Revolutionize leadership, revolutionize your business.
ABOUT DDI

For more than 40 years, DDI has helped the most successful companies around the world close the gap between where their businesses need to go and the talent required to take them there. Our areas of expertise span every level, from individual contributors to the executive suite:

• **Success Profile Management**—Our process will quickly and accurately identify what success looks like for all of your critical roles.

• **Selection & Assessment**—DDI offers the most comprehensive range of assessment, testing, and behavioral interviewing tools in the world.

• **Leadership & Workforce Development**—We provide relevant and challenging learning experiences for all levels from individual contributors and front line leaders to mid-level and senior leaders.

• **Succession Management**—Our consulting and tools will ensure a steady supply of ready-now leaders who will meet your business needs today and tomorrow.

• **Performance Management**—DDI’s comprehensive approach to performance management enables the execution of business strategy by creating alignment, accountability and focus.

DDI’s approach to talent management starts by ensuring a close connection of our solutions to your business strategies, and ends only when we produce the results you require.

ABOUT DDI’S CENTER FOR APPLIED BEHAVIORAL RESEARCH

The Global Leadership Forecast 2011 is part of the continuing series of trend research conducted by DDI’s Center for Applied Behavioral Research (CABER). CABER’s publications cover a wide range of talent management issues and are designed to keep HR professionals in touch with best practices and trends.

CABER also conducts dozens of evidence-based research studies with DDI’s clients that show the relationship between their talent management practices and changes in workforce and organizational performance. CABER’s research, including this report, is available at www.ddiworld.com.

CONTACT INFORMATION

Jazmine Boatman, Ph.D.
Manager, CABER
Development Dimensions International
1225 Washington Pike
Bridgeville, PA 15017
Phone: 412-220-7969
E-mail: jazmine.boatman@ddiworld.com

Richard S. Wellins, Ph.D.
Senior Vice President
Development Dimensions International
1225 Washington Pike
Bridgeville, PA 15017
Phone: 412-257-3805
E-mail: rich.wellins@ddiworld.com

Global Leadership Forecast 2011
A SPECIAL REPORT FROM DDI’S GLOBAL LEADERSHIP FORECAST 2011

In this research brief we share data from DDI’s Global Leadership Forecast 2011 with survey responses from 1,897 HR professionals and 12,423 leaders from 74 countries. The focus of the Global Leadership Forecast is on organizational trends and best practices around building leadership bench strength. This brief focuses on differences regarding age/generations that were uncovered in the forecast study. For purposes of this study, the generations were broken out by birth year as follows:

• Generation Y (1981-2002)
• Generation X (1965-1980)
• Baby Boomers (1946-1964)
• Traditionalists (1927-1945)

For more information on the Global Leadership Forecast, including the full global report, please visit www.ddiworld.com/glf2011.

A FAST-RISING GENERATION OF LEADERS

Generation Y (a.k.a. Gen Y, Generation Next, or Millennials) comprises roughly 25 percent of the world’s population, numbering over 1.7 billion (Puybaraud, 2010). This group of individuals is now in the workforce and they are making their presence known. But are organizations taking advantage of all this generation has to offer? The research would say “no.”
Of all leaders surveyed, those in Gen Y were found to be the least engaged in their jobs (Figure 1), though members of this generation are heavily engaged in technology and social networks in their personal lives. They also value the workplace as a source of learning and development, as well as a way to network and socialize with others (Puybaraud, 2010). They may be young (mostly under the age of the 30), but they are driven and have a clear focus on where they want their careers to go (Bissett-Powell, 2010). Unfortunately, organizations are falling short when it comes to engaging these leaders and harnessing their potential.

Gen Y leaders are in a unique position because not only are they new leaders, but they also have before them an unprecedented opportunity as organizations have begun to identify potential in leaders earlier in their careers. This is reflected in the 42 percent of Gen Y leaders in the Forecast who indicated that their organization had identified them as high-potentials, and also in the nearly 80 percent that have been promoted one or more times in the past year. These leaders have been identified as critical talent for future organizational success. When comparing their importance to their level of engagement, and the fact that organizations are already concerned about their future bench (only 18 percent rate it as strong in the survey), organizations must find a way to re-engage these leaders, and help guide their careers.

In this report we explore some of the differences in how Gen Y views themselves (as compared to other generations in the workforce—Generation X, Baby Boomers and Traditionalists), and what they are asking for from their employers.
HOW CAPABLE IS GENERATION Y?

The Global Leadership Forecast 2011 asked respondents to rate which skills would be most critical for future success. Figure 2 shows the five skills that rose to the top globally, and how effective Gen Y leaders feel they are in these skills as compared to all other workforce generations. Gen Y is the least confident in their skills, except when it comes to fostering creativity and innovation. In general, Gen Y leaders have been shown to have a penchant for innovation (Heinl, 2010), but as leaders, they need to do more than be innovative. They need to understand what it means to foster an environment with their teams and workgroups where innovation and creativity can flourish. The fact that only 50 percent of these leaders are confident in their skills related to fostering creativity and innovation means organizations need to help these leaders understand what’s required of them, and how their leadership roles can enhance or destroy innovative ideation that comes from their direct reports and teams.

**FIGURE 2 CONFIDENCE IN SKILLS MOST NEEDED FOR FUTURE SUCCESS**

- Driving and managing change: Gen Y: 50%, Others: 58%
- Identifying and developing future talent: Gen Y: 58%, Others: 51%
- Fostering creativity and innovation: Gen Y: 50%, Others: 49%
- Coaching and developing others: Gen Y: 50%, Others: 58%
- Executing organizational strategy: Gen Y: 52%, Others: 61%

% of leaders rating themselves as effective

“Building the next generation of leaders who can manage the innovation necessary to stay ahead of competition and maintain our current high level of customer satisfaction will be the critical mission.”

LEADER, MANUFACTURING INDUSTRY
The skill gap these leaders face has likely contributed to a difficulty in making leadership transitions. Of all Gen Y leaders surveyed, 68 percent made a leadership transition in the past five years. Among leaders making a transition to a first-level leadership position, those in Gen Y found the transition to be the most difficult (see Figure 3).

It’s a double-barreled challenge, even for those deemed capable of promotion: One, Gen Y is struggling with the transition to leadership roles. Two, they are least confident in their skills. To address this challenge, organizations need to look at the skills critical to future organizational success and place a differential focus on developing them at all levels, but especially in working with Gen Y leaders to ensure they are confident, comfortable, and effective in the leadership ranks.

**HIGH-TOUCH OR HIGH-TECH?**

While much has been written about Gen Y’s comfort level with technology and its desire to embrace the newer and “hipper” learning modalities (virtual, mobile, “learning 2.0”), the Global Leadership Forecast 2011 paints a very different picture. Gen Y leaders value coaching (from their boss, internal and external coaches) and view it as more effective than all other development methods (see Figure 4). They are looking for much more “high-touch” development, as opposed to just high-tech options, and they do not feel as though they are getting it.
When asked what they feel is holding back their development, Gen Y’s number one response was “little/no time for development” (38 percent). This might explain why they are the least confident in their skills. Still, Gen Y leaders place a greater emphasis on their development plans (see Table 1) than leaders from the other generation groups. They review progress more frequently and find the discussions with their managers more valuable. Organizations need to provide more structured opportunities for Gen Y leaders to get the coaching and development they crave from not only formal development programs but from their managers as well. Organization’s must also prepare upper management to coach and mentor these emerging leaders to ensure they have the skills, confidence, and wherewithal to make the transition up the leadership ladder and position themselves as the future senior leaders.

### Table 1 Development Plan Accountability and Effectiveness

<table>
<thead>
<tr>
<th>Perception</th>
<th>Gen Y</th>
<th>Gen X</th>
<th>Baby Boomers</th>
<th>Traditionalists</th>
</tr>
</thead>
<tbody>
<tr>
<td>My performance review discussions provide me with clear direction about how</td>
<td>63%</td>
<td>56%</td>
<td>55%</td>
<td>56%</td>
</tr>
<tr>
<td>to enhance my performance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I periodically review the progress I make on my development plan with my</td>
<td>56%</td>
<td>45%</td>
<td>44%</td>
<td>47%</td>
</tr>
<tr>
<td>manager.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My personal development plan is effective and of a high quality.</td>
<td>58%</td>
<td>43%</td>
<td>42%</td>
<td>53%</td>
</tr>
</tbody>
</table>

% agree or strongly agree
THE CULTURAL DIFFERENCE

In conducting The Global Leadership Forecast 2011 DDI partnered with Professor Gary Hamel and his Management Lab to evaluate the management culture in organizations. The research showed that organizations with a more effective management culture (less bureaucracy, influence is based on personal power rather than position power, innovation comes from all parts of the organization, etc.) had a significantly higher percentage of Gen Y leaders in their ranks (see Figure 5).

Why? Is it that Gen Y leaders are more attracted to this kind of culture, or is it that they are helping to create this kind of culture through their interactions and their desire to make a meaningful contribution (Yuva, 2007)? Additional research has shown younger generations seek work environments with more fluid boundaries (Morgan & Ribbens, 2006), and organizations that have shared goals, strong values, and flatter structures provide just that. To attract, retain, and engage Gen Y leaders, organizations must review the culture in which their managers operate and see what changes (small- or large-scale) can be made to improve these processes. And it is worth the effort: The Forecast found that organizations that had a highly effective management culture have more passionate leaders, and are outperforming their competition (Boatman & Wellins, 2011).

MANAGING THE GENERATIONAL DIVIDE

Organizations need to take better care of their Generation Y leaders, and take strides to understand the differences in their styles, abilities, and motivations. While many of the things they want from a career do not differ from any other generation, how they get it and who they get it from matters. To ensure they will be Generation Next (to lead, not leave) in your organization, provide them with better coaches, let them be innovators, help them to understand what it means to drive innovation, and help them to attain the proper work-life balance. The organizations that can master these areas will have the engaged, motivated and empowered leaders they need to ensure future success.
ABOUT THE AUTHORS

**Jazmine Boatman, Ph.D.** manages DDI’s Center for Applied Behavioral Research (CABER), DDI’s hub for research to support evidence-based management. Jazmine directs research that measures the impact of selection and development programs on organizational performance and uncovers new knowledge and information about global workplace practices and issues. With special expertise in measurement and evaluation, Jazmine has consulted with organizations in a wide variety of industries.

**Richard S. Wellins, Ph.D.** is senior vice president at DDI. Rich is responsible for leading DDI’s global research programs, launching new solutions, and executing DDI’s brand and marketing strategies. During his tenure at DDI, Rich has authored five books on leadership and teams and written for more than 20 publications on global talent management. Rich has helped organizations around the world develop their senior leaders. He also serves as a judge for CNBC’s Asia Business Leaders Awards, interviewing dozens of Asia’s top CEOs each year.

**Aviel Selkovits** is a project manager for DDI’s leadership and workforce development solutions. In this role, she is responsible for new product launches, as well as a thought leadership focus on “Learning 2.0” and Generation Y. She also manages strategic marketing planning for DDI’s frontline leadership products and services.

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To start your leadership revolution and learn more about DDI’s Global Leadership Forecast 2011, please visit www.ddiworld.com/glf2011
ABOUT DEVELOPMENT DIMENSIONS INTERNATIONAL:
For over 40 years, DDI has helped the most successful companies around the world close the gap between where their businesses need to go and the talent required to take them there. Our areas of expertise span every level, from individual contributors to the executive suite:

• Success Profile Management
• Selection & Assessment
• Leadership & Workforce Development
• Succession Management
• Performance Management

DDI’s comprehensive, yet practical approach to talent management starts by ensuring a close connection of our solutions to your business strategies, and ends only when we produce the results you require. You’ll find that DDI is an essential partner wherever you are on your journey to building extraordinary talent.