

HR TOOLKIT

Recruiting and Retaining Generation Z

Provided by: Reseco Group



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Introduction

Generation Z—those born between 1995 and 2010—are beginning to enter the workforce. They are different from even their millennial predecessors, and their arrival will challenge organizations to change general business practices. Many of them grew up during the recession, and thus far are thought to be career-oriented. After hearing about the struggles of millennials, they are trying to avoid making the same mistakes. Generation Z is realistic, resourceful and desires to have more control over their careers. As employers grow their efforts to both recruit and retain Generation Z, there are many considerations about how to best engage this unique generation.

Generation Z in the Workforce

Generation Z aspires to be entrepreneurs. According to a study from Universum, 55% of Generation Z members are interested in starting their own companies. Like the millennials before them, they are hesitant to accept the traditional 9-to-5 office jobs and dream of self-employment. Generation Z grew up witnessing the success of innovative startups like Facebook and Uber, as well as crowdsourcing. They have ambitious goals of developing their startups and being their own bosses.

Though many members of Generation Z do inspire to be self-employed, if catered to adequately, this entrepreneurial attitude can provide advantages to organizations that are ahead of the curve in recruiting, properly utilizing and retaining Generation Z.

Successfully retaining Generation Z can help boost an organization's overall efforts. As with any other employee, turnover can be costly for employers when lost productivity and replacement costs are accounted for. On average, it takes six to nine months' salary to replace a salaried employee, as well as potentially damaging company culture and employee morale.

Estimates show that by 2030, Generation Z could make up over half of the workforce. As more of Generation Z begins to enter the workforce, figuring out how to retain them will be essential. This toolkit provides insight into the typical characteristics of Generation Z and outlines how to recruit and hold onto Generation Z talent, so you can minimize turnover and boost your bottom line.

Generation Z Demographics

Who Are They?

Born in the late 1990s and early 2000s, Generation Z has passed millennials as the biggest group of the world population, at 32%—versus millennials, who account for 31.5%, according to Bloomberg. Generation Z is also the most ethnically diverse generation in history. Often referred to as “digital natives,” Generation Z has stereotypes such as being addicted to technology and being active about social causes they are passionate about.

What Are Their Values?

According to research conducted by McKinsey & Company, the “search for truth” is at the core of Generation Z and their behaviors. “Truth” includes expressing individuality, having open dialogue, having realistic expectations, and understanding the viewpoints and backgrounds of others.

General values of Generation Z include:

-  Increased activism about social issues, with an openness to political change
-  A higher level of independence from previous generations
-  A realistic outlook about their future
-  Interest in access to goods or services, rather than possession
-  Increased reliance on technology, and a tremendous belief in the benefits of it

Generation Z hopes to live out their values in the professional world—and contribute to organizations they feel aligned with.

What Are They Looking for in a Job?

Generation Z does not just create opinions about companies due to the quality of their products or services, but is more interested in the ethics, practices and social impact. According to Deloitte, 77% say that it is important that an organization’s values align with their own. To win over Generation Z, employers will need to evaluate current practices and ensure that not only are they good global citizens, but that their impact is visible to both potential job candidates and current employees.

As Generation Z translates their values into career choices, they will consider both career aspirations, and how an organization can be in alignment with their individual values. Generation Z cares about the ability to contribute to causes that benefit society.

As they enter the professional world, Generation Z's ideal work environments include:

- Opportunities for professional development
- Upward mobility
- Flexible work arrangements
- Independence
- Expanded benefits
- Community involvement
- An ability to utilize advanced technology
- Contributions to broader goals that advance social and environmental causes

Not only are these topics important to Generation Z, but they will influence their employment decisions. According to LinkedIn, 92% would be influenced to join a company based on the technology offered to them, and 84% prioritize having a healthy work-life balance.

Generation Z Job Statistics

Generation Z is a growing part of the talent base for employers and now make up around 24% of the workforce.

Unique facts about Generation Z include :



At **42%**, less than half of Generation Z credit their college education for preparing them for the working world.



21% of Generation Z feel prepared to be managed by another person.



32% of Generation Z feel they are the hardest working generation.



56% feel optimistic about their professional career.

Source: Workforce Institute

Like Millennials, Generation Z is more likely to move jobs than their older counterparts in the workforce. A study done by Robert Half Staffing found that, of employees ages 18-34, 75% felt that job-hopping was beneficial to their careers. As Generation Z is just beginning to join the workforce, it is too early to fully determine how often they will change jobs. However, by creating work environments that align with the values of Generation Z, employers may be able to prepare and get ahead of the curve as this new generation enters the professional world.

Class of 2020 Profile

The class of 2020 totals around 1.3 million students graduating with a bachelor's or associate's degree—and was a class that had been anticipating to graduate into a strong employment market. The fragile economic environment in the wake of the COVID-19 pandemic has created a level of uncertainty, which has impacted both job seekers and employers. To plan for the summer of 2020, many employers even suspended internship programs and entry-level onboarding plans. Generation Z entering the workforce offers an opportunity for employers to consider how this new generation is receiving their existing branding, recruiting process, and internal processes—both for the class of 2020 and future classes.

The class of 2020 is one of the first college graduating classes that is comprised primarily of Generation Z. While future graduating classes may not be transitioning from college to the workforce during a coronavirus pandemic, they'll be comprised primarily of Generation Z, and they'll be seeking similar outcomes as they enter the professional world.



How to Recruit and Retain Generation Z

As Generation Z is different from any group of talent than ever before, employers can align their efforts with what Generation Z values. Evaluating company culture, company purpose, corporate social responsibility, benefits packages and how these topics are communicated can be impactful to best recruit and retain Generation Z. Generation Z disproportionately cares about our society and our planet compared to previous generations. Employers that also do—and can communicate these values effectively—will have a competitive advantage when recruiting and retaining Generation Z.

Culture

There are multiple facets of a company culture that will help attract and retain Generation Z. Consider how flexible work arrangements, social impact and work environments can align with their values.

Diversity and Inclusion

According to LinkedIn, 77% of Generation Z says a company's level of commitment to diversity would ultimately influence their decision to work there. Generation Z values being part of a diverse workforce. Consider how your employment practices can both attract a diverse base of talent, and retain them.

Flexibility

Consider how flexible work practices can create a culture that is attractive to Generation Z. Flexible work practices include flextime, remote work arrangements and more.

Adaptive to Technology

Because Generation Z will be even more tech-savvy than previous generations, it is essential to connect with these employees by establishing a culture adaptive to technology advancement. Generation Z will not only be interested in using the latest tech and software but want to help address change.

A Green Work Environment

“Going green” in the workplace does not just involve recycling paper or putting computers on sleep mode to conserve electricity; the movement also concerns the overall working environment. Creating a green working atmosphere increases the overall health condition of the office and has been shown to reduce costs and heighten employee productivity.

By working in a green building, you are not only making a positive impact on the environment, but you are also benefiting your employees. With increased sunlight in an office setting, as opposed to unnatural lighting, workers can be less depressed and able to refocus more quickly and easily.

Volunteer Opportunities

Generation Z loves to volunteer, and providing volunteer opportunities during work hours can allow employees to find greater meaning in their contributions to an organization.

Employers can orchestrate volunteer opportunities or even consider a volunteer time off (VTO) program. A VTO program allows employers to set aside a predetermined number of hours or days for employees to volunteer, which will enable employees to volunteer in an area they are passionate about.

Addressing Intergenerational Gaps

Studies show that intergenerational conflict does exist in many organizations. By addressing intergenerational gaps and facilitating collaboration, both Generation Z and even the most senior employees may be able to learn from each other.

Corporate Social Responsibility

When seeking an employer, Generation Z values the purpose of the organization and its impact on society. While there isn't one specific definition of corporate social responsibility, generally speaking, corporate social responsibility refers to how an organization benefits society. Corporate social responsibility topics can include the environmental, social and financial impacts an organization has, as well as how organizational goals make a positive contribution to society.

Generation Z generally prefers companies that take active stances against poverty and formally support green policies and human rights. Often, these will be the choice organizations where Generation Z would like to be employed. As employers prepare for Generation Z, an organization's view on corporate social responsibility should go hand-in-hand with its overall strategy.

While your organization likely already pursues many of these initiatives, evaluate how your positive impact can best be communicated to both current and future employees. As recruits turn into new hires, consider how Generation Z can feel as if they are not only part of an organization with an impactful mission, but can contribute to that cause.

Environmental Impact

Environmental sustainability applies to how an organization's actions impact the environment. Sustainability can include the use of physical resources, as well as evaluating the impact of a supply chain. Many organizations now even provide reporting on their sustainability efforts. According to the Global Reporting Initiative, 93% of the world's 250 largest corporations now formally report on sustainability.

Consider how your current, and even future practices can be communicated through formal reporting or other channels such as internal or external communication mediums.

Social Impact

Does your organization take stances on social issues, such as human rights, diversity and immigration? How does your organization define its positive social impact? Generation Z is curious about these questions, and clearly defining these questions in alignment with the mission statement and purpose of your organization can help to attract Generation Z.

Philanthropy

Generation Z wants to be part of organizations that engage in philanthropy and have a visible impact in their local communities. While broader efforts will help attract Generation Z, they're also interested in being hands-on in these efforts. Consider how employees can have volunteer opportunities as part of their employment, or participate in projects that impact their local communities. Examples may include food or toy drives, fundraisers for local charities and sponsoring local events.

Communications

Consider how topics highlighted in this toolkit can best be communicated to Generation Z. Communication strategies should consider how employers can best communicate content that resonates with Generation Z.

Recruitment Marketing

While a strong company culture, a positive impact on society and policies that are friendly to Generation Z will help with recruitment efforts, employers should review how these initiatives can be implemented into marketing and recruitment efforts. By highlighting positive aspects of an organization, employers will be able to build their employment brand within the community of Generation Z talent.

What You Can Do

As you determine what workplace benefits you currently offer that are attractive to Generation Z, include these as part of your recruitment strategy. Examples include telecommuting options, career development opportunities and expanded employee benefits.

Include your company's mission, impact and values in your recruiting pitch. Generation Z will be seeking employers who have values that align with their own. Consider how your company's social impact can be highlighted when creating an ethos to pitch to Generation Z.

Ensure that you are reaching Generation Z through their preferred channels. Make sure all job postings are mobile-friendly, and consider how you can best use tech platforms such as LinkedIn, Glassdoor and more. Recruitment efforts can also be boosted through popular social media channels utilized by Generation Z, such as Instagram and Snapchat.

Internal Communications

Effectively communicating with Generation Z doesn't end with the recruitment process. As Generation Z joins the workforce, be sure to demonstrate how what they value is being lived out every day in alignment with organizational goals.

What You Can Do

Highlight the positive impact your organization is making on an ongoing basis—ensure that Generation Z is able to see that your values are not just words on the wall, but are lived out. Also, include communications about ways that employees can be involved with causes they are passionate about.

Even once they begin employment at your organization, consider how you can best connect with Generation Z through their preferred communication channels. Younger employees are likely to prefer blog posts, short videos, podcasts and social media posts.

Benefits Offerings

Consider how benefits can be inclusive to what Generation Z is looking for in an employer. Key themes include expanded options for mental health, tuition assistance, opportunities for career growth and competitive compensation, which can be part of a comprehensive benefits package.

Comprehensive Benefits Package

To help create a benefits package resonates with Generation Z, consider implementing the following:

-  **Affordable health care, including dental and vision**—Generation Z takes pride in how they take care of their health and hope to receive rewards for their efforts. Employers can consider practices such as biometric health screenings, where healthy employees can be rewarded by paying less for health care premiums.
-  **Mental health benefits**—Generation Z values accessible mental health support, and implementing relevant mental health benefits can improve both recruiting and retention efforts. These benefits can include an employee assistance program (EAP) and more.
-  **Student loan repayment**—Generation Z is entering the workforce with high amounts of student loans, and this debt is one of their most significant stressors. Providing programs that assist with repayment can offer a competitive advantage.
-  **Educational assistance programs**—Consider offering to pay for tuition, books and other education-related costs for employees wishing to further their education and improve their skill sets.
-  **Critical illness**—Consider critical illness insurance as part of a company-paid, or voluntary benefit for employees.
-  **Pet insurance**—Generation Z is passionate about their pets and values pet insurance as a benefit.

 **Discount programs**—Employers can create partnerships with businesses to allow for discounts for employees. Examples may include gym memberships, stress-reducing massages, acupuncture or more where employees can receive these services at a lower cost.

Rewards

Recognition and performance-based rewards are essential for Generation Z, rather than purely face time and subjective performance measures. While younger employees are more likely to move jobs more often than their older counterparts, effectively rewarding and recognizing talent can boost retention efforts. Along with millennials, Generation Z hopes to receive recognition for productivity and understand how their hard work can translate into career growth and increased rewards.

Generation Z has a competitive nature, and are open-minded about receiving critical feedback. According to LinkedIn, 97% report being receptive to feedback on an ongoing basis. Generation Z would like to be accountable for their contributions and hope that they receive rewards adequately.

Though seeking more than just compensation, Generation Z is entering the workforce with high amounts of student debt. According to the Institute for College Access and Success, the class of 2018 graduated with an average student loan debt of \$29,200. While Generation Z values more than just competitive compensation, addressing compensation and total rewards in a straightforward, competitive manner and considering educational repayment assistance programs can give employers a competitive advantage.

Workplace Policies

Employers can consider how current policies can be friendly to Generation Z as they enter the workforce. When Generation Z feels their concerns are heard, they will be more likely to stay at an organization.

Ensure that policies are friendly to Generation Z, but apply equally to all members of the workforce. Employers should consult with their legal counsel when creating or modifying internal practices, as there are laws protecting individuals against age discrimination—most importantly the Age Discrimination in Employment Act of 1967 (ADEA), which protects individuals who are 40 years of age or older from employment discrimination based on age. Under the ADEA, it is unlawful to discriminate against a person because of his or her age with respect to any term, condition or privilege of employment, including hiring, firing, promotion, layoff, compensation, benefits, job assignments and training.

Flextime

Generation Z wants to work hard, but they want to have flexibility about how and when they do it. Flextime is a flexible schedule option in which employers allow employees to customize their schedules within a predetermined range of hours. Listed below are three ways organizations commonly structure flextime:

- **Flextime with core hours**—Employers can establish core hours, such as 10 a.m. to 2 p.m., where the employee should be present.

- **Flextime with daily hours limits**—Employers can establish a practice where employees must work 40 hours per week, with a cap of 9 hours per day.
- **Flextime with minimal or no restrictions**—Under this structure, employees would be expected to complete 40 hours per week, at hours of their choosing.

Giving employees flextime allows them to schedule their lives around work without sacrificing work productivity. When employees are free to get their objectives accomplished, while still working full time, they are free to focus on doing the job at hand, rather than worrying about their personal lives and how they'll get everywhere on time.

Telecommuting

During the coronavirus (COVID-19) pandemic, more employers than ever before have expanded remote work practices. Consider how offering telecommuting options, an effective remote work environment and technology can help boost Generation Z recruitment and retention efforts.

While, in some cases, remote work is being adopted out of necessity, many employees feel confident in their abilities to fulfill their roles remotely. The Harris Poll conducted a survey on behalf of Glassdoor among nearly 1,000 employed adults during the COVID-19 pandemic. Results found that 60% feel confident in doing their job efficiently—even if it means doing their job remotely indefinitely—while 50% believe they would be equally or more productive. With increased utilization of telecommuting, employers can use this opportunity to review current practices and optimize this experience for employees.

Flexibility in work is a benefit that Generation Z values, and employers can consider how this benefit can be best implemented. For additional resources on best remote work practices, contact Reseco Group.

Career Development and Mentorship

While Generation Z is known for hopping between jobs often, offering initiatives such as training programs, career-pathing and mentorship programs can boost retention. Laying out career paths will help Generation Z visualize and work toward goals. A mentorship program can both address intergenerational gaps and help new talent achieve these goals. While mentorship programs can benefit Generation Z talent entering the workforce, these relationships can benefit both the mentor and the mentee.

Summary

By considering the strategies mentioned in this toolkit, you can improve retention efforts at your organization for not only Generation Z, but all employees. While each generation is unique, Generation Z has many of the same values as their predecessors—to be well compensated, to feel a sense of purpose, to have good benefits and to be able to maintain a healthy work-life balance. Generation Z also seeks specific types of employment opportunities, such as working in high-tech environments, flexible work arrangements, and being part of an organization that has a tangible positive impact on society.

By taking steps to increase retention, you can reduce turnover-related costs and continue to build talent from within. This, in turn, can improve your reputation within the community and increase employee morale—all of which can boost your recruiting efforts, and impact your bottom line.

For more information about recruiting and retention strategies, contact Reseco Group today.

Appendix

When planning for how to recruit and retain Generation Z most effectively, check out the resources in this section. Contents include general information about Generation Z in the workplace, a survey and information about policies and benefits employers can consider.

Speak with Reseco Group if you have any questions about these resources. Note that some sections may require customization.

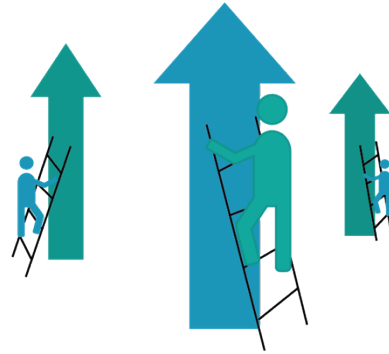
Printing Help

There are many printable resources in this appendix. Please follow the instructions below if you need help printing individual pages.

1. Choose the “Print” option from the “File” menu.
2. Under the “Settings” option, click on the arrow next to “Print All Pages” to access the drop-down menu. Select “Custom Print” and enter the page number range you would like to print, or enter the page number range you would like to print in the “Pages” box.
3. Click “Print.” For more information, please visit the Microsoft Word [printing support page](#).

What is Generation Z (born between 1995-2010) looking for as they enter the workforce?

When asked what they are looking for at work, Generation Z lists **professional development** and **upward mobility** as their highest priority.



Gen Z now makes up the **highest percentage of the world population**, at 32%. Soon, they will make up a significant proportion of the workforce.

91% say the technology offered by an employer would **influence their job choice** when searching for a job.



Only 15% prioritize financial security over job satisfaction.



Gen Z disproportionately values social causes more than other generations. **In fact, 77% of Gen Zers say a company's level of commitment to diversity would ultimately influence their decision to work there.**



Half of Gen Z considers flexibility a high priority when looking for an employer.

Generation Z Survey

Many employee surveys focus on employee satisfaction, as it is often assumed that satisfied, happy employees will be more productive and have higher retention rates. However, recent research has shown that a more telling determinant of productivity and performance is employee engagement. A survey can help determine how you can best meet the needs of Generation Z and how you can align your organization with their values.

This section features a customizable engagement survey for you to use. Review, customize and distribute the survey to gauge your Generation Z employees' engagement and satisfaction levels.

Survey:

Reseco Group does its best to provide a safe, comfortable and productive work environment for all its employees, including Generation Z. To ensure we are doing our part, we need some feedback from you. Please complete the short survey below to help us understand your experience here. This survey is anonymous and is meant solely to help you enhance your employment experience. Thank you in advance for your valued participation.

Hiring Process

- ☐ Was the job description clear and understandable?
- ☐ Was the HR contact professional and knowledgeable during the hiring process?
- ☐ Was the length of time between the submission of your application and the employer's response reasonable?
- ☐ Was the length of time between the submission of your application and the job offer reasonable?
- ☐ Was technology effectively used in the recruiting process?
- ☐ Are you satisfied with the hiring process overall?
- ☐ Do you have any recommendations for improving our recruitment, hiring or onboarding processes?

Benefits

- ☐ What benefits are most important to you?
- ☐ What benefits offered influenced your decision to join Reseco Group?
- ☐ Are there any benefits not currently offered that you would like to see?

Branding

- ☐ Before applying for this job, were you familiar with the company?
- ☐ What aspects of our branding influenced your decision to apply for this position?
- ☐ During your onboarding session, were you provided with concise information regarding the following:
 - The company's mission?
 - Your role in the department and the company?
 - The organizational structure?

First Day

- ☐ Was your team ready for your arrival?
- ☐ Were you welcomed by your manager and introduced to your team?
- ☐ Was the information you received about personnel policies clear and helpful?
- ☐ Did you know who to contact regarding specific questions after your first day?

First Month

- ☐ Were you assigned proper training during your first month?
- ☐ Did you know what was expected of you during your first month?
- ☐ Did you know where to get the answers to your questions?
- ☐ Was the performance management system explained to you?

Values

- ☐ What values are most important to you?
- ☐ Do you feel the core values at Reseco Group reflect your own?
- ☐ As an employee of Reseco Group, do you feel you are able to make a positive contribution to society?

Technology

- ☐ Are you engaged with the technology you are able to use on a day-to-day basis?

- ☐ Does your workstation function effectively?
- ☐ When you need IT support, are you able to receive friendly and timely assistance?

Communications

- ☐ How often would you like to receive communications from your manager?
- ☐ How often would you like to receive communications regarding company updates?
- ☐ What are your preferred communication channels?
- ☐ What topics would you like to see covered during ongoing communication?

Career Growth

- ☐ Do you receive ongoing feedback from your supervisor about your performance?
- ☐ How often do you prefer to receive critical feedback?
- ☐ Do you feel that you are on a career path with upward mobility?

General Generation Z Questions

- ☐ What was your motivation for choosing and accepting this position?
- ☐ Is there any additional feedback that you can share?
- ☐ What topics are most important for recruiting and retaining Generation Z?

Please speak with HR if you have any questions or concerns about completing the survey.

APPEALING TO GEN Z SCORECARD

Generation Z is the term given to those born in the mid-to late-1990s. Gen Zers may be the youngest members of the workforce, but employers are praising them for their tech-savviness and creativity. These young business leaders could be exactly what your company needs to succeed in the digital landscape—after all, Gen Z will soon comprise a significant portion of the labor pool. Complete this scorecard to see if you are doing enough to attract this vital talent.

Instructions: Begin by answering the questions below. Each response will be given a numerical value depending on the answer. After completing the questions, total your score using the scale at the bottom of the page.

Yes: 0 points | **No:** 2 points | **Unsure:** 2 points

QUESTIONS	YES	NO	UNSURE	SCORE
1. Do you offer flexible work hours to employees at least some of the time?	☐	☐	☐	
2. Do you have more than one social media account through which to engage potential employees?	☐	☐	☐	
3. Does your organization emphasize its use of innovation and technology when courting talent?	☐	☐	☐	
4. Is your company website up to date?	☐	☐	☐	
5. Does your company website feature video content to help prospective candidates understand your workplace and its culture?	☐	☐	☐	
6. Is your company website mobile friendly (can be easily navigated on a phone or tablet)?	☐	☐	☐	
7. Do you offer progressive incentives to employees, like the option to work from home or commuter expense reimbursement?	☐	☐	☐	
8. Have you revised your recruiting strategy to include a plan for catering to the Gen Z demographic, specifically?	☐	☐	☐	
9. When engaging Gen Zers, do you highlight paths for upward mobility and personal growth at your company?	☐	☐	☐	
10. Have you reviewed your organization's online brand to see how it is viewed publicly? For instance, on Yelp, Glassdoor or through Google reviews.	☐	☐	☐	
TOTAL SCORE				

Low risk. Contact Reseco Group to confirm: 0-6

Medium risk. Contact Reseco Group today: 7-14

High risk. Contact Reseco Group today: 15-20