

Corporate Transparency, Stewardship and the New Generation of MBAs

By Yvonne F. Brown

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They are entering the workplace with high expectations, a keen eye for globalization, are highly connected and bring innovative, creative ideas. They have never known a world without microwaves and connectivity, and World War II is ancient history, well in the past. Unlike previous generations they question authority and technology is the equivalent of a light switch. It's expected.

Transparency

In the wake of corporate scandals such as Enron and WorldCom, there are heightened demands on public companies for transparency. The marketplace expects more company and non-financial data as part of Fair Disclosure and the Sarbanes-Oxley Act. Thus, corporations have grown more transparent over the last several years. Real transparency is less about the quantity of information and more about providing useful data to the people who consume it in their goal of understanding and fairly valuing a business. Today's new generation of MBAs use the information provided through transparency to learn about a company during the decision making process of who to work for. A company's credibility through effective and ethical disclosure will in the long run make them the pre-

mium employer for the brightest and the best of this new crop of graduates.

Transparency is a clearly articulated purpose for being that people can believe in and feel good about being a part of. In the past, organizations were not called upon to share information as openly as our younger people expect today and in the future. They've witnessed the downfall of organizations that weren't as ethical, honest or straightforward as they should have been, and didn't hold their leaders in check as much as they should have. Certainly no MBA wants an Enron on their resume so they're quite particular about which organizations they associate with.

Generational Mind Shifting

"They've always been a very special group in that they arrive with lots of energy and ambition. We're finding that the Gen Y MBAs have a need to plug-in to an organization in a meaningful way. A lot of that is because they inherited the "me incorporated" mindset that the Gen Xers created, and the Gen Xers created it out of a reaction to today's free agent world. Employees are responsible for their own career, no one's going to do it for you and the new MBAs have taken it to the next level. They're saying, 'I know I'm in charge so I'm going to be very discerning of which organization I join. I'm very savvy about the way things really work in business. I need to look inside the organization and see what's going on so I can get a good grasp of what is said from a Public Relations standpoint vs. what you're really doing.' There are many ways to access that information now that didn't exist 10



Leah Reynolds

or 20 years ago.

Futurists predict that if organizations are unable to effectively respond to this group and to their expectations, they will become the most entrepreneurial generation ever in our country. Organizations will then have to purchase those same skills, talents, innovations, ideas, from an external provider at a premium and their competitors will be able to purchase it as well," says Leah Reynolds, national practice leader for Total Reward Communication with Deloitte Consulting, LLP

Deloitte has done joint research both in 2000 and in 2007 with the Institute for the Future out of Palo Alto, California, and in that research they asked Gen Y how they felt about staying with one organization throughout their career. Find-

ings indicate that Gen Y likes the idea of being able to grow up with an organization and stay there and build networks, but don't believe it's possible. With the advent of downsizing, mergers and acquisitions, or divestiture, it appears these events will change the organization's culture making it no longer a match to their career objectives. They don't believe that organizations can track them effectively in terms of development needs or their career. This new generation of MBAs expects to participate in the decision making and to be promoted sooner. They want meaningful career opportunities and measure that against "how will this work on my resume?"

Face Time

They believe that as virtual as the world is, face time is absolutely absurd. *They definitely want to be judged on results.* From a business perspective, they don't believe that organizations are very good at figuring out what they want from people or being clear about results for each position in the organization. In other words, what do you need me to accomplish relative to the overall strategic business goals? Gen Y is very savvy about what we call "line of sight" that is, "how does what I'm doing help the organization achieve its goal?" Goal achievement is what they expect to be measured on not face time.

Rewards

"The new generation of MBAs expect to be paid fairly, competitively, and are very aware of compensation issues not only because their boomer parents told them what certain jobs pay, but because they can find it on the Internet. They know what's competitive and they expect to be paid well. What they seek is a more broadly defined set of awards that includes things like 'the environment I work in, the opportunities I have to grow and develop, and the training I'm going to receive.' These are critical components that are most important to them," says Reynolds.

Work/Life Balance

Studies indicate there is a clash between their expectations and the current work

environment. They enter the workforce saying they don't want to be as work centric as the boomers. They don't believe that having a meaningful career and having a life is incongruent. The prediction is that they will push more and more for success on their own terms, and that's why they may become entrepreneurs. It's not that they're indolent; they simply don't want to conform to a work centric, time driven, kind of environment.

Maximizing Community Involvement

Organizations don't maximize the benefit that they could from community involvement, particularly with Gen Y. "Our whole community involvement, from philanthropy, to volunteers, to serving in the non-profit sector is Gen Y based, but it is outcomes focused. Rather than simply doing well or doing good, we're focused on the social impact of our efforts. Secondly we are committed to deliver both social impact and business value. In the long term it should achieve both outcomes. And finally, in a firm like Deloitte with deep intellectual capital, business experience, and skills, we're focused on thinking beyond just money. We think in terms of using our expertise to help in the community. So in 2007 Deloitte conducted a Volunteer Impact Study with the Opinion Research Corporation (ORC) to determine GEN Y's views on the subject. The survey was done to validate those drivers to determine the business case and how these drivers resonate especially to a Gen Y. It's a very important recruiting demographic not just for us but for all of corporate America," says Evan Hochberg, national director of Community Involvement, Deloitte Services LLP.

Community Involvement

According to Hochberg, "Gen Y, wants to be provided the opportunity to get engaged and volunteer and expects corporations to enable that. So as a means of understanding the company values, most recruits inquire if companies invite their people to volunteer, ask what kind of people it has, how it thinks about its role in terms of leadership and overall vision.

Community involvement is a proxy for a young person to say 'what's this company about, is it an authentic corporation, and does it think broadly about its impact?' Part of that is feeling engaged and the other part is just wanting to judge prospective employers."

The Bottom Line

There are many important factors that determine why today's MBAs choose to work for certain companies. It is more than just what the job is and what it pays. All things being equal, people prefer to work for companies that are deeply engaged in the community. This is especially strong within Gen Y for several reasons in that they grew up in an environment where major political and social events such as 9/11, Hurricane Katrina, and the Tsunami occurred. Besides, many high schools and colleges have a community service requirement these days. They've been volunteering for quite some time and now in the workplace they want to know that they can continue their community involvement. They see themselves working for companies that have values and assets that can transform their communities into a better place with strong corporate social responsibility, while at the same time remaining ethical, authentic and flexible. ❖

About the Author

Yvonne F. Brown is founder of Ball of Gold Corporation (www.ballofgold.com) and president of JAD Communications International (www.jadcommunications.com); a firm that helps companies improve communications and relationships, manage change and expectations, improve interpersonal skills and promote respectful communications. An international trainer, speaker, author, and coach, Yvonne specifically focuses on helping people make bigger contributions, deal with conflict & difficult people and refine communications to be more productive and contribute more to the bottom line. For more information contact her at Yvonne@jadcommunications.com or 312-953-2126.