

**N. S. Izotova**

*Deputy Dean, Russian-American Program  
Baikal International Business School  
Irkutsk State University*

**N. B. Grosheva**

*Full Professor, Ph.D. in Economics,  
Dean, Siberian-American School of Management  
Baikal International Business School  
Irkutsk State University*

## **MILLENNIALS AS NEW EDUCATION PROCESS STAKEHOLDERS**

**Abstract.** In recent years, many educators and HR-managers have expressed the opinion that contemporary professional preparedness of millennial students does not conform in many ways to the social order of business and corporate world. Most experts agree the issue deserves attention. The paper describes the life-cycle of an educational product, analyses the situation on students' preparedness and higher education preferences prior to placing a choice on the university by Y-generation also called millennials. Baikal International Business School (BIBS) of Irkutsk State University (ISU) being an intermediary between millennials as students going through educational processes and employers setting their requirements for the desired specialists' proficiency needs to satisfy both parties with its educational services. With regard to the matter, the paper summarizes the pedagogical and technological principles and collaboration approaches executed at BIBS in terms of prioritizing customer satisfaction, be it a student who purchases the educational service with his or her expectations or an employer who creates the demand for specialists who represent the educational program outcome.

**Keywords:** millennials, dual-degree program, life-cycle of educational product, education process stakeholders.

The life-cycle of educational product is schematically presented by the authors-professors of Baikal International Business School in picture 1 below.

Educational service preparation presupposes elaboration of a new educational product that complies with constantly changing government standards and the requirements of external environment. The market share determines the competition for the students on regional, federal, and international levels: if the educational product is not competitive in its quality, then the best students will automatically flee in the pursuit of a better alternative. Employers shape an order for the potential workers. It should be noted that this order includes formal requirements to competencies as we as an overall impression of a potential employee. In this case an educational institution should supply not only educational but also pedagogical functions shaping the culture of students that will congruently fit in a corporate culture of an employer.

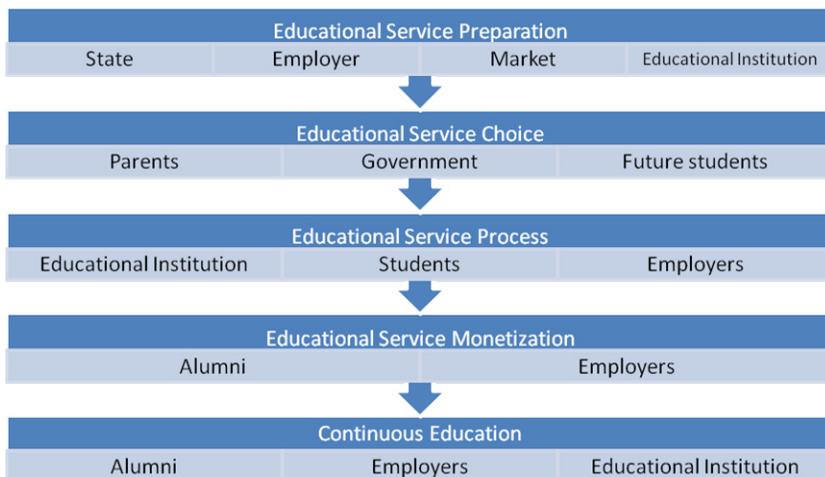


Figure 1. Educational Product Life-Cycle

The choice of an educational service is restricted by the State through budget allocation mechanisms (a certain number of applicants registrations are paid by the State) and influence mechanisms such as particular majors promotion on the federal level which definitely impacts the choice of applicants and their parents. When parents are deciding on the major and the university for their son or daughter, they are estimating the profession perspectives, the cost of education, and compatibility and mapping of the profession with their child's potential. The applicants are focused not on the strategic advantages, but on the operational ones such as interesting process of education which involves certain pedagogical approaches and instruments and the availability of the so called star-professors. Apparently, applicants' opinion is partially shaped by the state and their parents in terms of major preferences, though their primary opinion influence is their own vision and the beliefs of their friends and reference groups.

The education service acquisition is the communication process among the education institution, students, and the employer. Employers' involvement in the educational process allows to solve several problems:

- 1) students' professional orientation (introduction to potential profession);
- 2) competencies' generation through attraction of professors who represent certain companies;
- 3) creation of an order for specific purposes that would raise up particular competencies or students;
- 4) on-the-job training and research access and implementation in the employers' premises and facilities.

The education service monetization presupposes a job placement upon graduation or a business start-up. From the monetization perspective our graduates collaborate with employers and the success of monetization depends on the speed of recruitment to a job opening, attainment of the desired position in a company and a reward.

Nowadays the state and corporate level strongly advocates the concept lifelong learning which presumes further professional training through getting additional educational services, learning and mastering skills, and self-teaching processes. Both employers and educational institutions support professional and personal training by stimulating job advancement and pay raise and offering new educational products correspondently.

Student motivation is an important issue in the life cycle of an educational service (throughout all the stages while he or she is an applicant till becoming alumni of the university). That is why it is so urgently discussed by the state, employers, and educational institutions on the need to new approaches implementation which are backed and required by the new generation of students.

The generation theory was created by American scientists Neil Howe and William Strauss in 1991 where they describe core values and beliefs of people particular to different age generations. Generation is a group of people born at a certain age period (approximately 20-years periods) who were exposed to economic, political, social, technological events in the society and who are the products of their parents' upbringing. Core values and beliefs are formed as a result of important events and parental pedagogy in the first 10–12 years which basically determine further human behavior. The vast majority of values and beliefs lie on a subconscious level and are not noticed by people. However, all people's actions and behavioral patterns are created with the premise of these values.

The paper provides the description of three generations as they are of major interest and correlation to the researched topic: the generation of baby-boomers, the X-generation, and the Y-generation or millenials. The interaction and collaboration of these particular generations represents a special interest to the authors of the paper. Here are some characteristic features of each generation:

- **Baby-boomers:** idealism, optimism, image, youth, health, work, group orientation, personal growth, personal reward and status, involvement, brilliant characteristics, media professionals, gender differentiation, attractiveness, nostalgia and religiousness.
- **X-generation:** changes, choice, global awareness, technical literacy, individualism, survival, lifelong learning, casual style, fear and emotion search, pragmatism, self-reliance, unisex, rights equality.

- **Y-generation:** changes, optimism, sociability, confidence, variety, subordination, street orientation, instant reward, civic duty, morality, achievement, naivety, digital natives (tech savvy) (Shamis E., 2009, p. 3).

Obviously, different generation values vary a lot and sometimes are dramatically diverse. Contrasting values lead to various behavioral stereotypes which in their turn may cause all levels of miscommunications and as a result distrust or even disrespect among the representatives of generations both in academic and business environment.

Currently, many Russian and international HR-managers agree upon the idea that contemporary professional preparedness of graduating millennials does not conform in many ways to the social order of business and corporate world.

Bentley University recently presented its research on student preparedness to enter the workforce. By the year 2025 the workforce majority will be represented by Y-generation. Nevertheless, more than half of respondents from higher educational institutions and business estimate the level graduates' preparedness to entering the workforce only as satisfactory or unsatisfactory. "68 % of corporate recruiters say it is difficult for their organizations to manage millennials." (Kabani Sh., 2013, para. 6).

On the other hand, 74 % of non millennials agree that millennials possess such skills and work styles which deserve attention and scrutiny. This is a generation that was raised using digital technologies. Therefore, they are digital savvy and as they say X-ers speak a digital language. No other generation has ever been exposed to such access and digital technical powers for the info search and share as the millennials. Millennials also have such an asset as the habit to speed and multi-task working. However, that frequently imposes a more flexible and own schedule, not a business accustomed 9 to 5 format.

Further, it is suggested to scrutinize the pedagogical approach to teaching millennials in Baikal International Business School from the perspective of three major Y-ers' values as flexibility, adaptability, and digital technologies.

Vadim Sergeyevich Avanesov (2007) offers the following definition to adaptive learning. "Adaptive learning represents a technological pedagogical system of forms and methods that facilitates effective individual education. This system takes into account the level and structure of student background preparedness and constantly tracks the results of current performance. This technology allows to rationally choose assignments for fast further progress" (Avanesov, 2007, para. 1).

Professor Avanesov (2007) believes personalization of education is one of the most critical pedagogical principles in qualified specialists' preparation. Personalization or individualization of education may be executed through contemporary computer-based realization of adaptive testing and adaptive learning process. "This principle could not somewhat effectively be realized

in terms of a traditional face-to-face classroom forms of interaction be it a lecture or practice class” (Avanesov, 2007, para. 4).

The combination of modern informational technologies and innovative pedagogical methods is able to strengthen the flexibility and adaptability of educational system to the levels and peculiarities of students’ development and to increase productivity and quality of educational programs.

The analysis of Irkutsk region university entrants is given from the perspective of educational process expectations and requirements, student environment, and employment.

In 2011-2012 BIBS, ISU conducted a research which is based on surveys of high-school students (9–11 grades) and their parents of municipal schools of Irkutsk region. 5930 people were surveyed (table 1).

Table 1

IRKUTSK REGION STUDENT-PARENTAL SURVEY

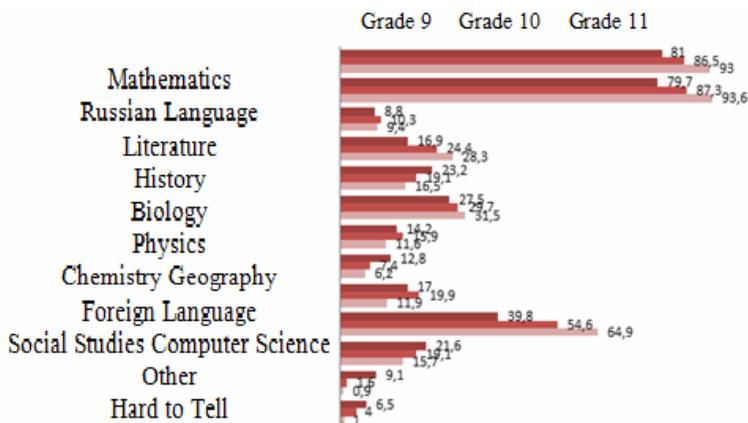
	GRADE			Total
	Grade 9	Grade 10	Grade 11	
Students	1172	1041	982	3195
	53,6 %	53,7 %	54,5 %	53,9 %
Parents	1016	899	820	2735
	46,4 %	46,3 %	45,5 %	46,1 %
Total	2188	1940	1802	5930
	100,0 %	100,0 %	100,0 %	100, 0%

The students that participated in the survey were from 11 cities and 28 municipal districts of Irkutsk region including Angarsk and Angarsk region, Bratsk and Bratsk region, Irkutsk and Irkutsk region, Sayansk, Usolye-Sibirskoe, Cheremkhovo region, etc.

75,7 % school students who took part in the poll expressed their intention to enter a university in order to obtain higher education. At the same time the number of respondents from grade 9 willing to enter a university is much lower 56 % comparing to 89 % in grade 11.

In accordance with Irkutsk region Ministry of Education expert evaluation approximately 17 % of secondary school students do not plan to enter a higher educational institution because they are not certain if they are able to score high enough on the EGE test which is a Russian analog of SAT. Part of learners intends to choose tests majoring in the subject they are most likely to pass not the ones that are required in order to enter a university for the future desired field of work. Therefore, a test on a foreign language is likely to be chosen by less than 1 % of school-leavers which clearly demonstrates a low level of proficiency in the subject matter. It should be noted that in order to

apply for a management major an applicant must have score on three EGE tests – Russian language, Mathematics, and Social Studies (figure 2).



Source: Irkutsk region Ministry of Education

Figure 2. Intentions to Take EGE Tests

The necessity to obtain a higher education is shared by learners' parents as well. 65 % of 9 grade parents, 87 % of 10 grade parents, and 90 % of 11 grade parents suppose their children must obtain a higher education.

The number of respondents who prefer elementary and secondary professional and vocational education is higher in monocities of Sayansk, Usolye-Sibirskoe, and Shelekhov.

As a rule, the children from not sufficiently provided families are not planning to enter a university right after school. They plan to start working first and then plan to get a higher education in the long run. 82 % of respondents who are not willing to immediately enter a university after school still plan to receive it within 10 years after finishing high school.

The decrease of budgeted enrollments in regional universities as well as the minimal price guidelines for the cost of education greatly impact the plans of students on getting higher education. It is estimated that about 63 % of parents think if their child is going to go to a university on a paid basis, the family's wellbeing will dramatically worsen and only 4,5 % of parents assume the family's wellbeing will not have changed greatly if the cost of education is paid on a regular basis.

Consequently, the tendency to reduce free enrollments from universities in the region and to increase the minimal cost of higher education influences the plans of students to enter a university in a negative way.

School students seem pessimistic about two-level higher education which implies bachelor and master degrees. The two-level higher education

system has been quite new and therefore is difficult to understand to 81 % of respondents and 27 % of surveyed people have never heard of it. It is worth noting that the most important reform of education on the territory of Irkutsk region was held in a way that it passed by the public opinion and its potential customers – parents and their young adult were not informed on the progress of the reform.

It is also important to notice that the innovations in the Law of Education are not known to the wide circles of people including parents of elementary schoolchildren though they are going to face the reform directly.

Among the respondents who are aware of the two-level higher education system the plans on obtaining higher education are as follows (figure 3):

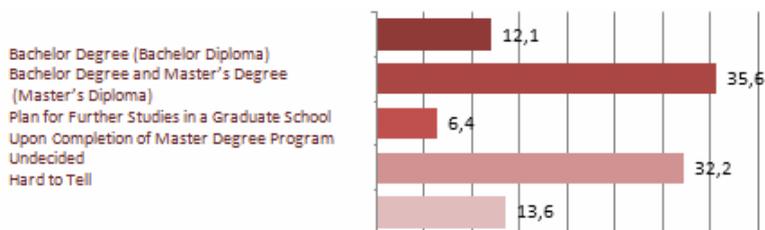


Figure 3. Higher Education Plans

It is also significant that plans to proceed the studies at a graduate school will dramatically change by the time the student graduates from a university because the number of academic councils (the so called scientific boards) is rapidly decreasing. In 2012 Irkutsk State University failed to fulfill the targeted plan on graduate school enrollments and one of the reasons that the university is lacking academic councils on the majors interesting to potential graduate students.

For the analysis of higher educational institutions the 11 grade respondents were surveyed. The results show that 62 % are ready to study in Irkutsk region, 19 % are planning to move to another region of Russian Federation, and 1 % is willing to go abroad for the higher education services. The rest part of respondents was still undecided. However, every school student out of five expresses a wish to leave the region and more than 15 % of parents are supporting their kid's departure (including financial support). This clearly demonstrates youth migratory trend.

The majority of students willing to get their higher education in another region are the students from northern territories of the region. The most loyal to regional education students are in Irkutsk. It may be explained that in case of changing the place of residence in the competition between Irkutsk and Moscow universities, Moscow wins. The most attractive cities for students

and their parents are Novosibirsk, Krasnoyarsk, Tomsk, St. Petersburg, and Moscow.

Moreover, the change in child's place of residence is supported by financially secured families and it seems to be logical.

Today, 67 secondary vocational training institutions operate in the regional market of educational services. This number has been fixed for the last decade. Elementary vocational training is done by 48 organizations (its number faced 20 % decrease for the last ten years). And there are 11 higher educational institutions (excluding branches of universities from alternative regions).

It should be pointed out that Scientific Research Institute Irkutsk State Technical University is holding a weak and vulnerable position due to its deficiency in innovative development and untargeted federal budget allocation. The university is subjected to two criminal cases on the untargeted federal budget allocation which means the development of university's premises and facilities and innovations will cease for the moment. The position of Irkutsk State RailRoad University is also ambiguous. This is a sectoral university. The average professor's age there is 58 years old. The main budget is formed by Russian Rail Road Corporation which prioritizes the development of other than Irkutsk region. The specific order on the specialists is declining yearly.

There are different purposes why school students pursue a higher education. Among them there are higher paycheck, financial independence, and interesting job. Career advancement, success, and fame are secondary goals of students.

Approximately 27 % of students state one of the objectives to obtain a higher education is the possibility to further work abroad. Simultaneously, there are 81 % of parents who would prefer their children to stay in the country.

Federal concept for gradual estimation of higher educational institutions and elimination of ineffective universities alter the tendencies for higher education in Irkutsk region:

Among the universities listed above two universities are reorganized since 2013. East-Siberian State Academy of Education is joined to Irkutsk State University, and Irkutsk State Linguistic University became a branch of Moscow State Linguistic University. Thus, the structure, quality, and students' preferences are not building up the increase of students applying for dual-degree programs (figure 4).

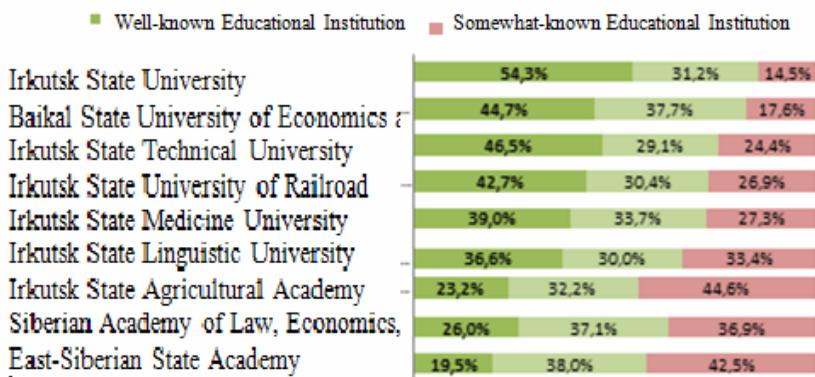


Figure 4. Higher Education Institutions Popularity in Irkutsk Region

Consequently, to attract a new generation of entrants-millennials there needs a fundamental change in educational programs, new image of an educational institution, and regional appeal as a place of residence (which indirectly depends on educational institutions).

The panel held at Bloomberg Business Summit (2013) in spring 2013 about a study implemented by Bentley University focusing on a research of student preparedness to enter a workforce has announced that 74 % of respondents agreed upon the necessity for the corporations and entrepreneurs to collaborate with academic society in order to create more up-to-date curricula which will fully comply with the needs and requirements of business. Consequently, employer’s involvement and integration in the process of education will permit to individualize and personalize educational trajectory, to determine competencies required from students, and as a result to increase the level of students conformity to employers requirements.

Educational process at Siberian-American School of Management of BIBS mixes traditional face-to-face lectures, seminars, and practice classes with the system of flexible adaptive Internet-education *Hecadem*, created by BIBS IT laboratory workers.

From the millennials perspective the existing pedagogical approach to teaching at BIBS there are certain crucial advantages to such studies.

Distance-learning platform “*Hecadem*” offers:

- The opportunity to choose educational path of a course (which corresponds to the desire of students to personally shape the amount of knowledge and competencies acquired);
- Differentiated approach to students based on understanding that entrants possess various levels of knowledge in a discipline, students apply diverse approaches to studies, and the style and speed of knowledge acquisition

are divergent (this satisfies the challenge for handling diverse educational student background);

- Efficiency and objectivity in the system of knowledge control and results estimation (continuous quality improvement of educational process);
- A guarantee of a constant feedback from the professor to students and backward (one more solution to the problem of individualized educational process) (Yudalevich N.V., 2007, para. 7);
- Education trajectory choice which better complies with the future profession (deeper scrutiny of skill and tools required for future employment).

In conclusion, only joint collaboration of educational institutions with employers and estimation of millennials' priorities and interests will allow to establish educational programs that would fully grow and foster students' potential and concurrently prepare such professionals who would totally satisfy the needs of employers.

### References

1. Avanesov V. S. Adaptive education and adaptive testing control [Electronic resource] / V. S. Avanesov. – 2007. – URL: <http://testolog.narod.ru/Theory41.html>.
2. Howe N. Millennials Rising / N. Howe, W. Strauss. – N. Y. : Vintage Books, 2000.
3. Kabani Sh. Study reveals surprising facts about millennials in the workplace [Electronic resource] / Sh. Kabani. – 2013. – URL: <http://www.forbes.com/sites/shamakabani/2013/12/05/study-reveals-surprising-facts-about-millennials-in-the-workplace/>.
4. Shamis E. Baby-boomers are retiring: what issues is the world discussing [Electronic resource] / E. Shamis. – 2009. – URL: <http://rugenations.su/2009/06/25/беби-бумеры-уходят-на-пенсию-о-каких-проблемах-говорит-мир>.
5. Shamis E. Generation next [Electronic resource] / E. Shamis. – 2009. – URL: <http://rugenations.su/2009/04/30/generation-next>.
6. Shamis E. Who is our client? The generation theory and NKO [Electronic resource] / E. Shamis. – 2009. – URL: <http://rugenations.su/2009/04/30/кто-наш-клиент-теория-поколений-и-нко>.
7. Yudalevich N. V. Pedagogical aspects of flexible adaptive education in internet environment on the example of SDE “Hecadem” // Conference Annual of Baikal International Business School. – 2007. – P. 127–131.
8. URL: <http://humanresources.about.com/od/managementtips/a/millennials.htm>.
9. URL: <http://www.inosmi.ru/world/20130611/209925956.html>.
10. URL: <http://cis.rudn.ru/document/show/action?document/id=502>.