



## Five Ways Impact Employers Can Unlock the Power of Gen Z

As Gen Z—today's early talent—enters the workforce in growing numbers, employers should seize the opportunity to harness their contributions across the employment lifecycle.

#### ACKNOWLEDGMENTS

JFF's efforts to support early career talent, particularly those facing systemic barriers, in their engagement, retention, and advancement, are made possible through the generous support and collaboration of the Schultz Family Foundation. We are also deeply grateful to the dedicated JFF team members who played pivotal roles in shaping this resource, including but not limited to: Presceia Cooper-Dennis, Senior Director of People, Culture, and Equity; Surabhi Lal, Senior Advisor in Corporate Leadership; Kassandra Aguilera, Manager in Solutions, Design, and Delivery; Clare Bertrand, JFF Labs Advisor; Mamadou Ndiaye, Director, alongside numerous other committed individuals from JFF's People and Culture and Employer Mobilization teams.

#### **AUTHORS**

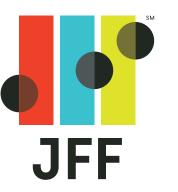
Erik Cherkaski Molly Blankenship Sheila Jackson
Senior Manager, *JFF* Director, *JFF* Former Director, *JFF* 

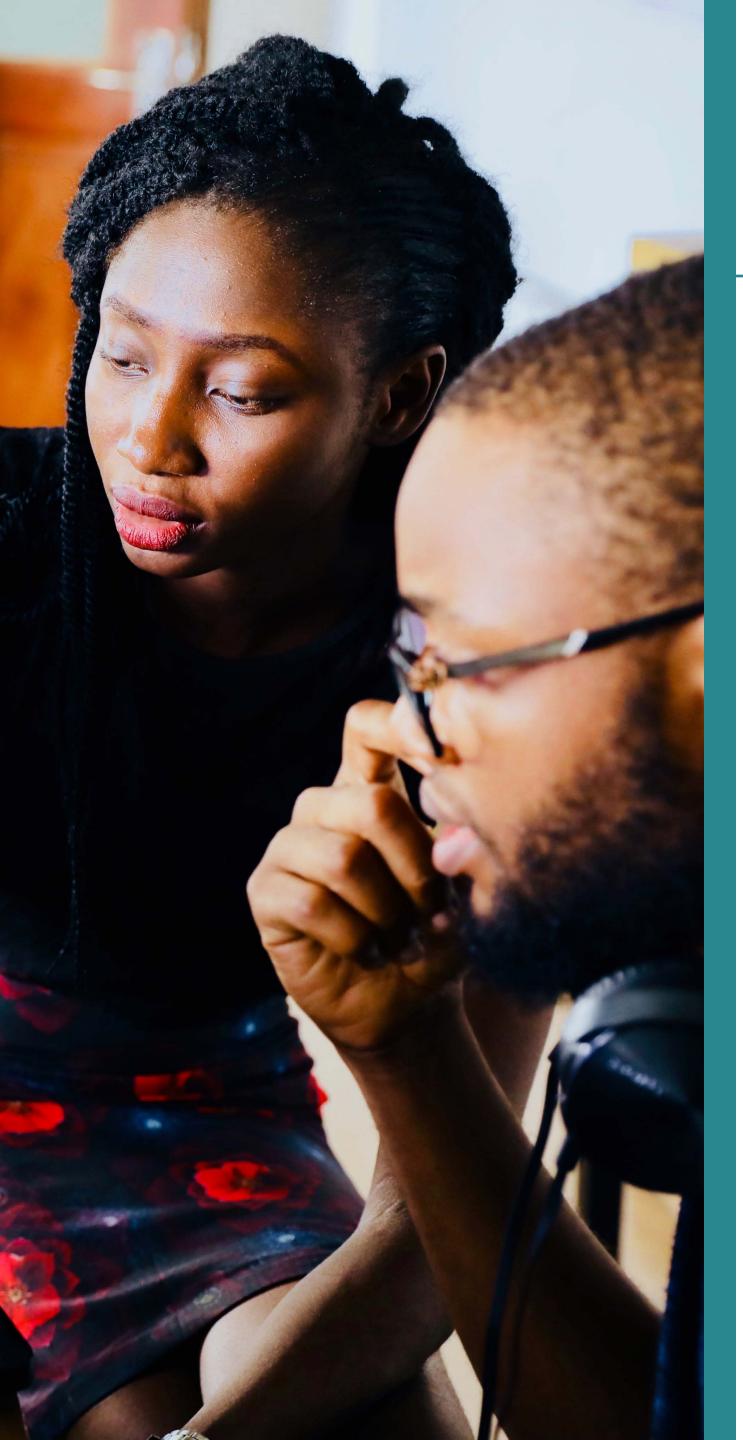
#### ABOUT JOBS FOR THE FUTURE

Jobs for the Future (JFF) drives transformation of the U.S. education and workforce systems to achieve equitable economic advancement for all. <a href="https://www.jff.org">www.jff.org</a>

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### Next-Gen Solutions for Next Gen Talent

The next generation of workers is here: Gen Zers (born in the late 90s to early 2010s) now surpass Baby Boomers in worker representation<sup>1</sup> and are poised to make up 27% of the workforce by 2025.<sup>2</sup> Molded by the technological and cultural shifts they've experienced throughout their lives, Generation Z (Gen Z) workers—today's "early talent"—are bringing a fresh set of perspectives to the workplace.

Early talent workers, or young adults in the early stages of their careers, have the power to transform organizations with fresh perspectives and new ways of thinking. Currently, Gen Z fits this definition. Therefore, it is crucial that employers pay close attention to the expectations of Gen Z—especially those without a four-year degree, people of color, and individuals with criminal records. Employers should discuss and develop systems that embrace their early talent's perspectives and contributions across the employment lifecycle.

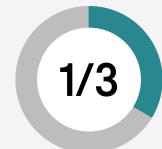
Companies can attract, retain, and advance next-generation talent by implementing inclusive solutions that center the worker experience. At Jobs for the Future (JFF), we know businesses are eager to answer this call to action. Through our work to build a platform for employer practice change and through collaboration with, now, dozens of <a href="Impact Employers">Impact Employers</a>, one thing is clear: More and more employers understand that the path to strong business performance is one that prioritizes worker well-being.

The considerations and practices provided in this document can help Impact Employers better understand and respond to Gen Z's expectations at work. Utilizing JFF's Impact Employer Model (IEM) framework as a guide, we identify five key traits that inform Gen Z's identity in the workplace and provide actionable guidance on how to better align with a new generation of workers, driving business success now and into the future.



### Gen Z: By the Numbers

Gen Z, the generation born roughly between 1997 and 2012, will make up



of the U.S. workforce by 2030.4

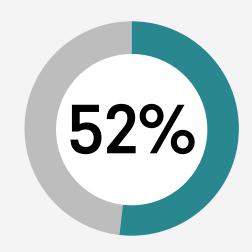
Gen Z is the most ethnically and racially diverse generation, yet

### 1 in 5



report that personal experiences with inequality and discrimination have affected their career choices.<sup>6</sup>

Gen Z is still on track to become the most educated generation to date, yet only

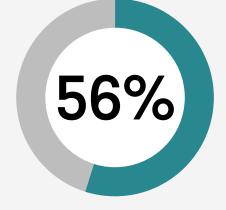


believe education beyond high school is necessary to their success, and nearly one-third say they feel more comfortable following a non-traditional path.<sup>5</sup>

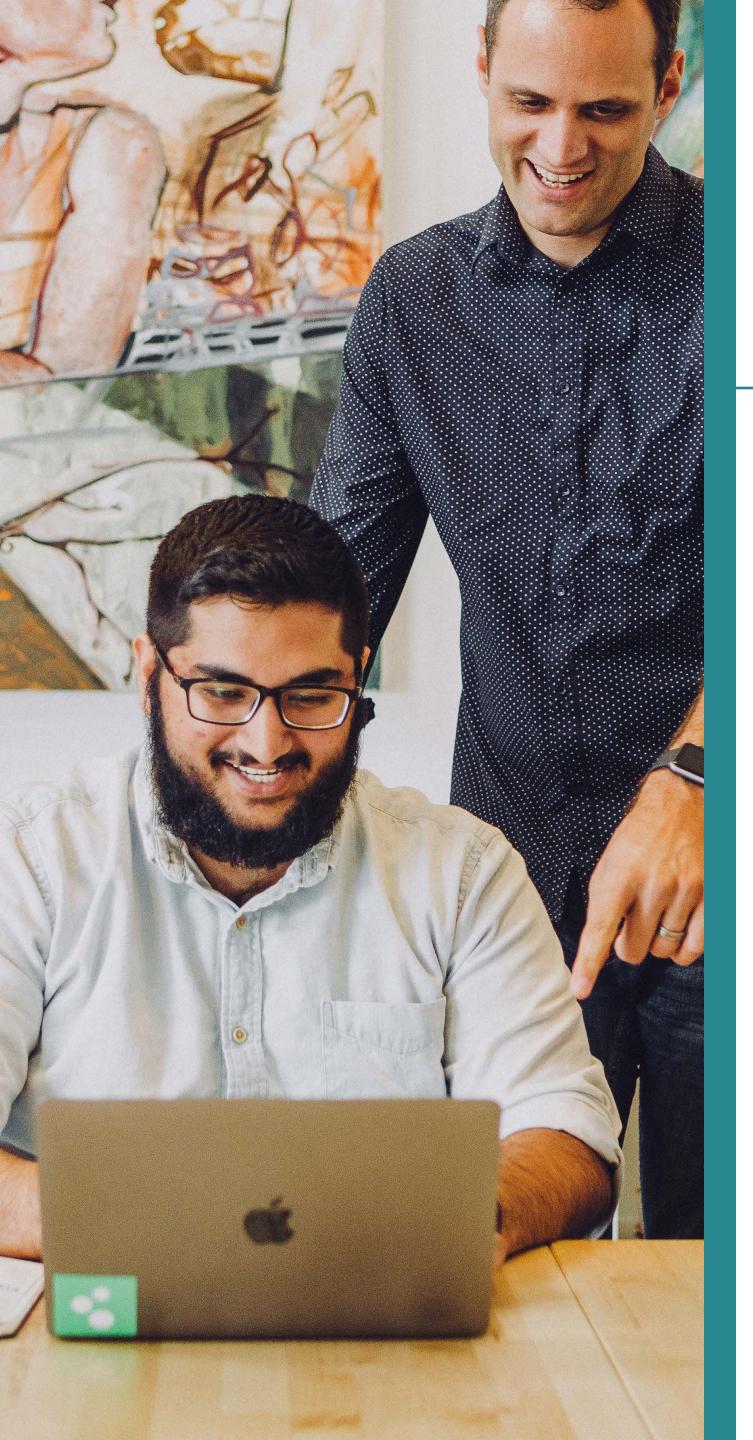
### 1 in 5



Gen Zers have never worked in person<sup>3</sup> and a recent study showed that



want or need to work outside of a traditional office setting.<sup>7</sup>



# 5 Key Traits of Gen Z & How Employers Can Respond

### For today's early talent:



1. Compensation is about more than just dollar amount.



2. Personal values drive employment decisions.



3. Work arrangements should balance worker autonomy with fostering meaningful connections.



4. Learning and advancement opportunities are a must.



5. Technology and innovation should be embraced in the workplace, with ethics at the forefront.



# Compensation is about more than just dollar amount.

IEM LEVER Total Rewards, Offboarding

## IEM IN ACTION

Employers should prioritize total rewards to address financial feats as well as signal security, transparency, and commitment to their employees.

- Explore opportunities to implement a pay transparency policy as a fundamental practice.
- 2 Prioritize high-cost benefits like mental health services and advertise these benefits in employee offer letters.
- Think creatively and expansively about other "lifestyle benefits" that Gen Z workers want, such as time and funding to support local causes, meal stipends, financial counseling sessions, or emergency car repair insurance.
- Consider low-cost, tailored benefits like bike repairs, pet insurance, and paid volunteer time as effective ways to tailor total rewards in alignment with the values, priorities, and needs of Gen Z.
- Whenever possible, offer offboarding packages for departing employees to provide income and benefits as they transition.



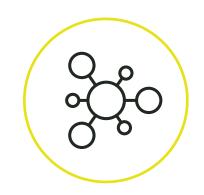


Gen Z understands the role a quality job plays in providing financial security and supporting their ability to live healthy lives.<sup>8</sup> They've witnessed and experienced a tremendous amount of economic and social turmoil, from the COVID-19 pandemic to continued layoffs and rising inflation. Many have developed mistrust and disillusionment in institutions and need employers to help mitigate any unnecessary fears and perceived risks they've come to associate with accepting a job.<sup>9</sup> In addition to competitive pay, Gen Z wants additional security through intentional and expansive total compensation packages that include benefits like mental health services, financial coaching, matching donations to charities, support paying off student loans, and other resources that help defray cost of living expenses.<sup>10</sup> <sup>11</sup>

#### REAL WORLD EXAMPLES

Consulting firm **EY (formerly Ernst & Young)** offers employees 25 no-cost sessions for mental health counseling and coaching per year, extending the benefit to family members and spouses who live with employees. (NBC)

**Chegg**, an education technology site, has paid off \$1 million of employee student debt by launching a student loan repayment program for staff called Equity in Education in 2019. (Forbes)



# Personal values drive employment decisions.

IEM LEVER Talent Acquisition, Corporate Culture

## IEM IN ACTION

Employers should spend time crafting unique, public values statements that help prospective and current talent understand how their work connects to a broader positive impact at the individual or societal level.

- Include values statements in job descriptions and provide tangible examples of how employees at all levels practice them.
- 2 Ensure job descriptions themselves model your values. For example, if you value candidates with a range of backgrounds, remove degree requirements and re-write job descriptions to focus on skills rather than years of experience in specific roles.
- Be explicit during the interview process about ways your company is doing its part to tackle social issues, such as climate change, racial and economic justice, and more. Detail the ways you leverage your corporate influence to make an impact on challenges this generation has experienced more acutely than previous ones.





Gen Z, grappling with debt, environmental concerns, and the aftermath of the pandemic, reports already experiencing symptoms of burnout. They also—more than any generation prior—understand that a meaningful life encompasses more than career success. Work is just one, albeit necessary, puzzle piece in the life and the impact they want to have. Gen Z approaches all things unconventionally, and they expect the same from their employers. Gen Z seeks employers who hold a set of inclusive, purpose-driven values, are vocal about these values during the hiring process, and, most importantly, are accountable to these values throughout the employee experience. Contrary to popular belief, data affirms that today's early talent does want to invest in companies for longer periods of time—once they find one whose values align with their own.

#### REAL WORLD EXAMPLES

**Slack**'s Last Mile coding program has encouraged 100 employees to train and mentor incarcerated peers at San Quentin State Prison. They've recently started a new initiative to hire Last Mile graduates for engineering apprentice positions called Next Chapter. (CNBC)

Google has made a commitment to carbon neutrality since 2007, meaning "a company has purchased enough carbon offsets to compensate for the emissions the company produces through its operations," the company said in a statement. Google recently announced its goal to be carbon-free by 2030. "We'll reach our new target when every Google data center and office campus runs on round-the-clock clean electricity," the company said. "To put it in plainer terms: We aim to shift away from a net-zero model of 'emit and compensate' and instead target 'absolute zero,' where we simply never emit carbon from our operations in the first place." (CNBC)



# Work arrangements should balance worker autonomy with fostering meaningful connections.

IEM LEVER Talent Acquisition, Corporate Culture

## IEM IN ACTION

Employers should be flexible in defining their expectations for working arrangements that also include approaches to inclusive community building.

- Prioritize hybrid and flexible work policies when possible.
- Design and fund opportunities to build community and relationships like offering satellite co-working spaces, in-person retreats, ERG groups, and informal social hours for remote and hybrid work settings.
- Create formal mentorship programming that encompasses both in-person and virtual connections.





Gen Z understands the numerous logistical, financial, and individual benefits that remote and hybrid working arrangements provide, such as the flexibility to care for pets and family members, live where they want to, and travel without taking time off from work. These flexible work environments speak to young talent's desire for employers who support their ability to live full lives outside of work—who don't require them to hide or de-prioritize important aspects of their identity.<sup>12</sup> At the same time, they want employers to thoughtfully design and communicate policies that balance well-being and career advancement, including opportunities for in-person connection and mentorship. And many are willing to trade remote work for these benefits.<sup>13</sup>

#### REAL WORLD EXAMPLES

**Spotify**'s Work From Anywhere program provides employees flexible living choices, including options to work remote, in-person or hybrid. As an example: if an employee relocates farther away from a Spotify office but still desires an in-person environment, the company will cover costs for a coworking membership. (CNBC)

**Instacart**'s "Flex First" model, launched in 2022, is built on their dedication to eliminating office-centricity and proximity bias. The program provides a blend of remote and hybrid work options, complimented by networking opportunities to foster community for virtual employees. (<u>Instacart</u>)



## Learning and advancement opportunities are a must.

IEM LEVER Talent Development, Offboarding, Workforce Planning

## IEM IN ACTION

Employers should strive for a company culture that promotes continuous learning as a tool for talent development and employee engagement.

- Discuss with new hires the career pathways available within the company and/or industry, as well as the steps needed to grow.
- 2 Utilize work-based learning strategies to prepare workers for advancement. This should include education programs that allow workers to obtain high-quality <u>credentials</u> at minimal or no-cost to them to support career advancement opportunities within the company.
- Cultivate a culture of continuous learning by promoting cutting edge skills, training opportunities, and insights that help position employees for ongoing advancement.
- Partner with local workforce system partners (community colleges, trainers, etc.) to provide programs offering employees trainings connected to quality jobs within your industry.





Survey data from Handshake shows many Gen Zers would be more likely to stay with an employer who offers opportunities to develop new skills. Their desire to create a meaningful impact drives them to seek opportunities for career and skill advancement that enhance their sense of purpose at work. Gen Z is more open to nontraditional career paths than previous generations, expressing demand for transferable skills and opportunities to learn about topics beyond their current job. A recent survey by LinkedIn, for example, showed 69% of Gen Zers want their employers to provide opportunities to learn about topics of personal interest. They also seek feedback more frequently to help them fine-tune their knowledge and performance at work—in this way, Gen Z is leaning in at work unlike any generation prior. To engage and retain today's early talent, employers must create a culture of continuous learning aligned to Gen Z's evolving interests and values.

#### REAL WORLD EXAMPLES

**Uber** encourages employees to move around the company to explore different positions. In 2018, over 3,000 employees transferred to new roles, with a third taking on different job functions. (CNBC)

**IBM** has removed certain degrees requirements for 50 % of positions, like software development, to expand advancement opportunities. The company has implemented apprenticeship programs for employees to earn while they learn. (HBSWK)



# Technology and innovation should be embraced in the workplace, with ethics at the forefront.

IEM LEVER Talent Acquisition, Workforce Planning, Talent Development

## IEM IN ACTION

Employers should leverage and support the entrepreneurial spirit of Gen Z in as they adapt to ongoing technological change.

- Anticipate when new technology will impact operations and prioritize training that incorporates technological advancements into day-to-day tasks and activities.
- 2 Encourage Gen Z workers to embrace an entrepreneurial mindset by supporting a sense of ownership in their jobs, creating opportunities for worker input, and encouraging innovative approaches.
- Leverage digital platforms to expand outreach and analyze engagement metrics to continuously improve your employer brand. Platforms like Instagram, TikTok, Threads, and Twitter/X can be effective tools for marketing directly to Gen Z. Think about ways to create an authentic and visually appealing message that feature early talent and showcases not just job opportunities, but company culture, values, and the employee experience.
- Embrace and contribute to the development of technologies that can help prevent bias and discrimination in hiring and across the employment lifecycle overall.





Gen Z is the first generation to have access to the internet and social media since birth—our first digital natives.<sup>17</sup> They intimately understand technology's potential to create positive change, when used appropriately. As a result, Gen Z embraces an entrepreneurial approach to work. According to a survey from Dell Technologies, 80% of Gen Zers believe that technology and automation will create more equitable workplaces, guarding against bias and discrimination. And 91% say that the technology an employer uses is a factor when deciding whether to accept a job offer.<sup>18</sup> Their entrepreneurial ambitions are further shaped by their desire for self-expression, agency, and their distinct openness to non-traditional career paths. For employers, this signifies a vital shift: today's early talent won't hesitate to leave a job they don't resonate with. In fact, 45% of Gen Zers report a strong likelihood of opening their own business someday.<sup>19</sup> To retain them in the meantime, acknowledging and channeling their entrepreneurial drive while embracing technology is no longer an option but a necessity.

#### REAL WORLD EXAMPLES

Professional services firm **Deloitte** encourages employees to think like entrepreneurs by providing individuals the chance to pitch business ideas to secure funding from the company through their Startup Deloitte program. In the U.S., roughly 20 ideas have been implemented since the company introduced the program. (<u>CNBC</u>) (<u>Deloitte Report</u>)

**Chevron**—hoping to better utilize the "troves" of workforce data they'd collected—deployed Eightfold.ai to work alongside their existing systems to operationalize skills, equity, and more across the enterprise. (<a href="https://executive">HRExecutive</a>)

**Delta Air Lines** implemented an open-door policy, encouraging entry-level talent to connect with top executives to share their ideas, career advancement priorities, and suggestions for improvement. (<u>Fortune</u>)



## Conclusion

A new generation of workers has arrived, and they're bringing new ways of thinking to the workplace with them. They are the leaders of the future—that much is inevitable. But if employers hope to benefit from their skills and impact in the meantime—especially in today's competitive and dynamic labor market—they'll have to start listening to what early talent wants and needs, and **why**.

As an Impact Employer, you have the power to create a positive worker experience while growing your bottom line.

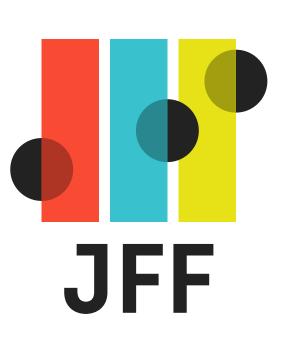
If you're passionate about supporting workers and becoming an Impact Employer, connect with us on <u>LinkedIn</u>, <u>Twitter</u>, <u>Instagram</u>, or <u>Facebook</u>, or subscribe to our <u>mailing list</u> to discover opportunities to learn, collaborate, and invest with JFF.

### Endnotes

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