DISCOVERING GENERATION Z: WHO ARE THEY AND WHAT DO THEY WANT?

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ABSTRACT

The United States workforce has become increasingly diverse over the past few decades, not only in terms of ethnic backgrounds but age as well. Multiple generations exist in the workforce and each generation requires different things from the organizations of today and tomorrow. Especially when we look towards the future, the needs of Generation Z may require more adaptation and agility from organizations. With Generation Z expectations, “organizations must consider the ways that this expectation will change the nature of work responsibilities, management, recruitment, team communication, retention, and more” (Anderson, 2019). The question is how do we engage this up and coming generation and retain them as organizations move towards a more contingent-like structure where employees are free to move from organization to organization based on their own tastes? An answer (or answers) must be found and this paper begins to explore this critical topic by reviewing current literature related to the engagement and retention of Generation Z individuals.

Keywords: Generation Z, engagement, retention, motivation, generational differences

INTRODUCTION

Millennials have been the talk of the decade, both in professional and academic settings. Millennials are often associated with being tech-savvy and continuously connected to each other virtually. Often in small group settings where individuals from diverse age groups gather, Millennials are sought to wave their magic electronic wand and resolve all technical problems. While this is often an unfair assumption, bias, or even stereotype regarding Millennials, what does that mean for the generations following who were born and raised with iPhones and iPads in hand? With the entrance of the new decade must come a shift in conversation, a shift to focus on Generation Z youth (“Gen Z”), the newest generation in the United States (U.S.) workforce. This generation is also known as the “Facebook Generation”, ‘digital natives’ ‘Instant online’ group, ‘dotcom’ kids, ‘net generation’, ‘iGeneration’, ‘Generation C’, where C stands for connection, or ‘Generation D’, which refers to digital” (Torocsik, Szucs, & Kehl, 2014).
The United States workforce is becoming increasingly more contingent-like, where individuals are free to move from company to company based on their personal needs and preferences. While this is not necessarily a bad thing, as individuals may be able to pursue an improved work-life balance, reduce toxic work relationships, and empower themselves to seek new opportunities, this may become a frightening experience for employers in the United States if organizations are scrambling to recruit, hire, train, and hopefully retain employees to complete the work that needs to be done and succeed in fulfilling organizational goals. Approximately 83% of Generation Z have an understanding that the appropriate amount of time to remain with their first company is under three years and 27% of Gen Z shrink that timeframe to a under a year (Crouch, 2015). Employee turnover results in increased costs for companies related to recruitment, hiring period, training, and etc. Costs associated with the turnover of Millennial employees were around $15,000 to $20,000, lower than what is expected to be costs for Generation Z employees (Bridges, 2015). How to retain Generation Z individuals is absolutely a concern (Crouch, 2015). With several generations in the workforce also consisting of several races, ethnicities, educational backgrounds, work experience, needs and wants, it can be extremely difficult to determine an appropriate strategy for the engagement and retention of employees. Especially looking at how a large proportion of Generation Z has graduated college and entered into the workforce, another complex piece has been added to the puzzle.

How do we engage this up and coming generation and cater to their needs in order to encourage them to stay at the company while accomplishing organizational objectives at the same time? First, an understanding of the generation at large must be explored in order to create any progress. Who all are considered Generation Z, how do they differ from Millennials, what are their needs and wants, and how will they change the future of the workforce and academia? This paper seeks to explore these very important questions by looking at current academic and practitioner-based sources to review the existing knowledge on this up and coming generation.

**DEFINING GENERATION Z**

Who all are considered a part of Generation Z? Since the United States Census Bureau has only provided specific direction to the year of birth ranges for the Baby Boomer generation, there is much debate as to when exactly the cutoff birthyears are between Millennials and Generation Z individuals, with several sources providing varying answers such as 1995, 1996, 1997, and even the early 2000s as the year Generation Z individuals first entered the world (Dimock, 2019). On the other hand, other sources indicate Generation Z began with those born in the early to mid-1900s (Bascha, 2011; Crouch, 2015). For the purposes of this paper, the Forbes.com definition will be utilized, where Generation Z individuals consist of the population within the world born between the years of 1995 and 2010 (Patel, 2017a). What is critical to consider is the volume of Generation Z who have entered or are entering the workforce. “In the U.S. alone, Gen Z comprises some 61 million potential workers and consumers”, which is certainly no small number (Baum, 2019). Also “in the U.S. alone, Gen Z already
wields U.S. $44 billion in purchasing power—U.S. $200 billion if you factor in their influence on household purchases (Black et al., 2017; Up and Counting: Generation Z, 2017). The oldest Gen Z members were very young during the 9/11 tragedy and grew up during the 2008 crash of the housing and stock markets, and essentially grew up during the Great Recession (Patel, 2017a). This may help explain some characteristics of Generation Z members, that may distinguish their needs and wants from Millennials in the United States.

ENGAGING GENERATION Z

Millennials may be known for their tech-savviness, but what are Generation Z members known for? Forbes.com provides 8 characteristics of Gen Z that employers should be aware of. Generation Z individuals value and/or seek financial security, competition, independence, the ability to multi-task, entrepreneurship opportunities, face-to-face communication, the integration of technology in the workplace, and organizations that will engage them and/or fulfill their needs (Patel, 2017a).

What does this mean for organizations of the present and future, as Generation Z individuals enter the workforce? It may mean a shift in recruitment strategies, emphasizing work-life integration and attractive company benefits to start. It isn’t shocking that this new generation may expect to be able to multi-task more than the Millennials as this may just be a result of technological advancements and the world being full of distractions thanks to the vast Worldwide Web.

Work-from-home opportunities may be demanded more by these individuals since they seem to enjoy independent work and increased work-life integration. Gone are the days where employees work strict-hour, 9 AM-5 PM jobs as Generation Z members are more willing to take on work responsibilities after hours. Generation Z may be willing to take on more work after arriving at home, catching up on email or completing deliverable drafts as they eat dinner or watch Netflix (Patel, 2017a). The issue at hand isn’t work-life balance where individuals seek to not take home work every day, but work-life integration, where employers offer more flexibility or upfront expectations regarding the timing of work completion. Working from home shouldn’t be viewed as a bad thing or have the negative connotation of lazy employees. Instead, a shift in mindset should occur to view work-from-home opportunities as a strategy to help individuals accomplish both their personal and professional goals. Doctor and dentist appointments for example, can be difficult to schedule outside of normal working hours during the typical Monday through Friday work week. By giving employees more freedom, flexibility, and independence, they may be able to get both their work and personal priorities done. This becomes highly attractive to the Generation Z population.

Alongside with being flexible in work hours or offering the option to work from home may be a need to shift the structure of in-office workspaces as well. In the past, organizations have experimented with open and closed workspace settings. In the present and future, organizations will need to adapt their offices to not only including walking desks or outdoor activities as employees seek more ways to remain fit or be mobile during work, but also
address the entrepreneurial and creative nature of Generation Z employees in conducting four types of work identified: “concentration, collaboration, socialization, and education” (Bridges, 2015). Collaborative activities are often best associated with the open-space type environments that currently exist in many offices, especially in today’s professional services or consulting-based organizations. Social activities may require large conference rooms or an open table area. Educational activities may require similar large conference rooms or auditoriums depending on the size of the company, but activities requiring high concentration may be more of the closed spaces like small breakout rooms or individual office spaces for people to accomplish the designated tasks for the day.

The United States workforce does not have to necessarily implement drastic changes in order to accommodate the Generation Z population. In fact, it should already be moving towards creating a culture of inclusivity, growth and openness. Generation Z individuals seek a workplace that is similar to a warm community, where one can talk about personal experiences and learn and grow with other people. Gen Z wants to be surrounded by coworkers, supervisors, etc. who will provide valuable feedback, and engage in meaningful work at a company that gives them a voice and provides attractive benefits (Burnham, 2014; Patel, 2017b). Generation Z seeks employers who will take the time to listen to them (Bascha, 2011). Forbes.com provides advice for employers and supervisors of Gen Z: “learn about your people, be curious, and be open to hearing what might surprise you or confound you” (Henley, 2019). What is important to emphasize here is that these are not revolutionary ideas. Regardless of one’s age or years of experience, employers should be open to learning from others and coach employees to build their strengths and conquer their weaknesses (Henley, 2019).

These concepts as needs or wants from the workforce is probably quite familiar to Human Resources (HR) or Organization Development professionals. In fact, viable HR practices should be implemented to engage both Millennials and Generation Z individuals. These practices include: “attracting and retaining talent and being recognized as an ‘employer of choice; maintaining employee health and safety; investing into the skills of the workforce on a long-term basis by developing critical competencies and lifelong learning; supporting employees’ work-life balance and work-family balance; managing aging workforces; creating employee trust, employee trustworthiness and sustained employment relationships; exhibiting and fostering (corporate) social responsibility towards employees and their communities; and maintaining a high quality of life for employees and communities” (Baum, 2019). Similarly, focusing on organizational culture and design and relating additional organizational components to the needs and wants of Generation Z members, can help retain these individuals over the long-run.

Health and wellbeing, as briefly mentioned before is a huge focus for Generation Z. These are the individuals willing to spend a premium of their hard-earned money from a younger age on organic or well-prepared foods. Millennials are similar in this, as revealed by two major statistics found in a global study conducted by the Nielsen Company: “40% of Gen Z prefer food ingredients that are sustainably sourced, reduce disease risk, and promote good health” and “not only is this their preference, 41% of Gen Z and 32% of
Millennials are willing to pay a premium for it” (Bridges, 2015). Here are the
target market or main consumers of Whole Foods, Trader Joe’s, or natural-based
farmers market produce, that may be more expensive but higher in quality
compared to grocery stores such as Aldi or Jewel Osco or wholesalers such as
Costco and Sam’s Club.

In addition, the Nielsn study discovered that 40% of Generation Z
individuals are seeking a formal corporate wellness program when searching for
a new job (Bridges, 2015). This may look like a corporate wellness subsidy
program, designed to reduce employee expenses related to promoting their
wellbeing such as gym memberships, massages, or fitness-related equipment and
technology. It could also look like more fitness-related activities at work such as
team workout sessions after working hours (e.g., team pilates, team HIIT
workouts, etc.). Companies may offer Wellness Fairs annually, where trainers
and external organizations come in to promote their wellbeing-related products.

These wellbeing activities do not necessarily need to be limited to
fitness but can expand to other activities revolving around improving one’s
health. Companies may be able to offer free flu shots or wellness assessments
(e.g., blood tests, weight/body mass index assessments), as long as the
appropriate measures are undertaken and there are no liability issues. This
generation grew up with Wall-E and being able to visualize what a life without
much movement or effort could look like. They have seen what long-term life
conditions or diseases can result from conditions like obesity and diabetes and
aspire to remain fit and in good health. Not to mention, with their childhood
occurring during a recession, they may not have grown up consuming the
healthiest of meals. A shorter lifespan may be in store for this generation as out
of “100 Generation Z kids, 47 will be obese by the time they reach adulthood”
(Generation Z Challenges, n.d.). Healthy, and potentially subsidized, food
options in the company cafeteria may be another way to help promote wellbeing.
Mental health is another large area of wellbeing and ideas for organizational
leaders may be holding weekly (or at a different preferred frequency)
mindfulness sessions. There are many ways for organizations to set up a fitness
program, wellness package, wellbeing focus, etc. What is important is that
organizations ensure their members understand that leadership strongly supports,
cares about, and is willing to drive the promotion of employee wellbeing. People
are the essence of every organization and that belief must be present in the mind,
behavior, and action of every organizational executive.

GENERATION Z VS. MILLENNIALS

While some of Gen Z’s needs are not surprising, there are a few that
may come as a shock, especially when these needs are compared to Millennial
needs. Born and raised in a tech-enabled world, many may assume that
Generation Z individuals prefer communication via technology or some
electronic means, but they actually may prefer face-to-face communication. It
was found in a global workplace study of Millennials and Generation Z members
that 51% of Gen Z prefer face-to-face interactions rather than communication
over systems like Skype or Zoom (Schawbel, 2014). Thanks to the constant
access to information and media consumption from an early age however, the
attention spans of Gen Z individuals is decreasing (Gupta, 2019). “The average Generation Z individual has an 8-second attention span, down from 12 seconds for Millennials” (Shatto & Erwin, 2016). Even though Generation Z members are essentially digital natives who have always had access to the world’s information at their fingertips, especially when compared to other generations, they have also learned to value their privacy and limit their usage of technology to an appropriate manner (Black et al., 2017; Cioletti, 2014; Seemiller & Grace, 2017). This may be due to negative connotation or even stereotype associated with Millennials for being so tech-focused but the reality is that even Millennials grew up during a time where technology was limited (Patel, 2017a, 2017b). During the childhood of the Millennial population, the first major miniature cell phones were just being released and the world still had boxed TVs, landlines, and the infamous Yellow Pages.

Nevertheless, the popular acronym “FOMO” or “Fear of Missing Out” indicates clearly how important it is for Generation Z individuals to be able to stay connected to each other, whether it be through social media applications or in-person (Hope, 2016). Whether FOMO is here to stay or not is unclear. What is clear however, is that Generation Z individuals really crave the community-aspect of relationships. They are more likely to follow authority-based relationships than Millennials but only if they are fully engaged in those relationships and to be frank, genuinely care about the relationship that has been developed (Cameron & Pagnattaro, 2017). It is important for companies to demonstrate authenticity, the value one is bringing to the table, and common, shared values in order to gain Gen Z’s loyalty (Black et al., 2017). Organizations need to remember the human-aspect of connection in order to retain the newest generation in the workforce.

The technology enablement and need to be virtually connected are also important when thinking about how to educate or train Generation Z members. Mobile applications, videos, and interactive games via online gaming platforms such as Kahoot and Socrative should be accompanied by hands-on real-life application or industry example of the topic of study (Shatto & Erwin, 2016). The careful usage of social media during class for specific activities may be a valuable opportunity to encourage collaboration among peers, albeit a little dangerous as a potential distraction or time-killer.

Another interesting distinction is the preference for teamwork vs. friendly competition. Millennials prefer to work in teams and in collaboration with each other, but Generation Z isn’t scared of some friendly competition. Growing up during the recession and economically challenging times may have taught Generation Z members that financial success is not always guaranteed – one must work hard in order to be rewarded. Skills constantly must be developed in order to remain a competitive candidate (Patel, 2017a). “Research from both the recessionary periods around the Great Depression and the 1970’s shows that kids who grow up in recessions are often less confident, “settle” in lower paid jobs, and are more fearful about financial difficulties” (Wood, n.d.). They also prefer participating in hands-on activities with real-life applications and observing how other people accomplish tasks before trying it themselves. Valuing their desire to conduct independent work is important, especially when the individual may just be trying to figure out a topic on their own before reaching out to others for assistance (Seemiller & Grace, 2017). This may also
relate to their entrepreneurial spirit. It is also important to recognize that this generation within the United States has grown up with diversity all around them, with almost half of them being non-white (Cartagena, n.d.). Generation Z can also be diverse in their gender and sexual orientation, and as one of the most diverse generations, they are looking for organizations to prioritize diversity as well (Alter, n.d.). These individuals are more comfortable with people of different backgrounds, races, ethnicities, etc. and seek global exposure (Hesselbein, 2018). This characteristic may build a whole new skillset as it can translate into a larger worldview as Gen Z transitions to the workplace.

A Millennial myth to break for Generation Z is the focus on purposeful work. To a certain extent, Gen Z individuals desire to be given meaningful work but if it comes down between purposeful work or their job security, they will generally choose the latter (Katz, 2016; Patel, 2017a). Once again, their childhood being full of financial difficulties for several, may be an explanation for this characteristic. Financial-based incentives such as a high-paying salary, student loan forgiveness or student loan payment assistance, high 401K matching plans, pension plans, and beneficial insurance plans are great benefits companies can offer to attract Generation Z (Henley, 2019). In a 2016 survey by Adecco Staffing USA, it was discovered that 21% of Generation Z is worried about the cost of education and its impact on the student’s financial future and lifestyle and that 53% of this population evaluates the amount of student debt that will accumulate when making educational or career-based decisions, which may involve pursuing higher education or searching for a job with student loan consolidation or forgiveness benefits (Crouch, 2015). “Eight in 10 workers with student loans say they would value working for a firm that provides extra dollars for student loan debt repayment, CNBC reported, but only 4 percent of organizations offer student loan repayment as a benefit, according to the Society for Human Resource Management's 2018 Employee Benefits survey report” (Sammer, 2018). Although this is not necessarily unique to Gen Z, as all generations would be interested in financial benefits, the emphasis on service and corporate social responsibility may not be as relevant anymore when catering towards the newest generation, or at least as critical as it was for the Millennial generation. This new generation would rather create a positive impact by taking on service projects related to social change and addressing the root causes of issues such as hunger and poverty, than serving at a soup kitchen for two hours a week or leading clothing and food drives to donate to the needy (Cartagena, n.d.; Seemiller & Grace, 2017).

Aside from their relationships and causes they believe in, opportunities for advancement or receiving some kind of reward for their work are what motivates Generation Z individuals (Hope, 2016). In fact, a survey discovered that a large portion of the Gen Z population, over 75%, believe that a promotion is due following the first year on the job, which is not an easy opportunity to provide (Great Expectations, 2019). Increasing advancement opportunities with improved benefits and social-change initiative projects may be one way to attract and engage Generation Z individuals.
CONCLUSION: LOOKING TOWARDS THE FUTURE

The immediate present and future require researchers to study Generation Z individuals more, specifically in terms of how to retain them and what their potential future impact on the workforce could look like. Many articles initially found regarding Gen Z preferences consisted of only a few pages worth of information. Although several surveys have been completed with Generation Z individuals self-reporting on their needs and preferences, more research can be conducted within the academic arena. Specifically, the engagement and retention of these individuals can be studied, where engagement is attracting the individual to an organization and retention is keeping that individual engaged over a period of time within the same organization. What keeps Gen Z coming back for more? Is it culture, community, a sense of purpose, or something else? Sources propose one way may be to appeal “to Gen Z’s desire to learn while offering opportunities for substantial growth”, but more studies need to be conducted in order to validate this point and discover other potential methods of engagement and retention of this population. The world needs to know before Generation Z has become the majority population within the workforce.

Looking at existing research on Generation Z, it is apparent that the learning styles and preferences of this population have been studied, and that more can be learned on their working styles and preferences. YouTube videos or Ted Talks for example, are one great way to engage Gen Z individuals in terms of education materials (Black et al., 2017; Cameron & Pagnattaro, 2017; Gupta, 2019; Hope, 2016; Seemiller & Grace, 2017). The use of props and academic gaming platforms can also be leveraged to engage Gen Z individuals. Essentially, providing “information, stimulation, and connection” is critical to sustain the interest of Gen Z (Cameron & Pagnattaro, 2017). Engaging the different senses is important to retain what is considered to be a short attention span for this generation.

Focusing on Millennials is still important since they compose majority of the United States workforce, however more research must be done to understand how to better engage and eventually retain the up and coming generation, Generation Z members, within organizations. Unlike the abundant academic articles and other published and peer-reviewed literature on the engagement and retention of Millennials within the workforce as well as other types of organizations, there is not that much available on Gen Z individuals. While nonacademic sources have started uncovering the mystery that is Gen Z, academia has a ways to go before the engagement of Generation Z individuals is sufficiently covered. In a comparative search for “Millennials” and “engagement” or “Millennials in the workplace” versus “Gen Z” and “engagement” or “Generation Z in the workplace” on an academic institution’s library website, the search for Millennials returned 3,806 results whereas only 140 results were returned when the search was conducted for the Generation Z population. While this may not necessarily be a 1:1 correlation within the academic databases for the particular institution, it helps display the point that more research needs to be done on the engagement of Generation Z.

Seeing as Generation Z has just begun entering the workforce, academic research may need to review this generation’s interactions in volunteer-based or
non-profit organizations. This may be valuable to determine what really motivates or engages a Gen Z member to be a part of the organization, without the concept of financial payments or some form of remuneration involved. Even for frontline service-based organizations, it would be beneficial to develop an understanding of “the worklife expectations of...youthful new hires”, “what it is that new entrant youth want from their working lives” and reflect that in their organizations to “attract and retain young people” (Baum, 2019). By understanding why Generation Z members return to the same volunteer-based or non-profit organizations, organization leaders can begin to understand why they serve where they serve. Why the Generation Z members return to particular organizations and depart others, it is not yet clear. As the United States workforce becomes more contingent-based, where individuals are hired for their skills and change jobs frequently, it may become difficult to attract such young talent or retain them long enough to replace him or her by training another individual. This “gig economy” is where individuals are essentially freelancers who pick and choose their breadwinning work, as opposed to signing contract agreements committing years of one’s life to a single organization (Seemiller & Grace, 2017). “Nearly 6 million people, 3.8% of all workers, hold contingent jobs in the U.S.” (Baum, 2019). “There are some estimates that say the U.S. workforce will be 75% freelance by 2020” (Skuse, 2016). In this type of workforce, the employees hold the power to move freely from organization to organization based on their own interests. By understanding this phenomenon of retaining the Gen Z individual over a period of time, organization leaders can understand what needs to change or be adapted within their companies in order to engage Generation Z youth to grow and build a secure United States workforce.

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