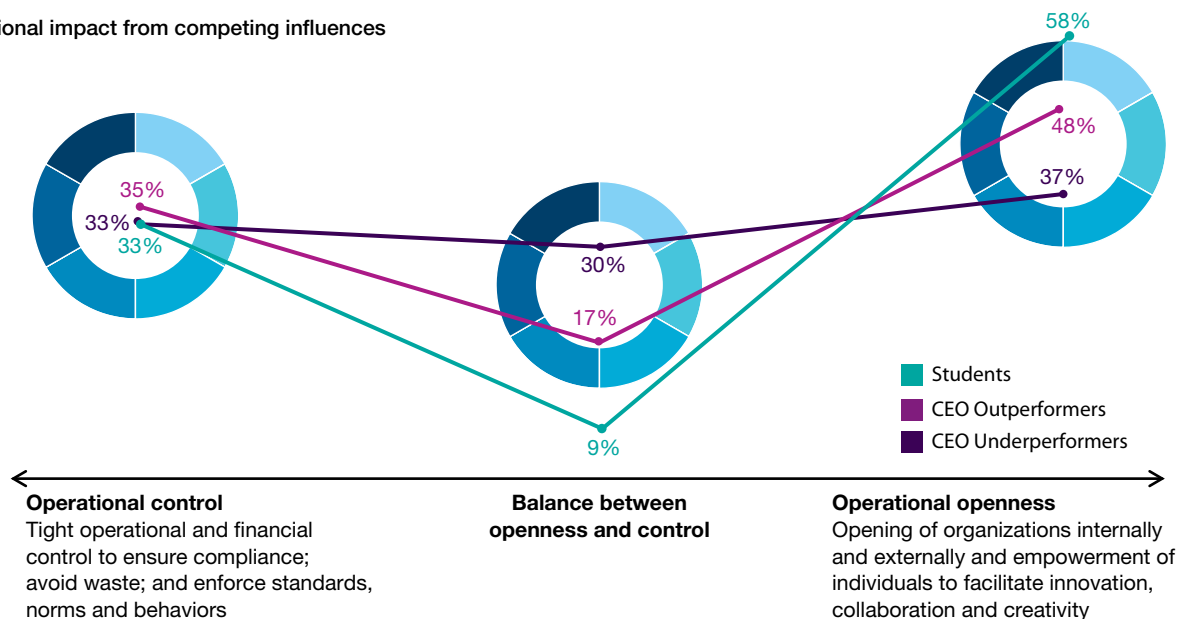
purpose are clearly articulated and understood, employees will have the ability to make decisions more independently and respond more quickly.

Opening the paradigm

Future employees will expect and insist on more open organizations, requiring leaders to find creative ways for managing difficult shifts in the dynamics of organizational culture. Fifty eight percent of students and 44 percent of CEOs (48 percent of outperformers and 37 percent of underperformers) said that openness is a key imperative (see Figure 2). As students join the workforce, their expectations are likely to drive organizations beyond their current “comfort zones.” As a result, issues of control and ownership will need to be confronted, addressed and resolved.

“I believe the biggest risk is not being ready or open for change.” – United States student, age 25

Organizational impact from competing influences



CEO data from the 2012 IBM Global CEO Study

Figure 2: While both students and CEOs believe increased openness will impact organizations, the students view it as a stronger influence.

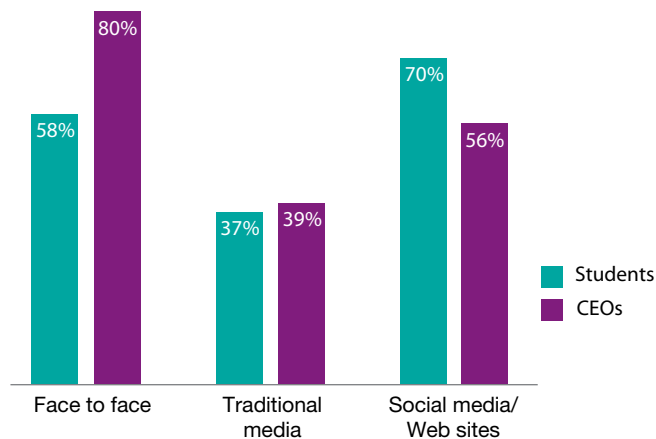
Digital customer

“Social media will continue to grow, both on a personal and organizational level. The Internet is now the new place where business relationships are formed.”

– United States student, age 21

Although business leaders are acutely aware of the pervasive influence of new digital channels, students view them as even more important. Only 56 percent of CEOs use Web sites and social media for customer relationships today, compared to 70 percent of students who believe organizations should do so. Today, CEOs believe face-to-face interaction is the most important tool in building customer relationships, while students cite social media and Web sites. Both students and CEOs do agree, however, that traditional media falls behind both face-to-face interaction and social media/Web sites (see Figure 3).

Today: Channels used to interact as a customer/with customers

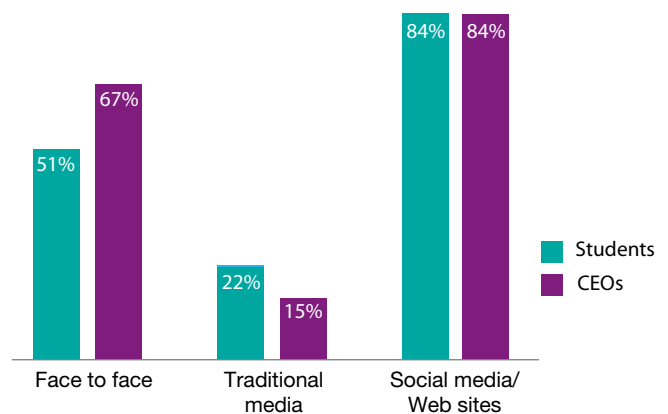


CEO data from the 2012 IBM Global CEO Study

Figure 3: Today, students prioritize social media and Web sites over face-to-face interaction with customers.

While CEOs view face-to-face interaction as the dominant method of engaging with customers *today*, they predict the *future* landscape will look drastically different. In looking ahead to the next three to five years, CEO expectations of social media and Web sites were as high as those of students (see Figure 4). However, they still place more value on the importance of face-to-face interactions than students. Clearly the face-to-face channel will remain – it is, after all, the most interactive. But both students and CEOs, however, predict social media will soon displace traditional marketing communication in building and deepening relationships with customers.

Three to five years: Channels used to interact as a customer/with customers



CEO data from the 2012 IBM Global CEO Study

Figure 4: Both students and CEOs believe that the most important channel for customer interaction in the future will be social media/Web sites.

As CEOs move ahead toward these digitally enabled relationships, they have a vast pool of expertise among the millennials they hire. And, in all likelihood, they will increasingly expect the millennial generation to help lead the shift toward social and other types of interactive media.

Virtual versus “real life”

While it may be difficult for business leaders who learned social media as adults to intuit just how millennials use and experience social media as digital natives, data from the 2012 Student Study provides some insight. Students both understand and incorporate a balanced view of social media in their daily lives.

Five out of ten students said they interact online with people they don’t already know – in other words, they use social media to reconfigure and expand their social networks into totally new areas. In fact, even before finishing college, students are joining professional social networks such as LinkedIn to establish and benefit from professional relationships.

“Social media is a toxic love... It allows one to access anything from anywhere in a matter of seconds. Yet... no true friendship, relationship, interest, job, or awareness can develop and flourish from social media alone.” – United States student, age 18

Students are moving past the “personally social” and seeing the connection between social media and global citizenship (see Figure 5). A majority of them, 61 percent, said that social media helps increase their awareness of the world. They believe that *“compared to older generations, social media has made me more aware of global issues and how I can make a difference in the world.”* Nearly half of students said social media has given them a more powerful voice in society (47 percent) or helped them increase their engagement in real-life activity (40 percent). Living up to its promise, social media is exposing students to alternative ideas, philosophies and life experiences. It is also giving them an opportunity to exert influence in a much more interconnected world.

“Social Media has allowed my generation and others to feel more involved... Any successful organization will take full advantage of social media and the ways it touches populations.” – United States student, age 22

Students assess the value of social media to their lives

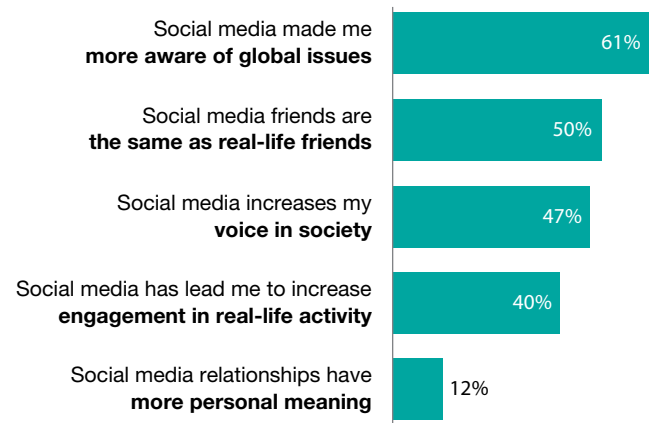


Figure 5: While social media is expanding students’ awareness of global issues, “social” friends do not fully displace real-life relationships.

Classroom to go

When reflecting on customer relationships, students see more value in digital channels than face-to-face interaction. But when it comes to their own education, they still prefer traditional classrooms. Only 26 percent of students said that online education is more valuable than the classroom (see Figure 6).

Role of online versus classroom education

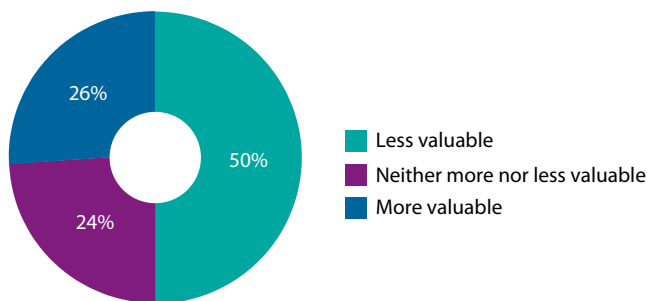


Figure 6: When it comes to education, students prefer classroom education over online education.

“Increased access to (college) education is the value of online education programs, not necessarily their competitiveness with physically attending class.”
– United States student, age 18

Even so, many colleges and universities are grappling with the role of digitally enabled education. Disruptive business models, such as Open University and Udacity (online educational organizations) are creating impetus for colleges and universities to incorporate online educational experiences in ways that go beyond incremental enhancements to traditional courses.⁴

Globally, 50 percent of students found online education less valuable than classroom education. However, the picture changes if you look at students in emerging versus mature markets. Students in emerging markets were almost twice as likely as those in mature markets to find more value in online education (38 percent versus 20 percent). In circumstances where access to traditional college is limited, online education can create unique value.

Customer centricity

“Understanding the new customer: social media + data explosion = high level of service and product customization.” – Brazil student, age 26

Organizations today are awash in data and information about customers and markets. Across all parts of their organizations – from finance to marketing to operations – CEOs are eager to use this data to gain insights for competitive differentiation. But successfully acting on insights often requires significant organizational change.

Students have a bigger appetite for organizational change than CEOs across all areas of customer engagement. In the creation of a *consistent customer experience across channels* – phone, face to face or digital – students were 24 percent more likely to support change than CEOs. Improving *response time to market needs* was also a higher priority among students.

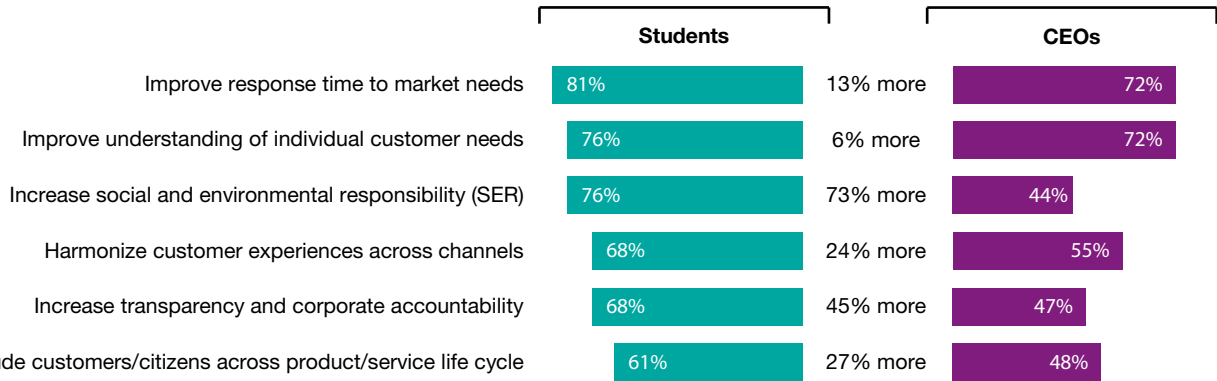
For students, improving *social and environmental responsibility (SER)* ranked second only to improving response time as customer concerns, whereas CEOs ranked it the lowest of six factors – a disconnect also found in the 2010 Student Study (see Figure 7). According to our 2012 study, students are 73 percent more likely to support change to increase social and environmental responsibility than CEOs.

Perhaps CEOs believe that their organizations have already addressed social and corporate issues through development of explicit policies and strategies over the past decade. Students of today are the customers and citizens of the future who will

inherit the world left by current generations. Given the deep and sustained concern expressed by successive generations of students, CEOs may be underestimating the importance of social and environmental responsibility in their business models, operations and articulated values.

“On top of social and economical issues, the environmental issues will be a challenge, and it will be our role to include sustainable consumption in everyday business.”
 – Switzerland student, age 21

Change required to meet customer expectations (three to five years)



CEO data from the 2012 IBM Global CEO Study

Figure 7: Although students and CEOs have somewhat similar beliefs about future customer expectations, students are far more focused on corporate responsibility.

Growing up social – and socially responsible

A junior at George Washington University majoring in business, Max Chen is an avid social media networker. As a millennial “born on the Web,” he began using social media in childhood.

While attending Cornell University Summer College between high school and college, Max viewed and discussed the film, *An Inconvenient Truth*. He then began to see the world through the lens of sustainability. He joined campus environmental groups and even created a video urging students, staff and faculty to think about better ways to manage water resources. While at George Washington, Max took an “alternative” spring break as a volunteer in Greensburg, Kansas. Hit by a devastating tornado in 2007, the city decided to rebuild with the goal of becoming one of the most sustainable cities in the country.⁵ After interviewing the town’s mayor, officials and citizens, Max combined their stories with footage of construction work in a video modeling a new way to rebuild after catastrophe. He then used social contacts to publicize his “green” story, including one who helped land a placement on a major television show. Max also did a tour with Long Way Home, a non-profit organization dedicated to sustainable

development in Guatemala.⁶ Again he filmed sustainable development, but this time it was a very different approach. Max explains that in this impoverished rural area, sourcing sustainable building materials means making “bricks” by stuffing trash into plastic jugs.

Having taken no formal courses in video production, Max turned to social media to learn a new way to express his passion for the environment. Education, he believes, does not just take place in the classroom or library. It is social. With or without formal academic credits, Max is applying millennial mastery of social media to accelerate his personal, educational and professional growth.

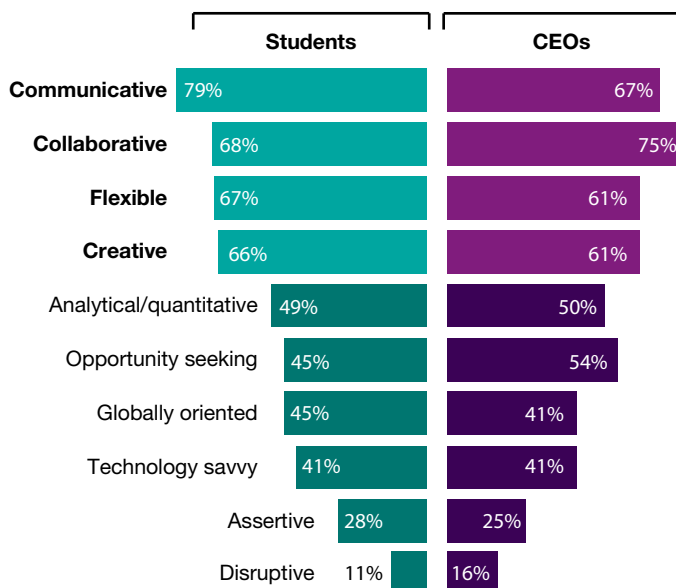
Recently, Max attended a White House event for winners in the Youth Sustainability Challenge. His submission: a three-minute video illustrating his personal growth in the area of sustainability. A veteran social media networker, Max handily secured more than enough online votes to place first in the “popular choice” category.⁷

Future leaders

“The employer-employee relationship has changed over the years. The relationship, which was once based on loyalty and job security, is now based on flexibility and continuous development of skills.”
– Kenyan student in Switzerland, age 26

Both students and CEOs were asked about personal characteristics for success in the workforce. Four qualities – *communicative, collaborative, flexible and creative* – rose to the top of the list for both groups (see Figure 8). This cross-generational alignment will likely help lessen “culture shock” as students join the workforce.

Personal characteristics for employee success



CEO data from the 2012 IBM Global CEO Study

Figure 8: Students identify the same top-four characteristics of personal success in the workforce as CEOs.

Today’s students have grown up with rapid change as a way of life. Many have seen the impact of economic, social, political and technological forces on the lives of their parents and friends. Accordingly, students almost intuitively understand the need to constantly reinvent themselves, be open and responsive to constant change, and learn from others’ experiences. These top-ranked characteristics make it possible for employees to contribute to organizational success in a connected and rapidly changing economy. They will also help the employees and leaders of tomorrow become “future-proof” – they will be able to continuously adapt by acquiring skills and capabilities that may not yet exist today. They will be able to use these evolving capabilities whenever and wherever they are needed.

Cultural imperatives

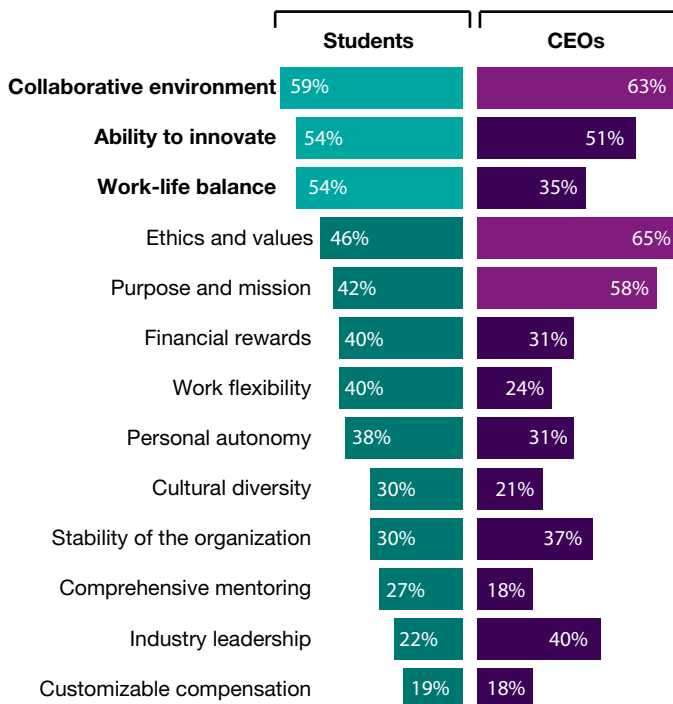
“The most effective tactic for attracting, retaining and rewarding the best people is providing flexibility for employees to balance their life and work responsibilities.” – India student, age 25

When considering employee engagement, both students and CEOs agree that a *collaborative environment* is important. In fact, collaborative environment was ranked the most important attribute to engage employees by students and the second highest by CEOs. However, there were disconnects in ranking for many of the other employee engagement aspects (see Figure 9).

For example, students place a much high priority on *work-life balance*. A larger percentage of students also said they value an environment that affords them the *flexibility and autonomy* necessary to innovate.

In addition, students ranked a culture of *ethics and values* perpetuated by organizations fourth out of thirteen traits needed to engage employees – while CEOs ranked it first. Similarly, students ranked *purpose and mission* fifth, while CEOs ranked it third.

Organizational attributes to engage employees



CEO data from the 2012 IBM Global CEO Study

Figure 9: Students are more focused on work-life balance than CEOs, while CEOs place more emphasis on ethics/values and purpose/mission.

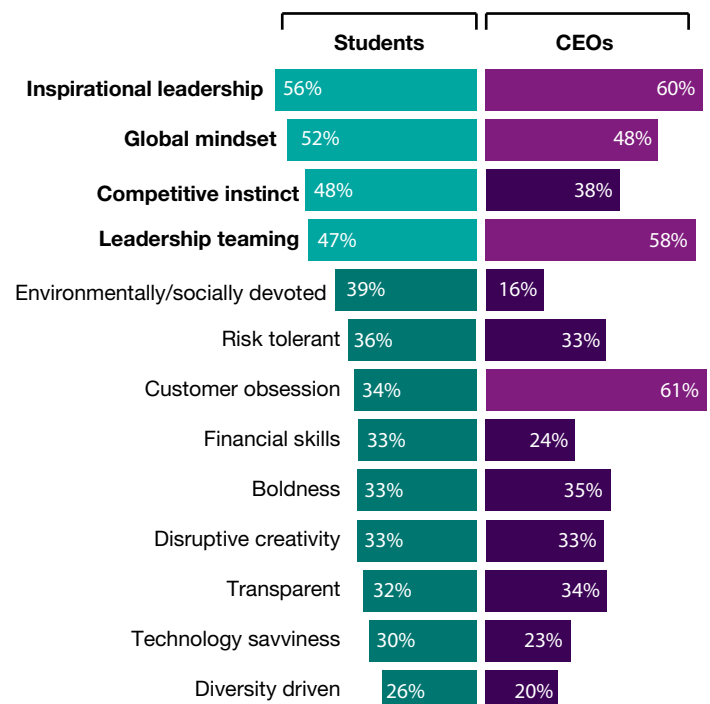
These differences between students and CEOs run counter to widely held beliefs about the millennial generation, to whom ethics, values and purpose are ascribed as critically important. Do students take ethics and values for granted? Does lack of work experience and no deep understanding of modern organizations leave students unaware of the extent to which ethics and values underpin and support flatter, more open organizations? Or alternatively, does the millennial generation’s concern with work-life balance and drive to innovate simply eclipse other workplace concerns? Most likely, students’ appreciation for the role of ethics within organizations will deepen once they experience full-time employment.

“...While boomers usually view long hours as evidence of loyalty and hard work, Gen Y tends to try to have more work-life balance... They expect to leverage technology to work efficiently instead of staying late in the office to get it all done.” – India student, age 22

Leadership imperatives

Although students and CEOs agree that inspirational leadership is an important trait for a CEO, they ultimately think about leadership in fundamentally different ways. For example, among CEOs, *customer obsession* was the top-ranking characteristic for a successful CEO. However, despite having strong views about what customers are prioritizing in the connected world, such as increased demand for responsiveness, students ranked the importance of a CEO possessing a *customer obsession* seventh out of thirteen factors (see Figure 10).

CEO characteristics for success



CEO data from the 2012 IBM Global CEO Study

Figure 10: Although CEOs rank customer obsession as the number-one trait for CEO success, students view it as far less important.

“Corporations must be socially responsible and accountable... After the recent corporate scandals, people want to know businesses will be accountable for their actions.” – United States student, age 20

Instead, students ranked *environmentally and socially devoted* fifth in importance to CEO success, while CEOs themselves ranked it last. Since social and environmental responsibility also ranked lowest among CEOs in terms of customer needs, the disconnect in CEO success factors between CEOs and students suggests that CEOs are perhaps not fully attuned to the social values and environmental commitment of students or, alternatively, students may not yet fully understand day-to-day business imperatives.

Leadership begins in communities

Michael Bock grew up in a municipality with an advanced view of community planning. In 2005, Hampton, Virginia, received the Innovations in American Government Award from the Ash Center for Democratic Governance and Innovation at the John F. Kennedy School of Government, Harvard University. The award recognized the city's Youth Civic Engagement Initiative, which includes 15 years of assessment, outreach and consensus building – all aimed at making sure the city's youth become workforce and community leaders of the twenty-first century.⁸

Hampton's best practices for youth engagement included hiring students to support the recommendations of the local governing boards. Fortuitously, a spot became available when Michael was a high-school sophomore. The experience taught him that “leading from behind” requires thinking about long-term, visionary ideas while also getting other people involved. “You need to show people you have things under control without appearing aloof and also keep them engaged in the work,” he says. Mindful, thoughtful leadership, Michael learned, requires a delicate balance.

As a freshman at University of Virginia, Michael secured a two-year term on yet another youth advisory board. State Farm, a leading U.S. insurance company, supports and funds local programs for “service-learning,” a structured approach to education that integrates classroom teaching with community service. State Farm's Youth Advisory Board researches societal issues, as well as reviews grant applications and ultimately selects the winners. As one of 30 students responsible for granting US\$5 million for student-led projects, Michael once again had an opportunity to develop his personal leadership style.⁹ Working as part of a national group reviewing scores of proposals, he found it a bit disconcerting that he was unable to personally get involved with each applicant. However, relying on his high-school experience with the service-learning program in Hampton, he was able to extrapolate the local impact of each grant and contribute to a more streamlined review process.

Most of all, Michael savors the ability to make his own personal impact, whether that requires facilitating meetings or making presentations at a national conference. For him, the outcomes and personal interactions resulting from these activities provide feedback and new connections that fuel his commitment to “making a difference.”

Educating for success

“Businesses need to have a greater influence on what and how tertiary (college) education is provided – with more tangible skills and work-place experience given greater focus.” – New Zealand student, age 21

Just as we did during the inaugural IBM Student Study in 2010, we asked students about the extent to which their formal education prepares them for working life across multiple dimensions. Overall, students believe their education has equipped them with the skills needed for future employment.

Collaborating with others, for example, is identified by CEOs as the number one trait they seek in employees, with 75 percent calling it critical. CEOs will not be disappointed: more than seven out of ten students said that their formal education has prepared them to be effective collaborators. In a contemporary education setting, students spend much of their time sharing assignments, exercises and case studies, while also collaborating closely on extracurricular projects.

Technology is another area where students said they were well prepared by their formal education. Nearly two-thirds of students, 65 percent, said they are already positioned to use technology to benefit from the massive amounts of information now available.

Global future

Since the 2010 Global Student Study, formal education has improved student preparedness across all the dimensions surveyed. Despite this improvement, formal education continues to lag behind student needs in some key areas.

Unfortunately, the capability for which students identified the highest gap in 2010 – *benefitting from emerging markets* – has shown the least amount of improvement (see Figure 11). The 2012 CEO Study revealed that CEOs, like students, place high priority on emerging or growth markets. More than half of the CEOs plan to increase operations and revenues across growth markets in Asia, South America, Eastern Europe and Middle East and Africa. Clearly, students need additional education in this area to feel more prepared for their careers.

Key skills needed for future success

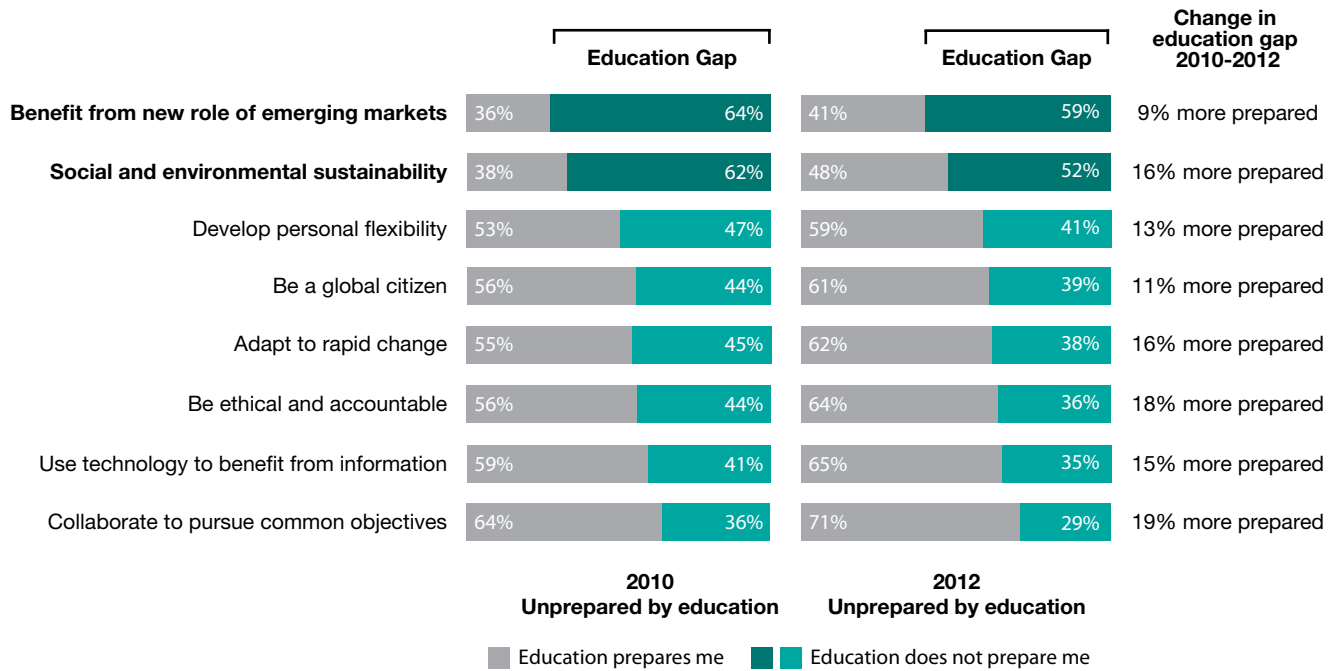


Figure 11: While a gap remains, education is getting better at preparing students for the future.

From high-fashion modeling to digital marketing

Amanda Salvato became a fashion model at 13 after winning a competition in her home town of Sao Paulo. Since then, she has appeared striding across runways in Japan, Milan, London, Paris and New York; gracing the pages of *Vogue*, *Marie Claire*, *GQ* and *Sports Illustrated*; and embodying the latest fashions for numerous top brands.

Insiders know that even glamorous careers are hard work – and time limited. Like pro sports players, many models are already working toward their second careers at an age traditional college students have barely embarked on their first. A few years ago, Amanda joined two friends to create a business, Top Swap, which allowed them to share their love of high-end fashion with women constrained by real-world budgets.

“People used to look down on a girl who wore hand-me-downs or used clothing,” says Amanda. “Now it makes perfect sense. It is really consistent with the basics of fashion to create your own fresh look by swapping clothing you love. Fashion is always building on the tried and true to innovate.”

Clients pay a small fee to get together in New York City or Sao Paulo to try on and swap clothes and accessories in a party setting. It’s a real-world network for “fashion-forward” women. Clients can sell and buy their clothing online as well, and Amanda and her partners plan to launch mobile apps as well sometime in the future.

Amanda is also pursuing studies in marketing through a digital marketing certificate program. She attends class at NYU on Saturdays and Sundays and participates in an online class during the week. As a non-traditional student, Amanda finds school exciting because it is helping her achieve exactly what she wants in life – a career that combines her dual passions for fashion and technology. Whether she takes time for more classroom courses in the future or spends the time growing Top Swap, Amanda expects she will continue learning and applying new ideas to her business and her life.

Preparing tomorrow's leaders today

“We need to step away from the traditional ‘trait approach’ leadership and manager characteristics and look to people who enable change.”

– United Kingdom student, age 21

The 2012 Global Student Study and the 2012 Global CEO Study show students and CEOs to be in general agreement on a broad range of topics. Collaboration, openness, personal empowerment, creativity, flexibility and innovation are all capabilities that both students and CEOs see as critically important.

There were, however, some disconnects:

- Students have strong insight into the customer needs and aspirations in the connected world but have not translated this knowledge toward understanding the need for CEOs to place customers at the very center of their strategic and mental ecosystems.
- CEOs understand the importance of social and environmental responsibility but place far less relative importance on it than students.
- CEOs are not prioritizing the importance of work-life balance, personal autonomy and empowerment for innovation that students expect in their working lives.

Rather than portending a major cultural clash, these areas of difference can be valuable “learning moments” for both students and CEOs alike. Differing perspectives from overlapping generational perspectives provide valuable opportunities to create more robust and resilient organizations.

Five major conclusions emerge from the 2012 IBM Global Student Study:

1. Students see openness as a pervasive force; they are strongly oriented toward collaboration, creativity and innovation.
2. Students today place more value on social media for customers, themselves and others than CEOs; CEOs plan to catch up within three to five years.
3. To meet customer needs, students focus on changes that improve responsiveness, individualization, environmental responsibility and harmonized channels.
4. Students align with CEOs on key workforce capabilities for success but are more focused on work-life balance and innovation.
5. Education is getting incrementally better at preparing students for work, but gaps remain.

To address these challenges, we recommended that students, CEOs and educators consider the following.

Implications for students

Make the business case for change: Recognize that you can be a very powerful agent of change in organizations by bringing fresh thinking, ways of doing things and insights into the next generation of customers, employees and partners. However, for organizations to accept change, they typically need to understand the value of embracing the change. Identify and, whenever possible, quantify the value that change will create in organizations, make the business case and build consensus.

Be a social media ambassador: Many of the CEOs interviewed in the 2012 Global CEO Study said they are looking to the next generation of employees to help solve the social media riddle. Help future colleagues understand the profound impact that social media can have on business models and operations and how they can drive revenue from using social media in deeper and more meaningful ways. Also understand that social media can create other challenges in organizations, especially around confidentiality and security.

Embrace education as a lifelong journey: CEOs recognize that many of the functions that may be required of employees in as little as five years time may not even be known or understood today. Business is changing so fast that CEOs are less concerned about functional capabilities and are increasingly focused on the ability of employees to be flexible, creative, collaborative and communicative. CEOs want employees to help identify and grow specific capabilities as and when they are needed. Recognize that because of ever-changing demands, education has become a lifelong journey. Successful employees will constantly need to revamp and develop new skills throughout their lifetimes and constantly adapt to ever-changing needs.

Implications for CEOs

Create the workplace of tomorrow – today: Students today are embracing organizational openness, with its associated opportunities for flexibility, collaboration and innovation. To be a desirable employment destination for students and attract and retain top future talent, CEOs need to embrace openness to build and sustain transparent and collaborative working environments and corporate cultures.

Invert the organizational pyramid: Students seek working environments that have all of the characteristics of their every day life – including immediacy, mobility and social interactivity. Having grown up social, students have a deep understanding of the power and limitations of social media and other digital technologies. By harnessing this raw knowledge and experience and directing it toward deepening relationships with customers, partners and other employees, future employees can make a profound contribution to innovating business models, improving operations and driving new – and as yet – largely untapped revenue sources.

Prepare to look back to the future: Students are making their views very clear: Having seen their parents work increasing hours for, in many cases, fewer rewards, they want a more equitable balance between work and personal life. The days of ever-increasing claims on employees is coming to an end. To attract and retain the best workers and thinkers of the next generation, reconsider working norms, structures and behaviors to address the dramatically different employee expectations that will become dominant as the current generation of students become the next generation of employees.

Implications for educators

Anticipate new business imperatives: It is clear that between 2010 and 2012, colleges and universities around the world have improved in terms of relevance. Continue building on this progress. Use the IBM C-suite Studies and other business research to understand and anticipate rapidly evolving needs of organizations both in terms of core functional skills and changing roles, attitudes and philosophies that will be required around the key imperatives of collaboration and innovation.¹⁰

Invent the employee of tomorrow: Over recent history, organizations have had to respond at lightening speed to economic, financial and social disruption. As a result, CEOs recognize the need for an intelligent, flexible and creative workforce that can identify changes and respond by developing new skills, capabilities and ways of interacting. Make skills development a core element of college and university education to provide today's students with the skills and confidence they will need to be tomorrow's successful employees.

Expand the educational ecosystem: As education becomes increasingly characterized by lifelong learning – “reskilling” and “upskilling” – leverage external partnerships to conceive new ways of supporting continuing education. Find ways of enabling and expanding alumni networks to demonstrate ongoing relevance – not just encouraging beneficence but establishing a lifelong partnership that supports development, helps expand skills and facilitates opportunity.

Next steps...

Today's students will become the business, government, political and social leaders of the future. Their attitudes and decisions will help guide the world of tomorrow. The 2012 IBM Global Student Study reveals that today's students are thoughtful, social and responsible.

While our study found students and CEOs to be in synch on a number of issues, we also found several areas where there are disconnects. We believe these differences present an

opportunity for both CEOs and students to step outside their own spheres of influence and learn from one another. As CEOs welcome these leaders of tomorrow into the workforce, some amount of change will be experienced by both groups to accommodate the passing of the torch from one generation to another. And, within their increasingly interconnected lives, students have an opportunity to fulfill their desire to build an ever better world through the twenty-first century and beyond.

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Appendix

Regional Comparisons

North America Students

- Less inclined toward organizational openness (NA 53 percent; global 58 percent)
- Highly connected through social media (NA 83 percent; global 84 percent within three to five years), but little interest in online education (NA 72 percent rate online education as less valuable; global 50 percent)
- Engaged by means of a collaborative work environment (NA 71 percent; global 68 percent)
- Value inspirational leadership (NA 61 percent; global 56 percent) and a leader with a global mindset (NA 60 percent; global 52 percent)
- Smaller education gap, ie: they are more likely to believe their education has prepared them for real-world issues (NA average 32 percent education gap; global 42 percent education gap)

South America Students

- Highly impacted by macroeconomic factors (SA 84 percent; global 73 percent) and people skills (SA 48 percent; global 32 percent)
- More inclined toward organizational openness (SA 72 percent; global 58 percent)
- Highly connected through social media (SA 83 percent; global 84 percent within three to five years) and fewer negative feelings about online education (SA 27 percent perceive online education as less valuable; global 50 percent)
- Highly engaged though a collaborative work environment (SA 84 percent; global 68 percent) and responsive to having an ability to innovate (SA 66 percent; global 54 percent)
- Value leadership teaming (SA 62 percent; global 47 percent) and inspirational leadership (SA 61 percent; global 56 percent)

Europe Students

- Less inclined to organizational openness (EU 50 percent; global 58 percent)
- Highly connected through social media (EU 86 percent; global 84 percent within three to five years) but negatively inclined toward online education (EU 56 percent believe online education is less valuable; global 50 percent)
- Engaged through a communicative work environment (EU 82 percent; global 79 percent) and having an ability to be flexible (EU 77 percent; global 67 percent)
- Value competitive spirit (EU 55 percent; global 48 percent)

Japan Students

- Highly impacted by globalization (JP 81 percent; global 62 percent) and much less by technology factors (JP 50 percent; global 66 percent)
- Aligned toward social media/Web sites rather than face-to-face (JP F2F today 45 percent; global 58 percent) (JP social media/Web sites in 3-5 yrs 93 percent; global 84 percent); future engagement lies through channel partners (JP channel partners 72 percent; global 58 percent)
- Value online education (JP 43 percent view online education as more valuable than classroom; global 26 percent) (JP 28 percent view online education as less valuable; global 50 percent)
- Engaged by having an innovative work environment (JP 61 percent; global 54 percent)
- Appreciate inspirational leadership (JP 59 percent; global 56 percent) that is diversity driven (JP 59 percent; global 26 percent)
- High education gap (JP average 50 percent; global 42 percent)

China Students

- Highly impacted by market factors (CH 95 percent; global 84 percent) and less concerned by technology factors (CH lowest score with 48 percent; global 66 percent)
- Focus on call centers as a means of engagement (CH highest rank 65 percent; global 43 percent) with low focus on social media customer contact today for customer engagement (CH today 53 percent; global 70 percent); anticipate significant growth in social media over the next three to five years (CH social media 83 percent; global 84 percent)
- Value online education (CH 42 percent view online education as more valuable; global 26 percent) (CH 27 percent view online education as less valuable; global 50 percent)
- Engaged by a creative work environment (CH 78 percent; global 66 percent) and assertive attitude (CH 51 percent; global 28 percent)
- Value bold leadership (CH 53 percent; global 33 percent), leadership teaming (CH 69 percent; global 47 percent) and global mindset (CH 65 percent; global 52 percent)
- Experience a high education gap (CH average 57 percent; global 42 percent)

India Students

- Inclined toward organizational openness (IN 68 percent; global 58 percent)
- Prioritize social media (IN 64 percent; global 70) and call centers (IN 63 percent; global 43 percent); future F2F contact is expected to be low (IN 37 percent; global 51 percent)
- High focus on analytical skills (IN 61 percent; global 49 percent)
- Engaged by an innovative work environment (IN 74 percent; global 54 percent) and work flexibility (IN 53 percent; global 40 percent)
- Prioritize inspirational leadership (IN position #1: 67 percent; global 56 percent)
- Higher education gap (IN average 56 percent; global 42 percent)

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