

from Y to Z

a guide to the next generation of employees



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shaping the world of work... one generation at a time



Why are we so fascinated by the Millennials? No other generation has been as scrutinized and criticized as Gen Y. They're often characterized at their worst as self-centered narcissists, attention-seeking egomaniacs with an incurable addiction to selfies. This is the "Me Generation", born between 1981 and 1994.

But if you've worked with people from that demographic, you'll have first-hand knowledge of the value they bring to the workplace. These accomplished multi-taskers always find better ways to get things done faster. They're smart, confident, expressive, open-minded, and creative.

Just when you thought you had Gen Y figured out... here comes Gen Z!

While you may have been distracted by watching Gen Y-ers firmly establish themselves in the workplace as a force to be reckoned with, you might have missed the tide of a new generation moving up right behind them. Introducing Generation Z, born between 1995 and 2010. Coming to a workplace near you

very soon, twenty million strong in the United States, with seven million of their peers in Canada, Gen Z is poised to make their mark in business¹. And while they may share some common traits with their Y predecessors – both generations are collaborative, tech-savvy and socially engaged – but we can't assume they have the same motivations, work styles or even goals.

So who are these future workers? How can employers prepare for this next generation? What are the differences between Gen Y and Gen Z, and how will those differences impact your organization? And most importantly, how do you attract, engage and retain them?

Randstad Canada has launched this new survey *From Y to Z – A Guide to the Next Generation of Employees* to help employers understand what motivates and inspires both Gen Y and Gen Z. By knowing what drives this emerging group of workers, your organization can shape its talent attraction strategies and position itself as an employer of choice. We have asked the young generations to provide examples of what companies should do to set them up for success. Their responses will give you clear insights on how to engage them.

I'm confident that you'll find this document helpful and insightful.

Faith Tull

Senior Vice-President, Human Resources
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¹ Dan Schawbel, *Employers, prepare to meet Gen Z* (September 2014)
<http://www.theglobeandmail.com/report-on-business/careers/leadership-lab/employers-prepare-to-meet-gen-z/article20280755/>

Gen Y: the optimists

It's forecasted that in Canada, Millennials will make up 75% of the workforce by the year 2028². Encompassing the period between the release of the first PC around 1980 and the revolutionary launch of Google in the mid-nineties, Millennials grew up with technology and digital communications. They can't imagine a world without them.

Thanks to mobile technology, their Gen X parents are in constant contact. They're what researchers call "helicopter parents". These are parents who pay very close attention to their children's activities, providing intensive mentoring, rewards and praise. Called the "everybody gets a trophy generation", Millennials have experienced a school system where team efforts are rewarded over individual performance, and where no one is left out or behind³. Used to the immediacy and community-building qualities of social media, Millennials are comfortable within an inclusive environment where they get constant and instant feedback.

And they expect the same in the workplace, wanting their opinions and ideas to be heard and considered. According to a much-cited 2012 study by MTV called *No Collar Workers*, 80% of Millennials said they want regular feedback from their managers; 75% would like to be paired with a mentor⁴.

A study from Millennial Branding reported that, when asked if they like to multitask, just over one-half (54%) of Gen Z responded in the affirmative, while two-thirds (66%) of Gen Y said yes⁵. Multitaskers, Millennials are also job-hoppers who like to keep their options open and juggle multiple careers at once, thus earning the label 'slashies' (i.e. web developer / blogger / branding consultant).



Gen Y (1981-1994)

Raised on the web

2 screens

Communicate with text

Share things

Present-focused

Want to be discovered

Luxury shoppers

Digital-savvy

Will take on side gigs and juggle multiple careers

Retention driver: money



2 Ray Williams, Like it or not, *Millennials will change the workplace* (September 2013)
<http://business.financialpost.com/2013/09/16/like-it-or-not-millennials-will-change-the-workplace/>

3 Bruce Mayehm Consulting, *Multigenerational Characteristics*
<http://www.brucemayehewconsulting.com/index.cfm?id=20209>

4 Dan Schawbel, *Millennials vs. Baby Boomers: Who Would You Rather Hire?* (September 2012)
<http://business.time.com/2012/03/29/millennials-vs-baby-boomers-who-would-you-rather-hire/#ixzz1uyNaE9bw/231048>

5 *Millennial Branding*, Randstad US (September 2014)
<http://millennialbranding.com/2014/geny-genz-global-workplace-expectations-study/>



Gen Z (1995-2010)

Raised on social web

5 screens

Communicate with images

Create things

Future-focused

Will work for success

Frugal shoppers

Digital-centric

Want to work for themselves
(entrepreneurial)

Retention driver:
career advancement

Gen Z: the realists

While life was fairly consistent for their Millennial forebearers, Gen Zs have been brought up in the wake of 9/11, a much criticized war, highly mediated debates on climate change, and a long and arduous recession. This socio-economic turmoil has, in many cases, left their parents struggling financially.

As a result, they're more prudent and realistic, but also very conscious about the world's issues and ready to tackle the problems at their root. A study from advertising agency Sparks & Honey revealed that 60% want to have an impact on the world, compared with 39% of Millennials. The survey deemed them "entrepreneurial" (72% want to start their own business), and community-oriented (26% already volunteer)⁶.

The study from Millennial Branding reported that only 28% of Gen Z respondents said money would motivate them to work harder, versus 42% of Gen Y. Thirty-four percent of Gen Z are most motivated by opportunities for advancement, compared to 30% of Gen Y⁷.

Gen Z has been raised with social platforms, not websites, as the communication convention (Millennials grew up in Web 1.0), smartphones as a default (the first iPhone came out only 7 years ago), and on demand viewing as the norm. Communicating more through images than text, applications like Instagram and Vine have a huge appeal for teenagers. But as they're more self-conscious and aware of being exposed to the eyes of everyone, including their parents who are active on Facebook, they're moving to platforms that offer more privacy, like Snapchat or WhatsApp.



⁶ Anne Kingston, *Get ready for Generation Z* (July 2014)
<http://www.macleans.ca/society/life/get-ready-for-generation-z/>

⁷ Dan Schawbel, *Millennials vs. Baby Boomers: Who Would You Rather Hire?* (September 2012)
<http://business.time.com/2012/03/29/millennials-vs-baby-boomers-who-would-you-rather-hire/#ixzz1uyNaE9bw/231048>



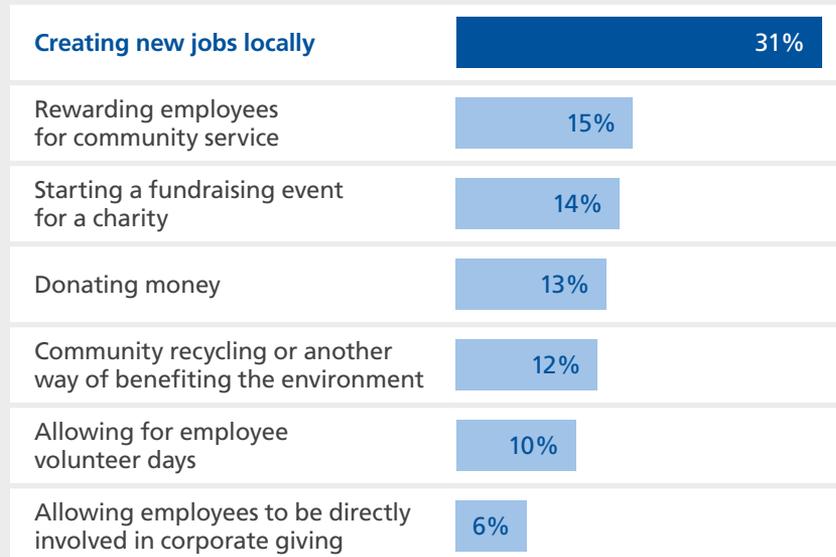
what matters?

Now that we have a better idea of who Gen Y and Gen Z are and where they come from, let's take a closer look at what they value in their working environment. In collaboration with Ipsos Reid, Randstad Canada asked 1,200 young adults, aged 16 to 34, for their views on what's important to them in their current and future workplaces.

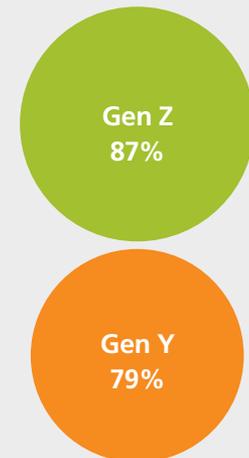
social responsibility: generation We

Both generations expect organizations to be socially responsible and to make a positive contribution to their communities. When asked how important it is that the company they work for focuses on giving back to the community, 8 out of 10, or 82% of young adults, say that it's 'important', 28% say very important, while 55% say somewhat important. Just 2 in 10, or 18% 'disagree' that it's important, 5% say not at all important and 13% say it's not very important to them. Overall, giving back to the community appears more important to Gen Z than Gen Y. Young adults believe that creating new jobs locally is the most impactful way for their current or future employer to support the community.

what is the most impactful way to support the community?



how important is it that the company you work for focuses on giving back to the community?



diversity: let's work together

In the fall of 2014, U.N.'s Women Good Will Ambassador, Emma Watson, delivered an impassioned speech about the positive impacts of gender equality, not just for women but for business and society. It went viral, not because she's a film star, but because of the audience. This rallying appeal to diversity, harmony and inclusiveness resonated strongly with Gen Y and Gen Z. In our study, these generations expressed a strong preference for co-workers who demonstrate diverse professional backgrounds and for a workplace where both genders are represented.

what types of workplace diversity do you value?

Gender equality



Professional diversity (different fields of specialty)



Economic diversity (different incomes)



Cultural diversity (different ethnic and cultural backgrounds)



LGBT friendly



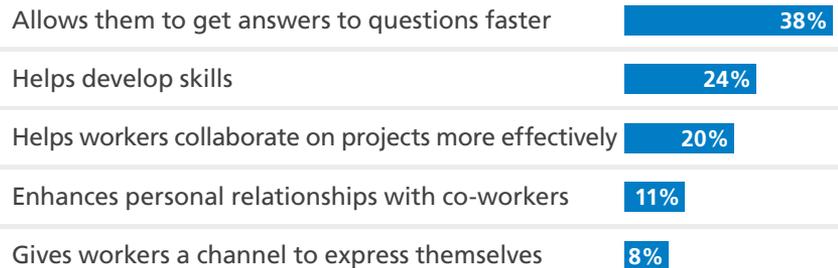
Religious diversity



technology: pros and cons

As we described earlier, technology plays a key role in the lives of both Gen Y and Gen Z. Young people believe technology facilitates their work, while admitting that it's also a source of distraction. In most cases, Gen Z are more likely to say they're distracted by various technological platforms.

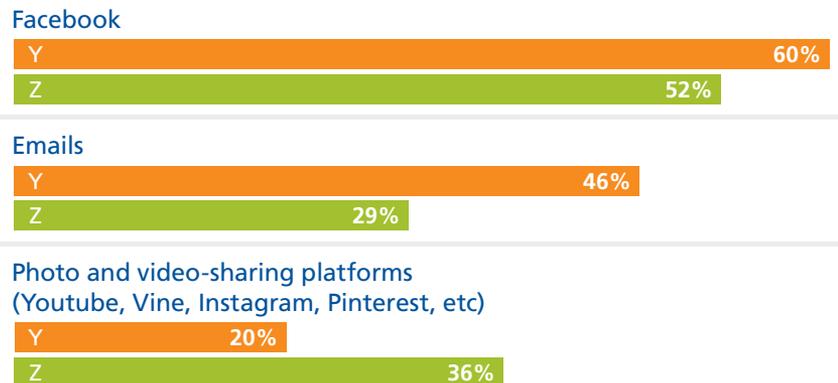
the pros: a useful tool



what they say

"Companies should be working on portraying a more diverse workplace environment and becoming more accepting of people who may have different backgrounds or beliefs."

the cons: it's distracting



communication: let's talk

As attached as they are to their smartphones, tablets and other devices, a surprising 45% of young people believe the most effective way to communicate is in-person. Others say the best way is through email (26%), phone (11%), instant messaging (9%), social networking (8%) or video conferencing (2%). Gen Y particularly favours email compared to Gen Z (31% vs. 20%). While one would assume Gen Z would prefer instant messaging over any other method, they are actually more interested in face-to-face communications (47%) than Gen Y (43%). While not strongly favoured, Gen Z is more apt to use instant messaging (11% vs. 8%) or social networking (10% vs. 6%) as a method of communicating at work.

Whether it's traditional – like television and radio – or digital – like video streaming or Twitter – young adults in Canada have grown up in an age of communication. It's no surprise, then, that 4 in 10, or 41% of young people say that the most important quality of a leader is the ability to communicate, well ahead of honesty (19%), confidence (12%), commitment (10%), vision (10%), or patience (8%).

most important qualities of a leader

- 1 Communication
- 2 Honesty
- 3 Confidence
- 4 Commitment
- 5 Vision
- 6 Patience





don't talk to them, talk with them

The companies and brands that have success with the younger generations are the ones who interact with them, who listen and allow them to express themselves. According to a study from Adroit Digital released in March 2014, 44% of young people expect brands to engage in an open dialogue through social channels, and 38% want brands to be more about the consumer and less about the brand.

As Jeff Fromm, millennial trends expert, explains: "Millennials expect a dialogue. With Millennials, the days of pushing a brand message are over. Brands must embrace a two-way dialog, giving consumers the opportunity to co-create products, services, or ideas if you are starting a movement."

The same goes for workplaces: to be engaged, young generations must feel like they can share ideas, have the possibility to reinvent and to create in order to contribute to the success of the organization.

Sources:

Adroit Digital (March 2014)
<http://www.marketwired.com/press-release/adroit-digital-study-uncovers-greater-brand-loyalty-among-us-millennials-1889764.htm>

Jeff Fromm, *How to Get Millennials to Love and Share Your Product* (August 2013)
<http://adage.com/article/cmo-strategy/millennials-love-brand/243624/>



what do they say about each other?

top traits Gen Y associate with Gen Z	top traits Gen Z associate with Gen Y
Unfocused	Open-minded
Lazy	New perspectives and ideas
Irresponsible	Easily distracted
Lack of respect for older workers	Creative

Both groups identified **Loyalty** as a trait least likely to be associated with their generation.

perceptions and stereotypes

	% of Gen Y (21 to 34) who associate stereotype with Gen Y	% of Gen Z (16 to 20) who associate stereotype with Gen Y	% of Gen Y (21 to 34) who associate stereotype with Gen Z	% of Gen Z (16 to 20) who associate stereotype with Gen Z
Open-minded	37%	32%	20%	21%
New perspective and ideas	36%	31%	20%	30%
Lack of focus or easily distracted	33%	31%	46%	46%
Creative	31%	31%	17%	28%
Lazy	27%	26%	41%	39%
Unrealistic compen- sation expectations	23%	22%	30%	25%
Lack of respect for older workers	19%	24%	32%	31%
Irresponsible	19%	18%	40%	31%
Responsible	13%	13%	6%	10%
Strong work ethic	12%	13%	5%	8%
Loyal	8%	10%	4%	7%

Gen Y and Gen Z attraction drivers

When we talk about their expectations, there are a range of benefits young workers want from their employer; chief among them is health insurance, with one in three (32%) saying this is the most important employee benefit they expect. Health insurance is more important for Gen Y (36%) than Gen Z (27%), and considerably more for women (40%) than men (23%). Gen Z places more importance on training and development (21%) than Gen Y (14%).

When it comes to their expectations of their manager, 3 in 10 (30%) say they'd most want their manager to listen to their ideas and value their opinions, while a similar proportion (29%) would most like their manager to mentor them and give feedback regularly; this is more important to Gen Z (34%) than Gen Y (26%). Two in 10 (20%) want their manager to allow them to work independently, which is more important for Gen Y (24%) than Gen Z (14%), or give them meaningful projects that they care about (18%).





what they say

“Employers need to provide more flexibility in working environments, communicate better and learn what employees need for success. They need to care about employees and their well-being and provide a good work-life balance.”

A young woman with dark hair tied back, wearing a light blue patterned shirt and dark blue pants, is smiling and looking towards a group of people in a meeting. She is standing and appears to be in the middle of a conversation. In the foreground, the back of a person's head with blonde hair is visible, and another person's hand is partially visible, suggesting an active discussion. The background is slightly blurred, showing a whiteboard and office lighting.

4 ways to **attract** **engage** **retain** the next generations

Our study results show that diverse, respectful, flexible and modern company cultures will win the hearts of Gen Z. To help you attract, engage and retain employees of Generation Y and Generation Z, we've assembled a list of actionable tips.

attract

- 1 Provide flexibility.** Work-life balance is a growing concern for everyone, and younger generations are no exception. With the possibilities that technology now offers (videoconference, collaborative tools, telework), and the ever-blurring lines between personal and work lives, young people expect that, as long as they get the work done, they should have the flexibility to work when and where they'll feel more productive, and to be able to include fun in their work day. This group is naturally adept with a laptop and cell phone, and may prove to work effectively outside of a prescribed 9–5 schedule. Strict workplace parameters could influence their interest in your organization negatively, so offering some accommodations could be a valuable attractor.
- 2 Promote ways they can directly contribute and impact outcomes.** Not predisposed to sitting on the sidelines, both Gen Y and Gen Z want to work on meaningful projects and impact outcomes. Companies will do well to demonstrate opportunities for hands-on work, especially with strongly creative Gen Z, and to let their young workers know their ideas will be heard.
- 3 Tap into their entrepreneurial side.** With the rise of the do-it-yourself culture, the ability for anyone to make and share a YouTube video worldwide, and TED talks featuring eight-year-old entrepreneurs, it's no wonder our youngest workers have heightened interest in running the show themselves. If their entry-level job requires repetition or less-desirable duties, show them your organization is interested in what they have to say. Provide examples of people whose creative ideas or thoughtful approaches allowed them to move up, but be sincere about possibilities for advancement.
- 4 Start planning now.** To make sure you're ready to catch the attention of the Gen Z rising stars, introduce your organization to them before they start their job search. They're already actively making connections through their teachers, professors, counselors and, very frequently, their parents. Think of this: even high school students have resumes, LinkedIn profiles and strong volunteer or internship experience. The time for you to prepare is now. That's exactly what they're doing.

engage

- 1 Tap into their desire for mentorship and regular feedback.** Their survey responses said it loud and clear: young generations want to have an open dialogue with their managers, and welcome a mentoring approach to help them and assist their advancement, which is one of their highest priorities. Keep the communication lines open for them to ask questions and give them constructive advice. Provide them with opportunities to expand their skill sets by assigning them to projects outside of their regular tasks. Encourage them to attend webinars, take part in industry networking activities, and do some job shadowing. Show them how their work fits the big picture and brings value to the team and to the organization.
- 2 Provide opportunities for them to create.** Clearly communicate job duties and performance expectations, but also allow them to contribute at a higher level to fuel their desire for forward movement in their career. For example, you can organize “think tank” sessions, where they come up with innovative solutions to a specific business challenge. You can also ask them to look for new software or web applications that they could set up to improve some of your processes or as new services to offer.
- 3 Give them room to feel in charge of their workspace and work habits.** Young generations have a strong sense of self, so allow them to bring their personality and connectivity habits into the workplace culture. The Ys and Zs in particular are used to studying with phones on, earbuds in and social networks buzzing. Allowing them a level of freedom in this area will go far in earning their respect and loyalty.
- 4 Keep them busy.** Gen Y and Gen Z are used to handling multiple tasks at once (think instant messaging/Facebooking/working or doing homework... all at the same time). They’re quick to respond and move on to the next task, so tame their restlessness with a steady and varied diet of tasks and to-dos.





what they say

"In the workplace, I am expecting constant feedback, mentorship opportunities and training in applicable skills. Employers should talk to their employees about their goals and inspiring them to achieve them."





what they say

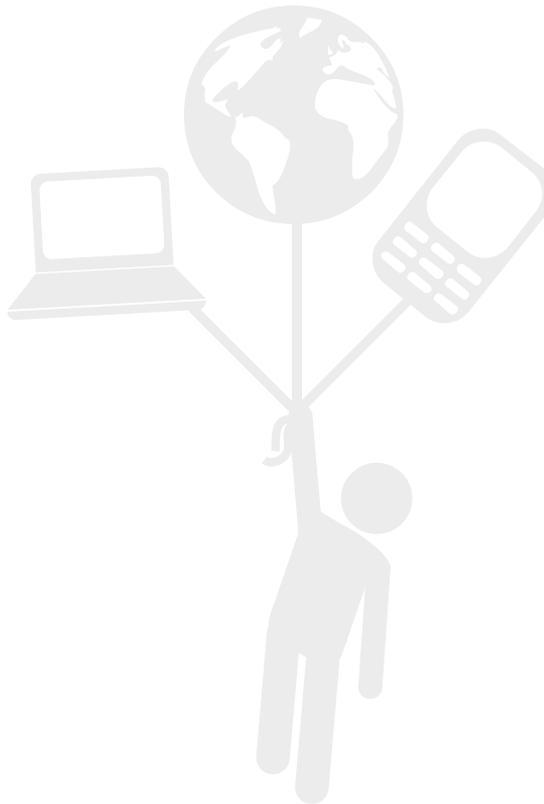
“My current employer provides a positive working environment, which is a pleasure to work in. I am also given a certain amount of autonomy to manage my tasks.”

retain

- 1 Show them opportunity.** A recurring theme we hear from Gen Y and Gen Z is their desire to participate, share ideas and advance in their careers. In particular, more Gen Zs will stay on the job for advancement opportunities than for money. Companies that provide new recruits with formalized career paths or career mapping tools are a step ahead in retaining the Zs. Organizations without formal career ascension strategies will do well to proactively discuss how one role can lead to the next. And as always, open and honest discussions are the best way to build their trust and company loyalty.
- 2 Foster an open dialogue.** Agile conversationalists, both Gen Y and Gen Z need a channel to express themselves, and to engage in a meaningful dialogue with leaders and influencers who inspire them. If formal mentoring doesn't fit your organization's culture, consider the benefits of structuring looser, yet recognized, mentorships for young employees. Effective mentor relationships can be key to establishing long-term employees. And as they value honesty and transparency, a little personal outreach and genuine concern can go a very long way to turning your newest workers into a tenured team.
- 3 Be an active and good corporate citizen.** Visible and effective corporate social responsibility (CSR) is beneficial for strengthening young workers' enthusiasm and commitment to their employer. Raised with a strong awareness of the world around them and plenty of information on how corporations impact communities, Gen Zs think it's important to contribute to the betterment of others, and want their employer to exhibit a social conscious. Organizations that not only extend a hand to their local communities but also involve the younger generations in planning and implementing their CSR efforts will score big points with the Zs and the Ys as well.
- 4 Keep technology up to date and think mobile.** Young people use technology every day and want to be ahead of the curve by having their tools help, not hinder, their daily work. Out-of-date software or systems create an atmosphere of being behind and out of touch, and may leave younger workers frustrated, especially if they use faster solutions in their personal lives. And remember: they can navigate nearly any situation on a cell phone, so seek their input if you want to build mobile strategies. Involving them in technology discussions is yet another way to meet their desire to have a voice and be heard.

connect, listen, inspire

It can be worrisome for employers to hear young generations described as disloyal, lazy and easily distracted. But young people have been described that way since Plato's time. These are the same young people who are also highly motivated to create and to make a positive impact on society. Employers who effectively meet their desire to be heard and actively involved will have the edge in keeping Gen Ys and Gen Zs engaged and eager to return to work each day. By making a few adjustments or enhancements to your organizational planning, you'll have these bright, young people bringing their skills, creativity and energy to your organization, instead of your competitor's.



about the *From Y to Z* study

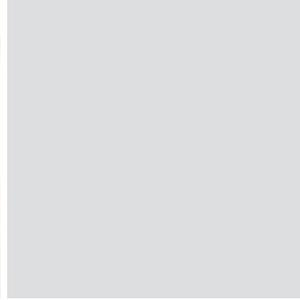
The *From Y to Z* Study was conducted by Ipsos Reid between December 1 and 8, 2014 on behalf of Randstad Canada. A sample of 1,200 young adults (aged 16 to 34) was interviewed online. Weighting was then employed to balance regional composition according to Census data and to provide results intended to approximate the sample universe. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within +/- 3.3 percentage points had all young adults in Canada been polled. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.





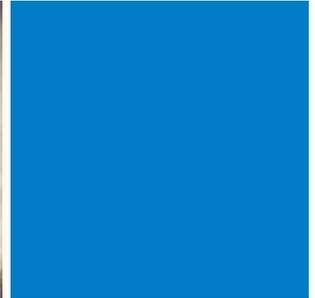
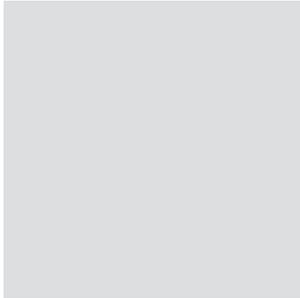
what they say

“It is important to recognize the value of young people and mentor them to create long term employees.”



about Randstad

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