



Generations in the Workplace

Last year, the Emerging Workforce® Study shined the spotlight on the workforce from a generational perspective, reporting on the characteristics and motivations of five different generations in the workplace. While Gen Y or Millennials—those born after 1980—have surpassed Baby Boomers and now represent a majority in the workforce, right behind them is a new generational cohort that will make its own unique impact on the world of work—Gen Z. As recruiting and retaining Gen Y and Gen Z workers is one of the leading challenges for employers, the study took a closer look at these youngest and increasingly influential members of the workforce.

Say hello to Gen Z

Also known as Generation 2020, the oldest in this generation are now joining the workforce. History shows that businesses are slow to react and adapt to new generations. With a combined buying power of \$43 billion and influence over an additional \$600 billion of family spending, those that want to avoid repeating history, will begin investing in Gen Z now.

How will Gen Z exert its influence over the future workforce?

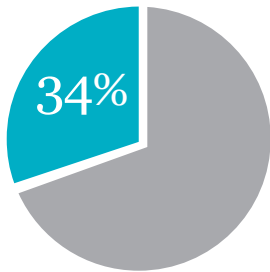
While most are still in school, here is what we know about them so far:

- Digital Natives: 100% of Gen Z is connected online for 1+ hours per day, but 46% are connected 10+ hours per day.
- Diverse: Gen Z is the most diverse and multicultural of any generation in the U.S.
- Entrepreneurs: 61% of high school students want to be an entrepreneur rather than an employee, compared to 43% of college students.
- Highly Educated: 1 in 2 Gen Zs will be university educated, compared with 1 in 3 Millennials and 1 in 4 Gen Xers.
- Collaborative: Gen Zs have spent their entire lives collaborating. They run all their ideas by family, friends and like-minded, virtual strangers. When they need help, they reach out to their online communities.
- Socially Responsible: 26% of 16-19 year olds are currently volunteering. Gen Zs are determined to “make a difference.”

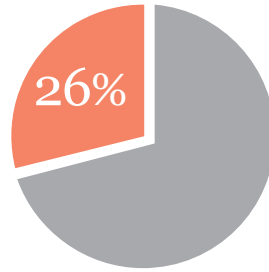
Grooming the leaders of tomorrow

Gen Y workers are quickly joining the ranks of management, with 37% of them holding managerial or supervisory roles, second only to Gen X (44%). So it should come as no surprise that more Gen Y workers than any other generation (62% vs. 44% overall) agree/strongly agree their most important priority when thinking about the next step in their career is to get the next promotion.

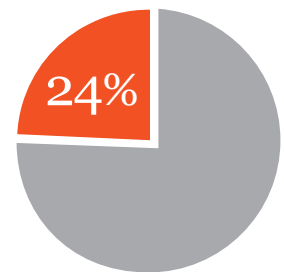
Most challenging talent planning/readiness issues for employers



Finding qualified STEM professionals
(Science, Technology, Engineering and Math)



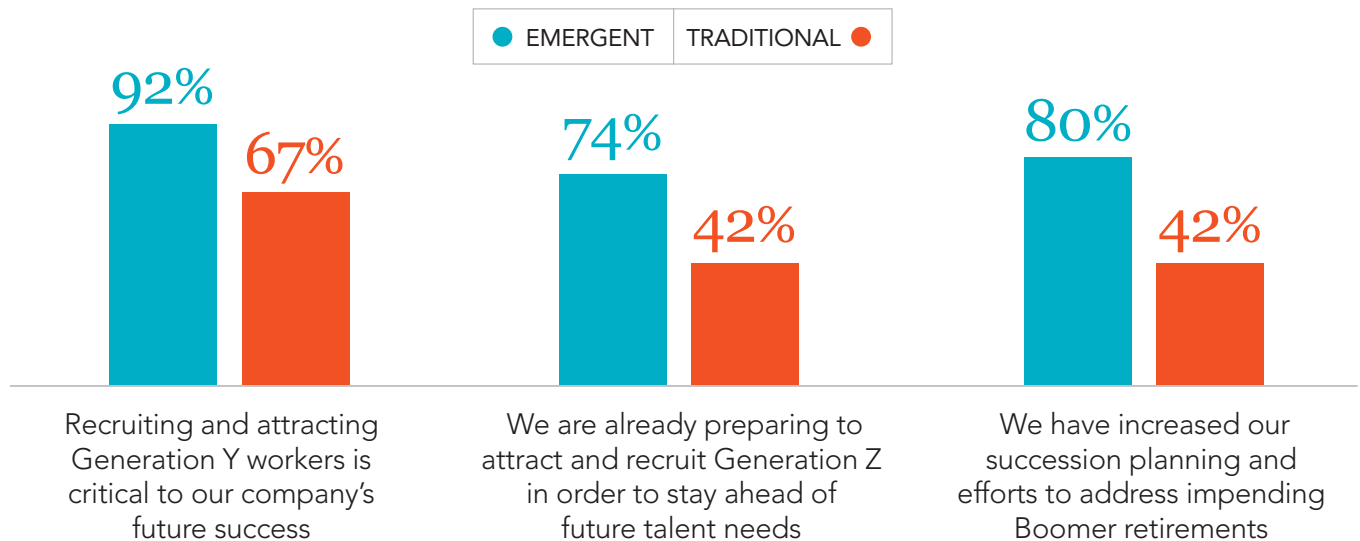
Keeping up with evolving training demands to keep workers' skills up-to-date



Cost to keep workers trained for future skill needs/ requirements

It's safe to say that companies are already struggling, or will soon, with finding qualified, skilled workers – particularly in the STEM professions. And while many companies are still trying to understand and connect with Gen Y, others are starting to invest in Gen Z via internships, in order to build early brand affinity, especially among those with the all-important STEM skills.

Emergent employers preparing more aggressively for succession, aging workforce gaps



Strengthening the leadership pipeline

Organizations around the world are struggling to strengthen their leadership pipelines, yet over the past year businesses fell further behind, particularly in their ability to develop Millennial leaders, with 86% of all surveyed HR and business leaders citing leadership as one of their most critical challenges.

A focus on leadership at all levels, coupled with consistent year-over-year spending in this area, is key to building sustainable performance and engaging employees in the new world of work.