

# NEW AGE THINKING

## WHAT CHALLENGES DO EMPLOYERS FACE WHEN RECRUITING GENERATION Z?

### EMPLOYERS ARE ADAPTING TO THE

generation of workers who are constantly connected and ambitious but who seek instant gratification and feedback, and can be incredibly anxious. For Generation Z - the digital-native post-millennials born from the mid-nineties onwards - the workplace is exciting but daunting.

This group must build their career post-Brexit, having grown up during the 2008 financial crash and subsequent economic downturn, threats from global terrorism, political uncertainty in the Middle East and high youth unemployment in much of Europe.

This generation witnessed their older siblings or parents struggling, and this has affected their attitude to work, their ambitions and motivations. It has made them more self-aware, self-reliant and driven. They are realistic, goal-oriented innovators and more likely to want to save money than spend it. Gen Z acknowledge they will have to retire at an older age, so they will want work to fit around their lives. However, for this to be a reality for many Gen Z workers, they will need to have the skills employers demand, particularly as there is more automation in the workplace. They must also find ways to finance their life choices if salaries remain under pressure and other factors such as the cost of renting or buying their own home take their toll.

There is also the challenge of hiring a generation that will likely perform jobs that don't yet exist. However, it's safe to assume that, with a more advanced level of digital skills, this generation will be the most connected in history. According to UK social media monitoring company **Brandwatch**, which has tried to forecast future jobs for Gen Z, these could include digital architects who design virtual buildings, waste data handlers who dispose of data in a responsible way, elderly wellbeing

consultants as the population ages, and nano-medics who create small implants so people can monitor their own health and self-medicate.

Many HR professionals believe Gen Z will disrupt the workplace more than Gen Y or Gen X ever did. Long-term loyalty is unlikely because these young people will want different jobs during their long career. The challenge is to find effective ways to accommodate and retain emerging talent, and a structured onboarding process is certainly a must. ▶



### ▶ A DIFFERENT APPROACH

Rob Phipps, Chief People Officer for **KFC** Australia, New Zealand and Thailand, says 95 per cent of its 35,000 workforce were born after 1996. “To attract and retain Gen Z, we need to help them be the best they can be at work and in life,” he says. “We help them to make a difference to each other and to their communities. They also want to have fun.”

There are also some differences in the recruitment process, with Gen Z demanding quick responses and transparency from employers. “If your jobs are not advertised online, this generation won’t find them,” says Phipps. “They don’t want to hear company spin, and those with the skills an organisation needs will know where to find other opportunities if the hiring process is slow.”

Employers must also appreciate how using different devices is such an integral part of this generation’s life. According to the 2016 **Childwise** Monitor report, a 16-year-old will use the internet for about three hours a day and employers can benefit from their digital skills. Their attention span is short, but their ability to use different screens at the same time means they are often better at multi-tasking than older workers.

“FOR MANY OF GEN Z, EMPLOYER BRAND IS MORE IMPORTANT THAN THE JOB”

— STEVE MORRIS, LEARNDIRECT

Many are also much more comfortable about their sexuality and ethnicity and will expect the companies they work for to embrace diversity, which they will see as the norm. According to research by The Innovation Group, communication agency **J. Walter Thompson’s** in-house creative think tank, only 48 per cent of 13- to 20-year-olds identify as ‘exclusively heterosexual’, compared with 65 per cent of millennials, while data from the **United States Census Bureau** confirm that Gen Z will be the most ethnically diverse group to ever enter the workforce.

However, figures from the **World Health Organization** reveal that Gen Z is not necessarily happy, with many young people worried about their future. In the UK they are worried about student debt and many are considering apprenticeships as an alternative to further education. According to

training provider **learndirect**, 37.4 per cent of the apprentices starting in the UK between August and October were aged 16–18. This was up from an average 25 per cent recorded in the previous five years.

There is not necessarily a trend against going to university, but in 2013 the **Department for Education** introduced new legislation which meant young people had to continue in education beyond the age of 16, and many have opted for an apprenticeship.

Steve Morris, Marketing Director of **learndirect**, says organisations can grow their own talent by hiring apprentices, but the hiring process is not straightforward. “There is a lot of parental influence. This age group will discuss with their family a potential employer, the role being offered and the salary,” he says. “For many Gen Zs and their parents, the employer brand is often more important than the initial job they will do.”

He points to how some high-profile employers are wooing apprentices because these are perceived as great brands to work for in the eyes of parents. “Also, many younger people want to work in the retailers they shop in or for tech giants such as **Google**, and these might not always be the obvious brands their parents might think of.”

Morris says the emphasis on a work-life balance has changed slightly for Gen Z, because technology means remote and home working will be considered the norm.

### MISSING SKILLS

With five generations in the workplace at once, there are bound to be challenges.

Baby boomers and Gen Z might have dissimilar views on loyalty and work-life balance, for example, and this can affect employee engagement and teamwork. Knowledge of how technology works and perceptions of whether it can be a help or a hindrance in the workplace can also cause tension between the generations at work. These strains must be managed, especially as older workers are hanging around for longer.

For this reason, Gen Z will need support to understand workplace etiquette, and the values held by older colleagues, even for seemingly simple things such as acceptable use of a mobile phone at work.

Across Europe, employers are facing the same issues. Sue Warman, Senior Director, HR for Northern Europe and Russia for business intelligence and analytics firm **SAS**, says the company needs to





rebalance its workforce as the average age across Europe is mid-40s. It wants to reduce this to the mid-30s to better reflect how young some of the decision-makers are within its customer base.

SAS employs 6,000 people across Europe and Warman is hiring more apprentices as well as graduates. She says there is an element of pseudo-parenting required by HR and line managers as younger people learn what behaviours are acceptable in the workplace.

“They need to understand meeting protocol, how to manage their time and how to represent our brand. It means a big coaching overhead for managers, but Gen Z welcome a good manager they can look up to.”

Warman says older workers are fascinated by their younger colleagues, but when recruiting from Gen Z it is best to ask for help from those in the same demographic. “You cannot fake youth as an HR person,” she says.

“We are doing a big push to get our younger workers to recruit for us through their university contacts and social media. I have seen how companies are using virtual reality and gaming at events. You have to speak their language and not be too corporate.”

### SPEEDING UP

At civil engineering and construction company **Costain**, HR Operations Director Jenny Tomkins calls Gen Z the “impatient generation” and says the immediacy they demand in their lives extends to the workplace.

The company has shortened its graduate scheme from three years to two and split it into two streams. There is still a longer route for those who need the technical knowledge to become engineers, but also

a shorter path for those earmarked for management.

“We want to be able to accelerate people’s careers if they are ambitious, but they still have to earn their stripes,” says Tomkins. “You also have to spot a young person’s strengths and potential early. We had one graduate who was going down the technical engineering route but was not doing too well, so we moved him into a sales role and he is flying.”

She adds that Gen Z also have a commitment to ‘purpose’ in their work, and want to understand ‘why’ a company does what it does. “We build the infrastructure, such as the redevelopment of London Bridge station, that will support Britain’s future, and that is an exciting story when recruiting.”

Gen Z’s impatience and perception of the workplace does have an impact on the HR function. For example, it must be aware of what employees might be sharing on social media and adapt the benefits and rewards on offer to make them relevant.

Money worries mean Gen Z will value financial protection such as a good pension, private medical insurance and income protection, as well as flexible benefits that allow them to enjoy life and book extra holiday.

“HR is there to support,” says Tomkins. “Many of our projects are based away from a young person’s home town, so they will need practical guidance. We assign them a project buddy because, for many, it is the first time they will have been away from their parents for so long.”

And while needs and attitudes certainly do change, Phipps says everyone, regardless of their generation, likes to feel trusted and cared for at work and part of something successful.

“What changes is the environment in which we operate. The baby boomers had wars, Gen X had recessions, while Gen Y was the first generation to be financially worse off than their parents. Gen Z has globalisation, terrorism and technology. In my mind, humanity endures. It’s not about the motivation, but about how we manage differently in the working environment of the particular generation.” ■

## THE GENERATION GAME

### When was each generation born?

Baby boomers: 1945-1960

Gen X: 1961-1980

Gen Y (millennials): 1980-1996

Gen Z: 1997-2010

Gen Alpha: after 2010