Engaging the Workforce of the Future
the emergence of Generation Z

Jim Link, Chief Human Resources Officer, Randstad North America
Agenda

• Introduction
• Global Workforce Trends
• Your Future Workforce
• Transformations in How and Where People Work
• New Rules for Global Employer Branding & Engagement
• Key Takeaways
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Global workforce trends
What’s shaping the future of work?

- Behaviors shaped by social media entering the enterprise
- New collaborative technologies
- A shift to “the cloud”

- Millennials becoming the majority workforce
- Mobility and “connecting to work”

What’s shaping the future of work?

- Time to hire has more than doubled over the last 5 years
  - +2X

- Average cost to hire
  - $2.7 trillion impact to global GDP from use of more efficient talent platforms
  - 2.7 trillion

- 36% of employers can’t find talent when needed
  - 36%

- 46% of companies are sometimes or frequently understaffed
  - 46%
Only a few of the top world economies will be in the West by 2050

Source: International Monetary Fund
5 years ago: 170,000
Today: 250,000
2030: 400,000

Source: Globe & Mail & Statistics Canada
Share of Canada’s Population

Source: Globe and Mail
“TODAY, THE NUMBER OF PEOPLE LIVING OUTSIDE THEIR COUNTRY OF BIRTH IS LARGER THAN AT ANY OTHER TIME IN HISTORY.”

international migrants would now constitute the world’s fifth most populous country if they all lived in the same place.
Welcome to a whole new world
make way for

Gen Z

Generation Z (born 1994-2010) entered the workforce for the first time in 2016
Your future is Gen Z

36%

Global workforce

Source: PEW Research
Globally-minded

Gen Z is a population of 1.86 billion globally...

...accounting for 36%, or nearly a third, of the total population

They are at ease with, and have higher global awareness, via friends all over the world on social media.
Gen Z envision a world in 2020 where China, India and Russia will have more economic influence than North America and Europe.

Source: Fortune Magazine/Hay Group Survey 2015
Globally, many of the Zs live in China and India

Source: International Data Base, US Census Bureau
The information technology revolution is complete

Millennials were the transition. Gen Zers are all the way there.

They have never known a world in which one could not be in conversation with anyone, anywhere, anytime, and they will master this connectivity.
Children entering school today that will work in jobs that do not currently exist. Members of Gen Z are assets that many industries don’t even know they need yet.

why employers need them

65%

The UI/UX Designer

The Data Scientist

The Big Data Architect

Millennial Generational Expert

Source: Cathy N. Davidson, Professor, Duke University
why employers want them

1 in 2

Gen Zs will be university educated, compared with 1 in 3 Millennials and 1 in 4 Gen Xers

Source: JWT Intelligence 2012
Gen Z – digital natives

100% Gen Z - connected online for 1+ hours per day. But…

46% are connected 10+ hours per day.

Source: Wikia Study, 2014
Connect with them...

8 seconds

The average attention span of Gen Zs

Gen Z - digital natives

technology is their fifth sense

53% of 16-22 year olds would rather give up their sense of smell than an essential tech item (most often laptop or phone).

Source: Wikia Study, 2014
The changing racial demographics are also shaping Gen Z’s outlook.

Born 1996-2012 → 6,795,231 people or 19% of Canada’s population

Source: Canadian Centre for Diversity and Inclusion
Key macro trends influencing the Gen Z mindset
Gen Z - raised during an era of economic and employment uncertainty

- Great recession

- Stumbling job recovery
Gen Z is very conscious of global terrorism, but they also have a desire to change the world because of it.
Worry about making enough money to support themselves

University tuition fees have increased...45% over the last decade

Sources: The Globe and Mail, Huffington Post Canada
The average wage Canadians are paid per hour has hardly changed since the 1970s.

In 1977, the average hourly wage for workers peaked at close to $24...

In 2016, that has only risen to $27.70.

Source: Globe and Mail
84% of Gen Z workers have less than $1,000 on hand to pay unexpected expenses.

Source: 2016 Aflac Workforces Report
and BTW, Millennials have experienced (and been shaped by) these events too
How and where future talent will work
Entering a collaboration revolution

“The information revolution will empower individuals and democratize everything…”

- Steve Jobs, Apple

2020
Collaboration Revolution

2010
Information Revolution

1990
Internet Revolution

1980
Computer Revolution

1880
Industrial Revolution
Best practices to effective collaboration

- Training
- IT systems
- Knowledge-sharing tools
- Management & leadership principles
- Workplace design

Source: Collaboration in 2020 Survey, Johnson Controls
Employers need improvement

12%

Of executives understand the way their people work together in networks.

Source: Deloitte Human Capital Trends 2016
Employees no longer recognized for the information and knowledge they have, but instead by how they share that knowledge with the team, company and world.

Source: Forbes/joinme study; Fierce, Inc.
There is a gap between current and projected needs of knowledge workers and workplace infrastructure

COLLABORATION NETWORKS will be to enterprises what social networks are to consumers
global employer branding & engagement strategies
Gen Z’s said they want their future employer to give back to the community. The most impactful way their future employer can give back is by:

- Creating new jobs locally (41%)
- Donating money (17%)
- Starting a fundraising event for charity (14%)

Source: Randstad/Millennial Branding Generation Z Study, April 2014
Gen Z and Millennials crave in-person communication and collaboration

- **39%** In-Person
- **16%** Email
- **11%** Phone
- **10%** Instant Message

Gen Z and Millennials preferred methods for communicating with co-workers

Source: Randstad/Gen Z and Millennials Collide @ Work Study, September 2016
Collaborators and hard workers key to their work performance

Co-workers for Gen Z and Millennials

“Co-workers who work as hard as I do”

“Co-workers who like to collaborate”

Source: Randstad/Gen Z and Millennials Collide @ Work Study, September 2016
They want highly-engaged managers, and regular feedback

Top methods of manager engagement for Gen Z and Millennials

- 51% “listening to my opinions and valuing my ideas”
- 46% “mentor me/give me feedback regularly”

Source: Randstad/Gen Z and Millennials Collide @ Work Study, September 2016
How often Gen Z and Millennial workers prefer feedback from their manager

- 23% Regularly (i.e. after every project, assignment or task)
- 19% Daily
- 24% Weekly
- 3% Annually

Source: Randstad/Gen Z and Millennials Collide @ Work Study, September 2016
Bottom line: highly-collaborative manager relationships drive company performance

Millennials and Gen Z who work for outperforming companies are much more likely to name tangible collaboration tools and regular feedback as the best way to engage with managers to do their best work.

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Source: Randstad/Gen Z and Millennials Collide @ Work Study, September 2016
Gen Z and Millennials may not work for you...or anyone else

37% of Gen Z and 32% of Millennials say they aspire to be a leader at a company they start/own.

Source: Randstad/Gen Z and Millennials Collide @ Work Study, September 2016
But, those who do work for you, will bring more loyalty back to the workplace

29% of Gen Z and
25% of Millennials
expect to work at their current company between 2-4 years

Source: Randstad/Gen Z and Millennials Collide @ Work Study, September 2016
Gen Z and Millennials have passport, will travel

Only 40% of Gen Z and 47% of Millennials plan to work in only one country during their career/lifetime.

26% of Gen Z and 23% of Millennials plan to work in at least two countries.

Source: Randstad/Gen Z and Millennials Collide @ Work Study, September 2016
Gen Z and Millennials value diverse workplaces

Gen Z and Millennials most value “different points of view” and “different fields of specialty”

Source: Randstad/Gen Z and Millennials Collide @ Work Study, September 2016
Have communicative leadership? Millennials and Gen Z will be knocking

Both generations named “communication” as the most important quality of a leader, followed by being supportive and honest

Source: Randstad/Gen Z and Millennials Collide @ Work Study, September 2016
Workplace flexibility: if you build it, they will come

both generations named “workplace flexibility” as the most important employee benefit

Source: Randstad/Gen Z and Millennials Collide @ Work Study, September 2016
If you are not online, you do not exist.

LinkedIn adds 2 new members, EVERY SECOND!
There are 40 million students and recent college graduates on LinkedIn

The number of twitter users grew to 330 million, sending out 500 million Tweets per day!

More than 400 million Snapchat stories are created per day. It would take you 10 years to view all of the photos shared on Snapchat in the last hour.

If Facebook were a country, its population would be LARGER THAN the North American continent!

8.6 TRILLION text messages sent, PER YEAR!

300 Hours of Video are uploaded to YouTube EVERY MINUTE

Instagram has 500 million users, receives 4.2 BILLION likes per day and shares 95 million photos/videos daily.
Generational stress

Millennials experience more stress and are less able to manage it than any other generation

58% of Gen Z are either somewhat or very worried about the future

Source: JWT Intelligence 2016
“Stress” was named as biggest obstacle that could get in the way of work performance for both generations (37% Gen Z; 39% Millennials)

The business impact of generational stress

- On average, financial stress costs businesses **$5,000** in lost productivity per year.
- Unscheduled absenteeism costs roughly **$3,600 per year** for an hourly worker and **$2,650** for salaried.
- Businesses lose **$600 billion** a year in workplace distractions.
- Work/family conflict contributes to **$24 billion** a year in healthcare expenditures for employers.

MORE MONEY

What incentive would make Gen Z and Millennials work harder and stay at their company longer?

Source: Randstad/Gen Z and Millennials Collide @ Work Study, September 2016
Money talks, but are we listening?

Cash rewards/bonuses named first among Gen Z (36%) and Millennials (41%)

Promotion was ranked second among Gen Z (32%) and Millennials (30%)

How Gen Z and Millennials would like to be recognized or rewarded in the workplace

Source: Randstad/Gen Z and Millennials Collide @ Work Study, September 2016
Meet the technological demands of the digital generations

Gen Z and Millennial workers identify top five technologies they’d like their employer to incorporate in the workplace.

- Social Media (41%)
- Wearables (27%)
- Virtual Reality (26%)
- Robotics (20%)
- MOOCs (Massive Open Online Courses) (18%)

Source: Randstad/Gen Z and Millennials Collide @ Work Study, September 2016
It’s Good for Business Too!

Gen Z and Millennials who work for outperforming companies are much more likely to want their employer to incorporate new technologies into the workplace.

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Source: Randstad/Gen Z and Millennials Collide @ Work Study, September 2016
Just be sure to implement with care

84% of Gen Z and Millennials say, “technology tools may distract me from getting my work done.”

Source: Randstad/Gen Z and Millennials Collide @ Work Study, September 2016
Help Gen Z and Millennials manage these top distractions

Most distracting technologies when it comes to getting their work done

- Social Networking (46%)
- Email (31%)
- Video Conferences (17%)
- Instant Messaging (27%)
- Text Messaging (39%)

Source: Randstad/Gen Z and Millennials Collide @ Work Study, September 2016
Millennials as managers
More than **28%** of Millennials are now managers.

**67%** see themselves in management within the next decade.

Source: Parade
Help Millennials Lead

education did not prepare them for:

- Conflict Resolution: 30%
- Working long hours: 30%
- Negotiating: 28%
- Managing other People: 27%
- Managing my Time: 26%

Source: Randstad/Gen Z and Millennials Collide @ Work Study, September 2016
Key takeaways

**attract**
- video, text, real time, right now, brand promise, CSR, tell your strategy and purpose in their mediums

**retain**
- frequent feedback, career experiences, flexibility, leaders matter, mentor

**engage**
- collaboration, enabler, encourage, reward, tangible employee experience, experiment, technology matters
Thank you