

How to Be an Employer of Choice for Gen Z

Fulfilling the next-generation workplace wish list



This is the third and final in a series of reports from The Workforce Institute at Kronos Incorporated and Future Workplace that examines attitudes of Gen Z in workplaces across Australia, Belgium, Canada, China, France, Germany, India, Mexico, the Netherlands, New Zealand, the U.K., and the U.S., including how their education has prepared them for the working world, their perceptions about the gig economy, and their voices on how to be an employer of choice for the next generation.



ATTRACT NEW TALENT

Build a Gen Z-friendly workplace starting day one

Prioritize pay, flexibility, and consistency

From interactions with recruiters to on-the-job workplace environments, Gen Zers expect quick responses and positive, personalized experiences built on consumer-grade technology.

MARRY PAY WITH PERSONALITY

Beyond a healthy paycheck, offer Gen Zers a dynamic workplace they simply can't refuse

Nothing outweighs pay

Gen Zers are as motivated to work harder and stay longer by doing enjoyable work as they are by pay (51%). Organizations can't ignore that even for the next-generation workforce, money still talks.

In fact, due to the high cost of tuition and student loans, money may be more important for Gen Z than for any generation that came before: More than one in five Gen Zers in Canada and the U.K. (27%), Belgium (22%), Australia and New Zealand (21%), and Germany and the U.S. (20%) consider themselves broke or in debt.

The fear of being broke motivates nearly half (45%) of Gen Z to enter the workforce.

- This fear is strongest in the U.K. (63%), the U.S. (57%), Australia and New Zealand (56%), France (55%), and Canada (52%) — not so much in China (20%) or Mexico (18%), where Gen Zers work to support themselves and their household.

Success is in the eye of the check holder

Not only does pay motivate the youngest generation to stay at a company, it also correlates with feelings of professional success: Nearly half (44%) of Gen Z measures success based on salary.

Helping Gen Z find success is simple: Start with pay. For the majority (54%) of Gen Zers, pay is the most important factor when applying for their first full-time job, and for many, a job is a way to make money (44%) versus a career (33%) or a career-building opportunity (31%).

With pay on the brain for the majority of Gen Z, organizations should ensure their payroll processes and systems are up to date: More than a third (39%) of Gen Z would *never* tolerate paycheck errors.



Gen Zers in the U.K. value money most: 62% prioritize pay when applying for their first full-time job.

51%

of college graduates measure success based on their salary.

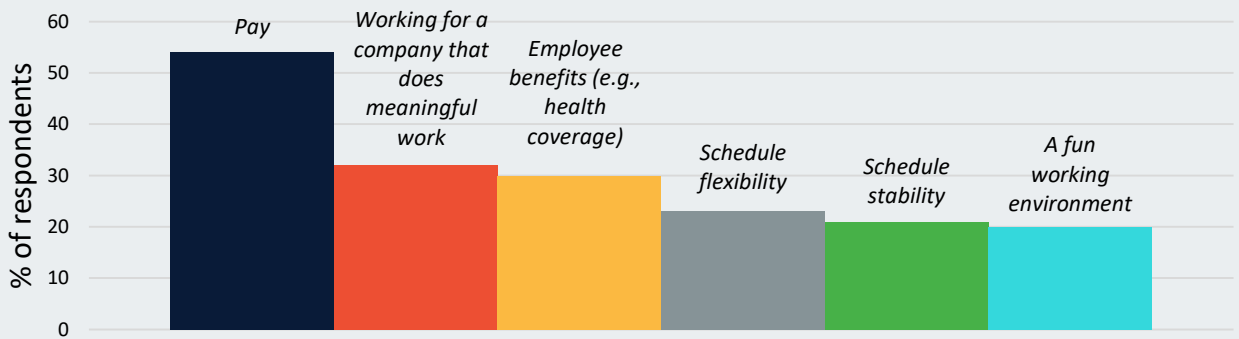


More than a quarter (27%) of Canadian Gen Zers consider themselves broke or in debt.

What matters more: employee perks or traditional benefits?

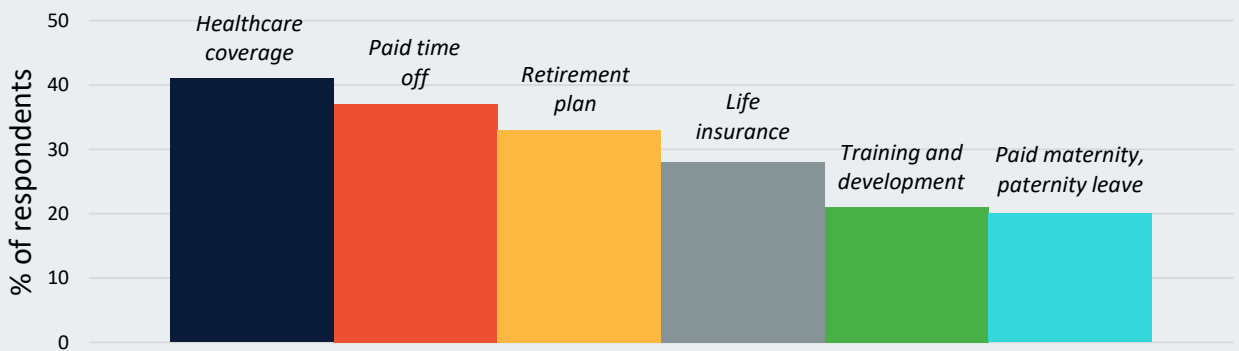
Contrary to popular belief, Gen Z is more interested in job stability — and the employee benefits that come along with it — than in surface-level workplace perks. Regardless of age, stage of life, or education, Gen Z is twice as likely to prefer working for a company that offers a good employee benefits package (30%) than one that offers employee perks such as free snacks, happy hours, or gym reimbursements (15%).

Most important factors in first full-time job

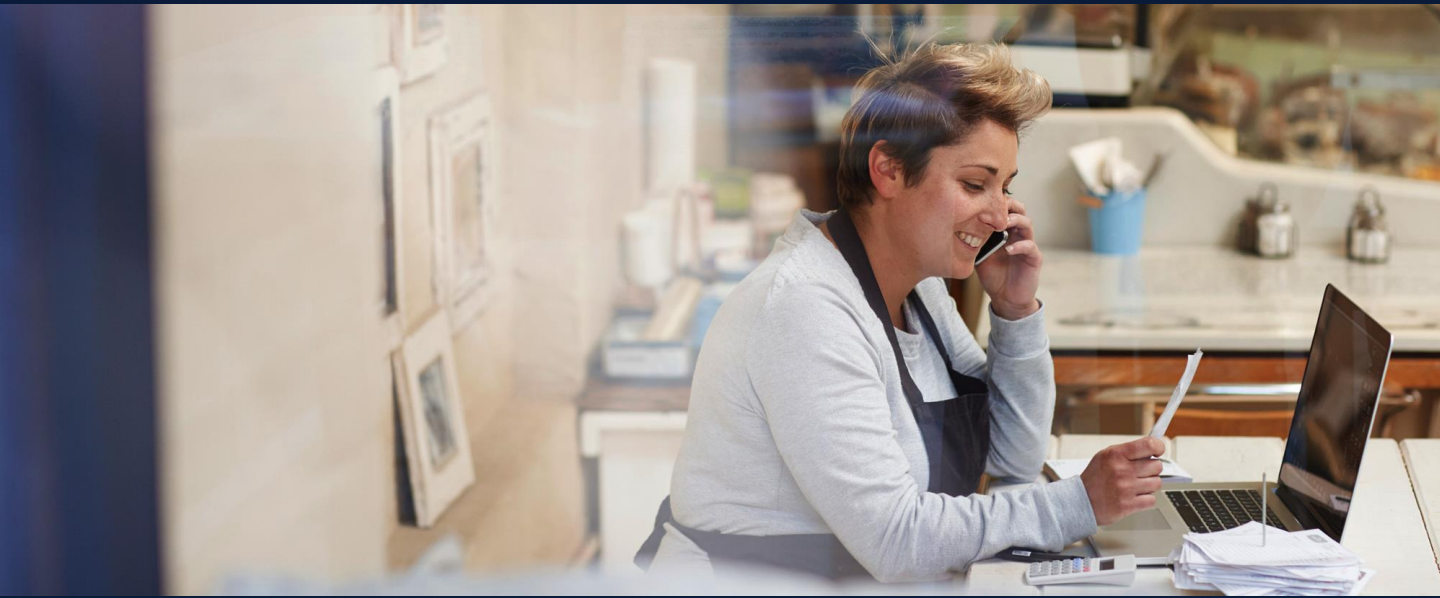


Digging deeper into what traditional employee benefits matter most to Gen Zers, healthcare coverage (41%), paid time off (37%), retirement plan (33%), and life insurance (28%) rank highest.

Most important traditional employee benefits



These findings are based on a global survey of 3,400 Gen Z respondents (aged 16–25).



TRAIN TO RETAIN

Set up Gen Zers for long-term career success

Don't hesitate to establish touchpoints

Before, during, and after the onboarding process, Gen Zers seek regular communication with managers and leaders, merit-based promotions, and a clearly defined path to success.

DON'T SKIMP ON SKILLS

Developing the next generation will only help advance today's multifaceted workforce

Future-proof the onboarding experience

Even before day one, nearly half (45%) of Gen Zers expect their employer to send them detailed information about their new role.

During their first day on the job, 44% expect hands-on training, 43% expect to attend a day-one orientation, and 33% expect to be provided upfront with everything they need to know about the job.

- Overall, most young new hires prefer to receive printed materials rather than online materials — however, in China, online materials win out for more than half (56%) of Gen Zers.

For Gen Z, onboarding doesn't end with the first day: At least one in four Gen Z employees appreciates a manager who sets clear goals and expectations upfront (26%), and a quarter believe an ideal onboarding experience includes regular check-ins with their manager during their first month on the job (25%).

Beginning on the first day, Gen Zers are looking for more than preparatory materials and on-the-job coaching: They're seeking a clear and defined path for how to get promoted.

In the eyes of Gen Z, an exceptional onboarding experience leads them to expect quick promotions: More than a third (35%) of Gen Zers measure success by how quickly they advance within the organization.

- High schoolers are most eager to prove themselves, with nearly a third (31%) seeking promotions based on merit rather than a timed schedule such as every year (16%), six months (14%), or three months (11%).

45%

of Gen Zers want details about their new role before day one.

35%

of Gen Zers measure success by advancement — second to salary.

13%

of Gen Zers ranked chatbot access last on their onboarding wish list.

Include Gen Z in the corporate conversation to bring out their best

Gen Zers are most encouraged to do their best work when they feel their ideas, projects, and contributions are valued by the organization and its mission. Specifically, Gen Zers are eager for leadership to:

- Provide training and projects to help them develop their skills (44%);
- Listen to their ideas and show they value their opinions (44%); and
- Allow them to work independently (39%).

Access to organizational leaders is also valuable for Gen Z, which prides itself on frequent cross-functional knowledge-sharing. More than a third (34%) of Gen Zers want to work in an environment where senior leaders are accessible and available, meaning younger employees are hungry for opportunities to get to know and learn from leaders in the workforce.

- Interestingly, this becomes more important to Gen Zers as they age and climb the professional ladder: Access to leaders is important to 31% of 16-to-18-year-olds, 33% of 19-to-21-year-olds, and 35% of 22-to-25-year-olds.

Consumer-grade workplace technology is table stakes for Gen Z communication and collaboration — in fact, a third expect their employer to provide modern workplace technology. For employers, the consequences of *not* offering advanced workplace technology could be dire: One in four (26%) Gen Zers says poor workplace technology would affect their performance at work, and one in five (21%) full-time employees, high school students, and college graduates simply wouldn't tolerate outdated technology.

- This sentiment is highest in India, where a staggering 37% of Gen Zers wouldn't tolerate antiquated technology in the workplace.



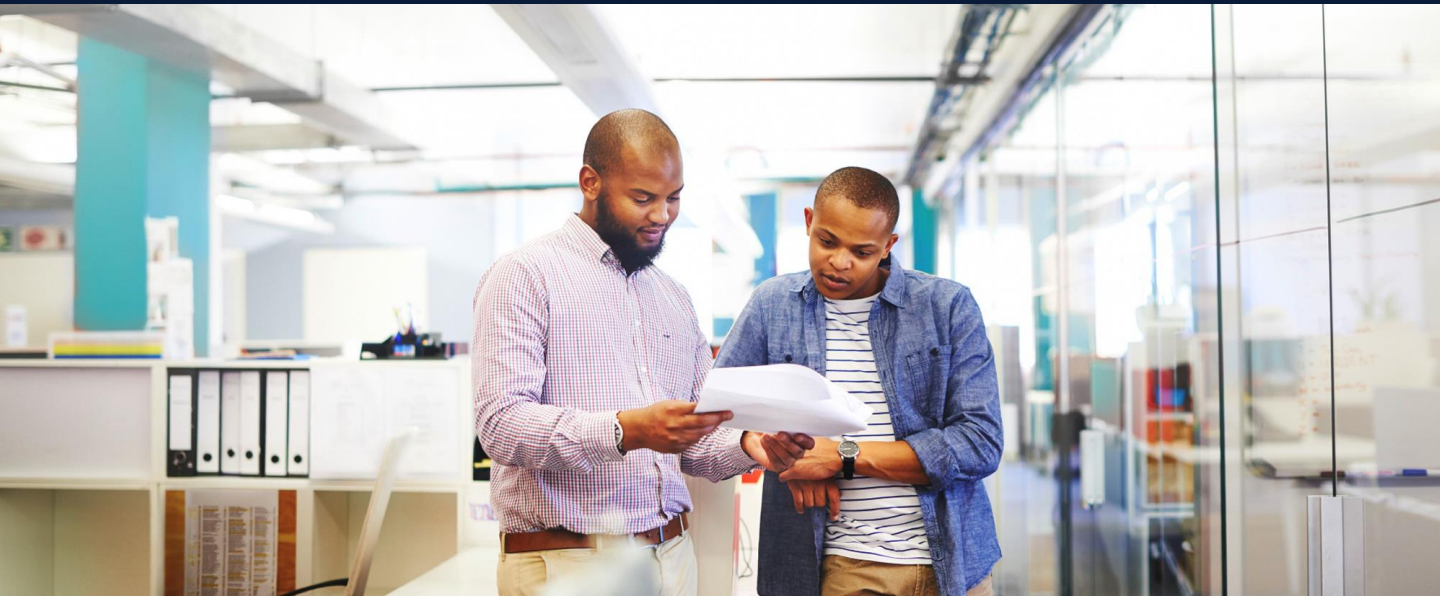
Gen Zers in India are more likely to do their best work tackling projects they care about (59%) compared to the global average (37%).



In China, more than half (51%) of Gen Zers want to work in an environment where senior leaders are accessible and available.



Gen Zers in Mexico are eager for inclusion: Nearly half (47%) seek managers who listen to their ideas and actively value their opinions.



MOTIVATE WITH MEANING

Cultivate an inspiring culture that Gen Zers crave

Gen Zers seek money first and foremost...

...but enjoyable work, supportive managers, and recognition for a job well done don't fall far behind. Keep them longer by building a strong workforce centered on employee engagement.

EXCEED EXPECTATIONS

Identify the perfect combination of people, culture, and technology

Communicate, socialize, and modernize

When it comes to attracting top talent, companies should be aware that Gen Zers are ultimately looking for employers with highly communicative recruiting approaches, transparency around employee concerns, and advanced candidate- and employee-facing technology.



More than half (55%) of Gen Z candidates in Mexico are put off by slow or delayed responses from recruiters and hiring managers.

When asked what turns them off, nearly half (44%) of Gen Zers cite slow or delayed responses from recruiters and

hiring managers, followed closely by negative employee reviews online (41%), dated application portals or processes (29%), and dated working environments (24%).



Negative employee reviews are the biggest red flag for more than half of Gen Z candidates in China (55%).

Flexibility: One small step for employers, one huge factor for Gen Zers

On the hunt for a stable paycheck but a flexible job, 21% of Gen Zers rank schedule stability closely behind the importance of flexible working schedules (23%) when they consider what's most important in their first full-time job.

- Notably, this mindset flips in Canada, France, and Germany, where Gen Zers favor stability (24% and both 20% respectively) over flexibility (23%, 12%, and 16%).



Negative customer experiences wreak the most havoc for Gen Z candidates in Australia and New Zealand (34%).

In the mission to balance workplace structure and schedule flexibility, employers across the globe should turn to intelligent and automated time-off requests and shift-swapping technology to ensure healthy staffing while empowering employees to work when, where, and how they want to.

Empower teams to empower Gen Z workers

Don't underestimate the value of a strong managerial workforce: One-third (32%) of Gen Zers feel motivated to work harder and stay longer at a company if they have a supportive manager, and, for 29%, a poor manager is one of the biggest obstacles to work performance.



More than half (51%) of Gen Zers in Australia and New Zealand would never tolerate an unsupportive manager.

Beyond managers, strong working relationships with teams are vital for the engagement of the Gen Z workforce — a third (34%) say their work performance would be affected if they were unable to get along with their team.

- Gen Zers in Germany (43%), France (42%), and Australia and New Zealand (41%) feel most strongly about this.

Nearly half (43%) of Gen Z workers see disengaged or unhappy employees as a red flag that would make them lose interest in working for the company altogether.

Building an inspired workforce starts at the top. Ensure managers proactively demonstrate the attitudes that Gen Z values most in a leader, including:

- They trust me (47%)
- They are supportive (40%)
- They care about me (35%)

Reward — and rehire — for a job well done

Sweeten the pot for performance reviews: Cash rewards and bonuses are preferred worldwide by nearly half (43%) of Gen Zers, ranking above public recognition by a manager or leader, additional vacation days, or recognition via social media.

In addition to cash, a third (32%) say they feel motivated to do their best work when a manager recognizes them for doing a good job.

- This sentiment is particularly prevalent in France (42%), Australia and New Zealand, and Canada (all 40%).

In addition to pay, Gen Zers look to factors such as respect from coworkers (34%) and recognition from managers (32%) to measure their success in the workplace.

- In China, Gen Zers are more likely to measure success based on respect from coworkers (50%) compared to other regions.

43%

of Gen Z employees prefer to be rewarded with cash rewards and bonuses for a job well done.

Remember: Despite how successful you are attracting, developing, and motivating your workforce, Gen Zers are just starting out and might feel the urge to explore other job opportunities — regardless of how good they have it working for you! After all, most young workers tend to job-hop early on in their careers.

As an employer of choice, don't be afraid to keep the door open welcome great talent again when they're ready to boomerang back to you.

ABOUT THIS REPORT

This survey is the third and final in a series of reports from The Workforce Institute at Kronos Incorporated and Future Workplace that examines attitudes of Gen Z in the workplace. Part three, “How to Be an Employer of Choice for Gen Z,” outlines Gen Z’s workplace wish list and the opportunities employees have to better attract, engage, and retain Gen Z employees.

THE WORKFORCE INSTITUTE AT KRONOS

The Workforce Institute at Kronos Incorporated is a think tank that helps organizations drive performance by addressing human capital management and workforce management issues that affect both hourly and salaried employees. Through education and research, The Workforce Institute empowers organizations with practical ideas for optimizing the 21st-century workplace. Board members and key stakeholders publish articles and insights through The Workforce Institute blog at www.workforceinstitute.org.

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For more on how Kronos can help your organization address employee engagement and other key workforce management issues, please email us at educate@kronos.com or visit www.kronos.com.

Survey Methodology

Research findings are based on a global survey conducted on behalf of The Workforce Institute at Kronos and Future Workplace by Savanta across Australia and New Zealand (surveyed together), Belgium, Canada, China, France, Germany, India, Mexico, the Netherlands, the U.K., and the U.S. from April 9–23, 2019. For this survey, 3,400 respondents were asked general questions to explore thoughts on gig economy, workplace readiness and expectations, corporate culture, and learning and development with respect to their career. Respondents are recruited through a number of different mechanisms, via different sources, to join the panels and participate in market research surveys. All panelists have passed a double opt-in process and completed on average 300 profiling data points prior to taking part in surveys. Respondents are invited to take part via email and are provided with a small monetary incentive for doing so. Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. In this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 1.7 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

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