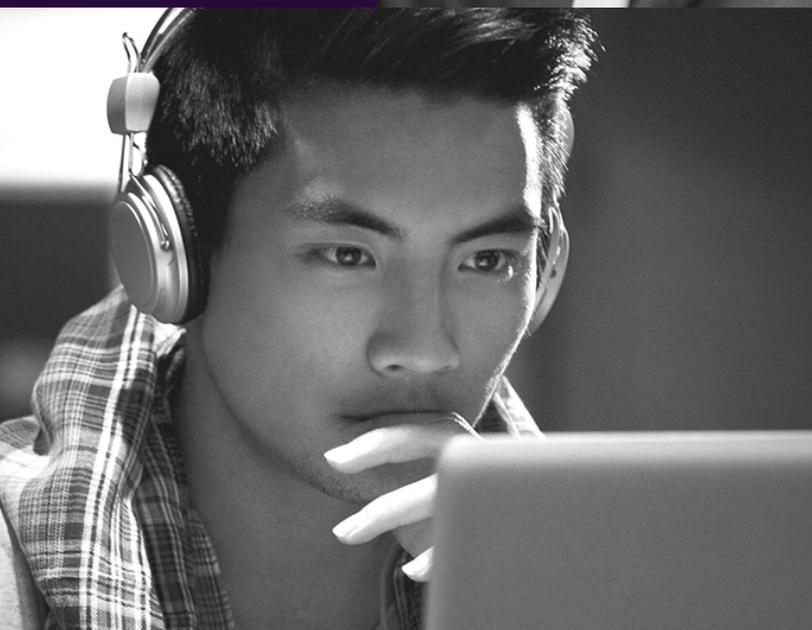




# BRING ON GEN Z



# HIRING THE NEWEST WORKERS



**T**he convergence of a talent shortage, skills gap and demographics shift is looming. As older generations retire, and Gen Z, (those born between 1995 and 2010) enter the job market, employers are counting on them. That's because by 2030, the youngest of the Boomers will turn 65, and older Gen Xers will have retirement on the horizon. The bulk of workers left will be Gen Z, along with a smaller millennial cohort. In other words, it's not hyperbole to say that Gen Z is the group that is tasked with saving the workforce. But are they up for the job?



## **This Ebook will explore:**

- A profile of Gen Z \_\_\_\_\_ Pg. 4
- The COVID-19 impact on the future workforce \_\_\_\_\_ Pg. 5
- Industry pain points: Tech, Manufacturing, and Healthcare \_\_\_\_\_ Pg. 7
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The mismatch of talent to jobs is approaching critical mass: A recent report from Korn Ferry estimates that by 2030, more than 85 million jobs could stand empty because there aren't enough skilled people to fill the roles.

But even with a widening skills gap and Gen Z worrying about what they bring to the table — it's more of a job seekers' game than ever. More than half of employers (57%) say job seekers have the upper hand in the entry-level job market, according to a recent Monster survey. And nearly three-quarters (72%) say they've boosted salary on entry-level jobs in the last year to attract candidates.

Despite being in the driver's seat, 60% of college graduates don't feel they can be more selective in their job search, because there are more people vying for jobs. But 4 in 10 Gen Zers admit they've ghosted recruiters, many because they were no longer interested in the position (32%) or because they'd already accepted another job (30%).

Another quarter said they had “a lot going on and forgot to respond,” but 34% said the recruiter or hiring manager was rude or lied about the position.

On the employer side, 3 in 5 organizations report difficulty in filling middle-skills jobs – that is, positions that require more education than a high-school diploma, but less than a four-year college degree, according to researchers at Harvard Business School.<sup>2</sup> And 69% of HR execs say the inability to attract and retain middle-skills talent often affects their firm's performance.

So what needs to change? How can employers help this workforce of tomorrow develop the skills needed to succeed and adapt to emerging jobs? And are we doing enough as a society to tap into the millions of talented workers who are ready to fill skilled roles, but don't have a degree listed on their resumes?

## 7 in 10 HR execs

**say the inability to attract and retain middle-skills talent often affects their firm's performance**

By 2030, more than 85 million jobs could go unfilled because there aren't enough skilled people to fill the roles.



# A profile of Gen Z

While Gen Zers have lived through shared experiences, it's important to remember that there's still a wide spectrum of people in that generation, notes Karen Jones, director, workforce strategies and employment solutions for Adecco Group Foundation US, a nonprofit that's helping address

the skills gap in the United States through upskilling, reskilling, and apprenticeship programs. "I always get cautious about painting any generation with a broad brush," she says. There are some data points worth considering, however, when trying to reach this youngest cohort of workers.



## Gen Z is college-bound

Raised by more educated parents, more Gen Zers are pursuing higher education, according to the Pew Research center, with **57%** enrolled in a two- or four-year college. Because they're so education focused, fewer teens are working. However, **4 in 10** enter the workforce as soon as they leave high school.

**Other facts:** Gen Z is also the first truly digitally native generation. They also grew up during the Great Recession, watching older millennial siblings move back home because of sky-high student loan debt. And now, they've had to finish out their school years and/or enter into the job market during a pandemic.

"Instability has very much been the Gen Z norm. Over the course of the pandemic, things have been ever-changing, and they don't have the same foundation or reference point, because this represents their whole lived experience," says Emily Schaffer, managing director, Year Up, a nonprofit career training program for young adults 18-24, the majority of whom identify as people of color.

***"Instability has very much been the Gen Z norm." – Emily Schaffer***

"Our social contract of the 90s through 2010 was that a college degree was the greatest insurance policy you can have against poverty. This is the path."

Unfortunately, that contract was broken for many, she adds. The trend that emerged was leaving college with debt, but not the degree. And even among those who graduate, the promise of a high-earning job doesn't always pan out. Graduates in the class of 2021 with degrees in engineering or business saw salaries just 1.6% higher than their 2020 counterparts, according to the National Association of Colleges and Employers (NACE). Chemistry majors and math majors saw a 3% to 4.5% drop. About 1 in 5 college grads aren't confident in finding the right job fit, and almost half say that's because they lack experience.

For non-grads, the prospects are worse. Projected job growth for the period of 2019-2029 is just 1.5% for those with a high school level education (and close to zero once the pandemic impact is factored in), according to the BLS.

"[Non-grads] need a point of entry into a job with a wage that can sustain them," says Schaffer, which is what her organization, Year Up, is trying to provide.

# The COVID-19 impact on the future workforce

The introduction of vaccines and boosters and the return (for many) of in-person work has led to a boost of energy for the job market. Employers this spring are projecting to hire 26.6% more college graduates from the Class of 2022 than they hired from the Class of 2021, according to the latest report from the National Association of Colleges and Employers (NACE). And the Staffing Industry Association (SIA) projects 12% growth in U.S. industrial temporary staffing in 2022 as the economy recovers.

Meanwhile, the work landscape has changed. More workers expect flexibility, the ability to work remotely, the opportunity to work from anywhere. Three in 10 job seekers (32%) would need to see opportunities for remote or hybrid work options to entice them to apply for a job. And 59% of employers hiring for remote or hybrid entry-level positions focus on candidate quality and their ability to join the company quickly versus a local candidate who could work in-person if needed.

“There’s an expectation from Gen Z that if they perform, they should be allowed to work from wherever they want,” says Ryan Craig, managing director of Achieve Partners, an investment firm focused at the intersection of education and employment. “Their organizations should be able to accommodate that, and those that can’t will be more limited in their ability to attract talent.”

***“There’s an expectation from Gen Z that if they perform, they should be allowed to work from wherever they want,” Craig says***

While candidates expect to be able to work autonomously, however, not all employers are fully on board. Only about half of employers say they have “complete” or “a great deal” of trust in the ability of their entry-level hires to excel in a remote working environment. “It obviously means different

and additional sets of skills,” Craig says. “Gen Z is going to need to be more autonomous and professional.”

Job candidates will be doing some judging of their own, too, says Sarah Ikhianoson, vice president of business development and strategic operations at The Fountain Group, a professional staffing firm specializing in contingent workforce solutions. “How employers handled COVID will be something people will discuss,” she says. “If employees did not feel supported, that will be a reason for turnover. We’ll start to see that now that more jobs are happening, and that will become the reputation of the company.”

This is particularly true as companies lift restrictions and many workplaces return to something that feels more “normal.” “There’s definitely a question of, ‘Is there a mask policy?’ and ‘Is there a vaccine requirement, and if there is, is a booster required?’” says Bill Nichols, practice director for Robert Half. “It does affect their decision making.”

On the positive side, the pandemic might have afforded Gen Z some credibility within multigenerational workplaces. Until COVID shut down offices in 2020, a huge amount of communication was oral and in-person, says Steven Rothberg, president and founder of College Recruiter, a job and internship site for students and recent grads. Now, he says, “managers seem to be less frustrated with their youngest co-workers, probably because those youngest co-workers have or were able to quickly develop the digital communication skills necessary to succeed in a remote work environment.”

Along those lines, Gen Z may also benefit from the surge in video interviewing and other digital hiring platforms that are remaining in many workplaces since they have an inherent comfort level with those types of platforms. “They’re used to more video chatting and talking to people. They want to see people that they’re interacting with, and they can sniff out an AI bot quickly. They want to feel like their time is respected by knowing a real person is behind the scenes,” says Jones.

One other dynamic to emerge is that some young people may be rethinking their future aspirations. “The pandemic presented a lot of options for Gen Z folks. There are more online options at many colleges, and you’ve got greater geographic flexibility,” Schaffer says. “I think young people continue to question what is going to get them where they want to go, and with more options available, I think more young people are looking to professional certifications and different pathways of learning, not just college alone.”

It could partially explain why undergraduate enrollments declined another 3.1% this fall, and the country’s freshman class was 9.2% smaller than the freshman class of fall 2019, according to the [National Student Clearinghouse Research Center](#). With the younger half of this generation potentially less interested in a four-year degree, what might that do to the workforce in the next five years?

There was already a looming skills gap in everything from technology to trades to soft skills. So who will take on that training burden if fewer young people decide to enroll in college?



# Industry pain points: Tech, Manufacturing, and Healthcare

In case you haven't heard, 95% of business leaders say it's very or somewhat challenging for their company to find skilled professionals, according to a [Robert Half survey](#). This is an issue across the board, but here, we take a closer look at the technology, manufacturing/light industrial, and healthcare sectors.

## Tech/IT

Korn Ferry research estimates that [by 2030, the U.S. technology sector could lose out on \\$162 billion](#) worth of revenues each year if it doesn't find a way to fill roles with high-tech skilled employees. And the top in-demand roles listed in World Economic Forum Future of Jobs Report are tech-loaded: Data Analysts, AI and Machine Learning Specialists, Robotics Engineers, and Software and Application developers. And on the horizon are emerging roles like Process Automation Specialists, Information Security Analysts and Internet of Things Specialists. Add to that the fact that even non-techie jobs are requiring more and more digitally-driven skills, and you can see why recruiting professionals are worried about a tech talent shortage.

**Four in 10 college graduates** say the hardest part of looking for a job is that ads call for multiple years of experience.

"The digital skills that employers are seeking, particularly in entry level jobs, are becoming more numerous and much more specific," says Ryan Craig, managing director of Achieve Partners, an investment firm focused at the intersection of education and employment. So much so that he says the concept of an entry-level position has become an oxymoron, where many job postings actually require around three years' experience. Think about an entry-level sales position," Craig says. "Anyone with a college degree would be considered, but today there are software and SAS platforms and experience you're expected to have for those roles, so 'entry-level' has become an oxymoron for millions of employers."



**'Entry-level' has become an oxymoron for millions of employers.**

Ryan Craig, manager director, Achieve Partners

# By 2030, the U.S. technology sector

**could lose out on \$162 billion worth of revenues each year if it doesn't find a way to fill roles with high-tech skilled employees**

Craig predicts that in the next decade, millions of young people will start their careers through apprenticeship-like pathways that are providing them with these specific digital skills and business experience that employers aren't willing to provide and educational institutions cannot provide.

## ***Manufacturing/Light Industrial***

“With the rise of Amazon mega-centers popping up, there are more people interested in manufacturing type positions,” says Baksh. But the perception of the industry is still evolving, and it requires new messaging to attract the next generation of skilled workers. “We have to say, if you want the ability to turn a job into a career, this is a pathway for you,” she says.

Her company is actively making improvements to its leadership development program, which serves as a pipeline for plant managers, for that very reason. “When I took ownership of that program, the average turnover was three years,” says Baksh. In the past, because a lot of engineers may not go to school with the intention of becoming plant managers, some who wound up in the program discovered it wasn't what they wanted to do.

Baksh and team are now putting more focus on making sure they are “fishing in the right pond,” and reaching a level down in the process, including revamping their internships. “We want to make sure participants figure out if this is what they want to do early on, and so we have created a tiered approach so a good mix of people are coming in to try things out,” she says. Though these initiatives are in their infancy stages, they've seen some promising early results.



**“The manufacturing industry requires new messaging to attract skilled workers. We have to say, if you want to turn a job into a career, there’s a pathway for you,”**

**Lauren Baksh**, senior manager of talent acquisition for Graphic Packaging

## Healthcare

“Due to the nationwide shortage of RNs occurring pre-pandemic, we are experiencing even greater shortages of RNs, nursing support roles, and other critical healthcare roles such as Respiratory Therapists,” says Robert Shaw, manager of talent strategy and digital analytics at AdventHealth Corporate, a non-profit health care system that operates over 130 facilities across nine states.

To help meet the demand, AdventHealth created a nurse residency program to support recent nursing

graduates as they transition into their first RN role. “We are also piloting a transition nursing program dedicated to nurses that are interested in working in an acute care setting with little to no experience in this area,” he says.

They are challenged when it comes to sourcing talent for select facilities in rural or non-metropolitan areas, he says, but are using various talent and digital strategies to increase awareness of these opportunities.



# What Gen Z wants

Gen Z is not unlike other generations in wanting a competitive salary and benefits package. But they also crave the opportunity for advancement and job security. This generation is future-minded, and therefore more willing to stay loyal to companies that invest in them.

The Monster survey data supports that notion, with 37% of job seekers saying they want to see career advancement expectations for the position in the job posting, and another 30% looking for verbiage on career or leadership development programs. "This is a generation that is risk averse," says Craig. "They've experienced a high cost college, student loan debt, they've seen their big brothers, sisters,

older friends suffer through under employment and unemployment now with COVID, and they want a pathway with some guarantees."

For employers, that means realizing that entry-level hires are not necessarily looking for the highest offer, but rather a secure pathway. That's not to say that you can get away with not offering a living wage. Salary range still topped the list of what Gen Z needs to see in a job ad before they apply. "Employers who hire someone for \$15 an hour and then provide no opportunities to advance shouldn't be surprised when those people jump ship for another \$1 or \$2 from the employer across the street," says Rothberg.



**37%** of job seekers want to see career advancement expectations for the position in the job posting

# How employers can enable Gen Z to save the workforce

As your workforce turns over and new roles emerge, Gen Z is ready to take the wheel. But just like new drivers, they'll need some training and practice before they can confidently hit the road. Employers who find creative ways to identify and invest in candidates who have the potential to go the extra mile will be better off for it in the long run. Here are some strategies for attracting and retaining Gen Z candidates:

## Prioritize diversity and health

Fully a third of college grads say they wouldn't accept a job at a company that doesn't have a diverse workforce. Another quarter say they wouldn't work for an organization without women (26%) or diversity (25%) in leadership roles.

Job seekers are also keenly interested in their health — mental and otherwise. Nearly half (48%) of candidates said healthcare is the benefit they're most interested in, even above flexible schedule options. And 1 in 10 workers named free access to mental health services as another important perk.

## Get back to the human side of recruiting

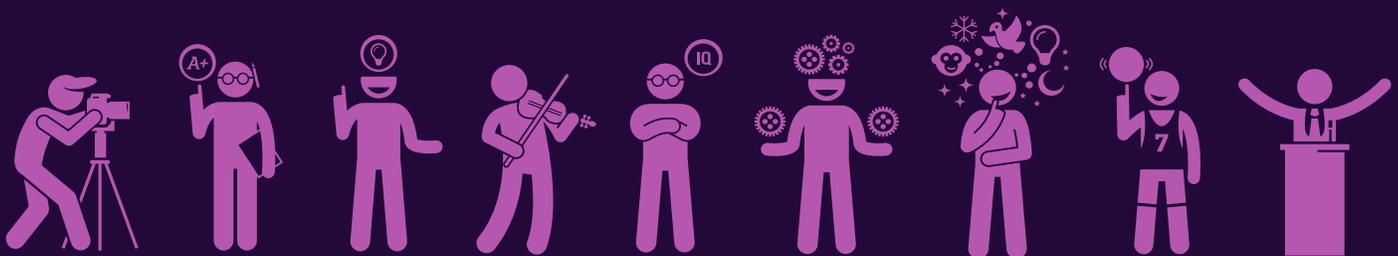
More than a quarter of job seekers (27%) say one of the most difficult parts of the job search is tailoring their resume to the unique keywords in the job ads. Translation: Getting around the bots. Companies

need to get away from candidate screenings that only scan for keywords, says Jones. "Gen Z can bridge the talent gap, but companies need to change. They need to look for potential. Instead, it's been very prescriptive — we're not going to consider people unless they have this, this and this. Humans are not even reviewing applications."

But while the human touch is important, it's also essential that companies are using the online tools at their disposal. More job seekers are using job boards and career networking platforms to look for positions than career services provided by their college, Monster found. And 11% to 16% of candidates are also looking to social media platforms like YouTube and TikTok.

They're also looking to social media for job advice: 46% of college graduates are going to YouTube or TikTok with their job search questions.

**33%** of college grads say they wouldn't accept a job at a company that doesn't have a diverse workforce



## Rethink the four-year degree requirement

Especially this past year with remote schooling, this generation has realized that they can learn things on their own. “They have an entrepreneurial spirit,” says Jones. They’re also not afraid to go on YouTube to learn a software program or how to complete a DIY project. “They’re saying, ‘don’t discount me because I don’t have it on my resume. I can learn it.’”



**Relying on campus recruiting alone is 20<sup>th</sup> century thinking** says **Craig**.

But nearly nine in 10 employers admit that they are rejecting qualified high-skill candidates if they don’t match the exact criteria in the job posting, such as a college degree, according to a [Harvard Business School study](#). Just relying on campus recruiting alone is 20th century thinking, says Craig.

On the other hand, the acceptance of skills-based hiring provides an entryway to young people who don’t choose the college route. “In the State of the Union address, Joe Biden talked about the work-based learning experience and skills-based hiring,” Schaffer says. “I think that was a big moment for people who look for skills-based hiring and creating pathways based on someone’s ability to do their job, rather than a degree that may or may not position them well to do a job.” says Schaffer.

Though some roles at Graphic Packaging require a four-year degree, Baksh is really hoping for an influx of community college applicants to meet some of the talent demands. “Some of our skilled tradespeople make more with an associate degree than those

coming out with a four-year degree,” she says. “It’s more important for companies to get in early with technical schools so they know who the immediate employers are, and develop a solid bridge.”

## Invest in training and upskilling solutions to close the skills gap

There’s a whole group entering the workforce that don’t have a degree, says Jones, and they are primed to be trained for some key trade skills. “Lots of companies are looking for CNC operators, powered forklift drivers, or maintenance technician positions, and they’re having a difficult time filling those jobs,” she says. The problem is organizations feel they don’t have the time and bandwidth to do the training themselves.



**I see more and more work-based learning experience programs and I think more companies are seeing them as an important pathway to strategic hiring,** says **Schaffer**.

“Work-based learning experiences and work partners within organizations who are helping to build talent pipelines continue to be a really robust way to get to know an employee, to have the try-before-you-buy experience,” Schaffer says. “Both for the talent, who gets the opportunity to experience a company culture and working with a team firsthand, and for the company who gets to see how quickly they learn. I see more and more work-based learning experience programs and I think more companies are seeing them as an important pathway to strategic hiring.”

Craig believes that what he calls “last mile training” can help make those connections between entry-level hopefuls and organizations facing skills gaps. He predicts that “Talent as a Service” providers will emerge to deliver purpose-trained, entry-level talent at scale on a “try before you buy” basis. In addition, expect to see a resurgence of apprenticeships.

“There are these third parties who essentially come in and operate turnkey apprenticeship programs for you, and they run the training, and they help with the recruiting, and the onboarding of it,” says Craig.

Until such solutions are mainstream, however, companies may need to take on at least some of the responsibility of training their future workforce. “Non-college workers are the population we think needs

the most help in upskilling,” says Jones. “Companies want someone who has experience, but if you’re not going to give them a shot, they can’t get there. Companies need to be more willing to train people.” As far as what that training should look like, consider leaving behind the boring, recorded training sessions that Gen X and some Millennials tolerated, says Jones. “Gen Z is different in that they’re avid multitaskers. They’re used to stimulation from multiple sources and would benefit from training that involves multiple platforms. They need different types of interaction to keep them engaged,” she says.



**Talent as a Service providers will emerge to deliver purpose-trained, entry-level talent at scale on a “try before you buy” basis, predicts Craig.**



## ***Invest in long-term retention***

Bringing on entry-level talent is challenging enough, which is why it can be frustrating to invest the time and money to train them just to have them leave in a couple of years. “I’d love for companies to really think about this as a career-exploration phase,” Schaffer says. “For people who are just starting out, they’re going to need to get their feet wet in a variety of different kinds of roles in order to understand what they’re great at and what they love to do. So I think Gen Z’s early career talent needs to be in a position where they can try things — where they can get into a role, learn it and also have some mobility into other roles.”

One program at Hyster-Yale Group having success is called Raise Your Hand, in which employees can volunteer to work on projects outside of their core job or functional area. “It provides additional resources to a given project, but it’s also an opportunity for that employee to work with different people, be exposed to different perspectives, and build different skills as well as contributing their own strengths to that project,” says Brown.

**“ For people who are just starting out, they’re going to need to get their feet wet in a variety of different kinds of roles in order to understand what they’re great at and what they love to do”, Schaffer says.**

## ***Give them opportunities to network***

“We see networking and building one’s network as something that is really important for early career talent, and it’s challenging to do that in the pandemic environment,” Schaffer says. “The pandemic put a damper on a lot of the loose-tie relationships – the folks you connect with and know but who aren’t your closest friends. That’s often who we think of as part of our professional network.”

Creating opportunities for informal networking will take creativity, and companies will have to think about strategies to help employees branch out. “When folks aren’t running into each other at the water cooler in the way they once did, there needs to be alternative means of doing this.”

Luckily, much of Gen Z is still willing to be in the office — at least part of the time. Half of college grads — and 7 out of 10 non-graduates — want an in-person job, according to Monster’s data. While they appreciate the ability to work remotely, this is a generation that hasn’t worked much on site, and they still want to meet people and be in an office environment. “If someone is looking at a company based out of Boston, they still want that interaction with people their age and that social aspect,” Nichols says. “Coupled with that now is the expectation that they can work from home a couple of days a week. Young professionals are looking for something hybrid.”

## ***To connect with this audience, be authentic and transparent***

As previously noted, Gen Z will do their research and they’re not easily fooled. They want security, and that means they want to work for a company they can rely on. These candidates may want to know salary details that older seekers won’t (even when it comes to the C-suite). They may want to understand the racial makeup of your executive leadership team, and if it’s not diverse, they’ll want to know that you’re working on improving things. They want to know what you’re going to give them for their loyalty and their talent, and they may not wait for an interview to hear if first-hand. That’s where having a truly transparent, dynamic employer brand is key. You want to establish your employer value proposition and create a strategy to communicate your values and offerings to candidates before they even apply.

# 4 takeaways

to reach today's youngest workers

## Be transparent

Gen Z wants to know about salary, benefits, work/life balance and how your company handled COVID-19.

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## Demonstrate that they've got a future at your company

Today's entry-level workers want to see a tangible career pathway, so present them with specific plans to train them, and show them a promotion path ahead.

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## Help them connect

A thriving network is just as important as growth opportunities, so it's up to you to provide ways for young workers to interact with colleagues and mentors.

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## Show them the money

They know the pandemic may have impacted their salary potential, but if you've got challenging roles to fill, know that you might have to bump their salary.

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**T**alent shortages, skills gaps, and post-pandemic uncertainty do make for a challenging hiring environment. But by recognizing the potential and passion of Gen Z and approaching them with career pathways and opportunities to grow and learn – even if they're initially lacking each of the skills you deem essential – you can fuel your talent pipeline for years to come.

We're ready to partner with you.

See Monster's Gen Z Hiring Solutions

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