

Guiding Gen Z from Campus to Corporate Life

WHAT COLLEGE AND UNIVERSITY
ADMINISTRATORS AND TALENT
RECRUITERS NEED TO KNOW



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QUALITY OF LIFE SERVICES



TABLE OF CONTENTS

Introduction	3
Gen Z & Organizational Loyalty	4
Workplace Expectations	7
Identity and Quality of Life	9
Conclusions and Recommendations	11
About Sodexo	14
References	15

GUIDING GEN Z FROM CAMPUS TO CORPORATE LIFE

WHAT COLLEGE AND UNIVERSITY ADMINISTRATORS AND TALENT RECRUITERS NEED TO KNOW

College and university administrators and corporate recruiters fully recognize that the success and performance of their organizations will depend, to some extent, on a keen understanding of Generation Z and its expectations for the workplace and quality of life. Campuses are not only competing for enrollment in an environment where 89% of Gen Z students rate the value of earning a college degree as “very high,”¹ they also must provide decidedly strategic, experiential learning that enhances career opportunities upon graduation. Prospective employers are equally motivated to replenish a porous talent pipeline that currently gushes approximately 10,000 retiring Baby Boomers each and every day.²

Poised to be one of the largest workplace demographics (20%) by 2020,³ a number of studies show that Gen Z has its own perspective on the workplace, one which is separate and distinct from that of its Millennial counterparts. They are distinctions that campus administrators, corporate recruiters and employers need to understand fully and be prepared to apply in their respective efforts to attract and develop next-gen talent.

This paper draws from literature, primary research, surveys and in-depth interviews with members of the Generation Z demographic. Trends are explored that connect unique perspectives about quality of life and organizational loyalty for this population. To capitalize on these loyalty trends, college administrators and job recruiters need to understand and build informed strategies around the critical engagement drivers for this fast-emerging generation. This paper expounds on these drivers, highlighting differences and similarities between Millennials and Gen Z, with identity and group dynamics explored through the lens of both generations.

For the first time in history, the workplace now hosts five different generations: the Greatest Generation, Baby Boomers, Generation X, Millennials and Generation Z. It is incumbent upon forward-thinking university leadership and corporate HR teams to pay close attention to attracting the latest wave of talent, while also keeping a finger on the pulse of key engagement drivers, which vary greatly across different generational cohorts.

These future leaders view quality of life as the number one driver of organizational performance. Gaining a firm grasp of precisely what quality of life means for Gen Z in terms of organizational loyalty, workplace expectations, group identity and inclusion will greatly assist organizations in developing and implementing insight-driven strategy.



GEN Z & ORGANIZATIONAL LOYALTY

Born after 1994, Generation Z appears to have adopted a perspective about organizational loyalty which is significantly different from that of Millennials, who are seen as relatively unattached to organizations and institutions. As they enter the workforce, members of Generation Z are generally more tenure-oriented than their Millennial counterparts, according to one study.⁴ That research states that 60% of Gen Z is willing to stay with a company for more than 10 years—indicating a shift from job-hopping to greater job stability.

Additional research and survey data⁵ from Sodexo supports this as well. These findings point to a generation which is more loyal to organizations and one that desires to work for relatively fewer companies over the span of its career. A majority of survey respondents (46%) answered that they anticipate employment with only one to three companies when asked, “How many different organization do you see yourself working for through your career?” The second highest percentage (41%) responded that they expect to work for one to seven organizations. If one assumes the typical career spans 45 years (age 20 to 65), then 46% of these survey respondents anticipate being with the same organization for at least 15 years.

Millennials, on the other hand, are significantly less tethered. A recent survey by Gallup found it to be the generation most likely to switch jobs, with six in 10 Millennials saying that they are open to new job opportunities.⁶ They are also more likely to act on opportunities when they arise. In fact, 36% reported having plans to actively look for a new position in the next 12 months.

It should be noted that the research on organizational loyalty among Gen Z is limited, as this cohort has only just begun to enter the workforce. Other studies reveal disparate and at times opposing views on the subject. One such study⁷ suggests that building organizational loyalty may be increasingly challenging, with 83% of Generation Z believing that three years or less is an appropriate length of time to spend in a first job. In addition, 27% of the respondents believe they should stay in their first job less than a year.

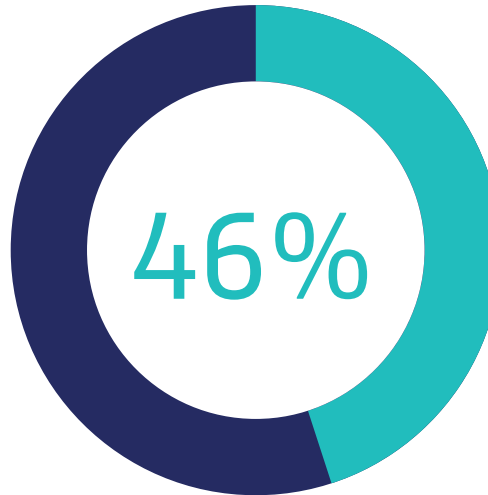
There is general agreement, however, about the fact that Gen Z grew up during a time of economic stress and the recession of the early 2000s. Gen Z saw its parents face financial hardships and struggles, something it wishes to avoid. When asked about the type of work environment that was most important, survey respondents indicated a desire to work in a stable, predictable environment with a reliable company.

In fact, additional research⁸ finds this cohort to be extremely cognizant of the fiscal consequences of its decisions. By extension, this would include the decision to select career opportunities at organizations that not only offer stability and financial security, but also those which meet their overall expectations for quality of life in the workplace.

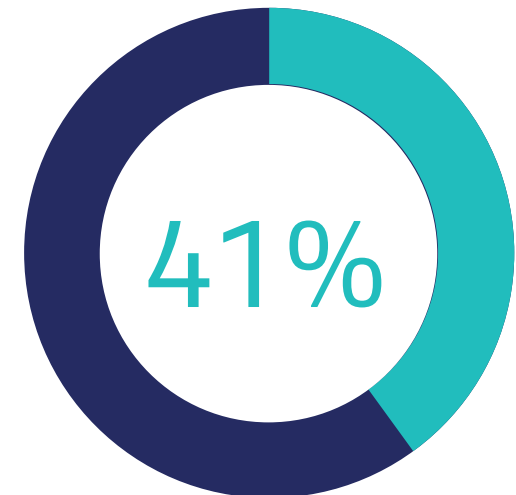
CHARACTERISTICS	MILLENNIALS	GENERATION Z
Tendency toward organizational loyalty	Relatively unattached—the average Millennial works for 3 organizations in the first 5 years following graduation	Tenure-oriented—46% anticipate being at the same organization for at least 15 years
Most important engagement factor	Constant feedback and opportunities for professional development	Fulfilling work that aligns with personal interests and passions
Most valued and respected leadership qualities	Transparency; open and honest communication	Empowerment and courage



HOW MANY DIFFERENT ORGANIZATIONS DO YOU SEE YOURSELF WORKING FOR THROUGHOUT YOUR CAREER?



of respondents see themselves working for between one and three organizations



of respondents see themselves working for between three and seven organizations

Assuming the average career spans 45 years, 46% of Generation Z survey respondents anticipate being at the same organization for at least 15 years

Sodexo. (2015). Aspirations of Generation Z: A Sodexo Study.



3 REASONS TO ENGAGE GEN Z WITH FINANCIAL WELLNESS PROGRAMS



- ▶ Employers report that the financial literacy of the majority of employees is strikingly low. College and university leaders have an opportunity and an obligation to assess and enhance this skill set for future leaders.
- ▶ Gen Z does not wish to relive its parents' struggles with finances. While financial incentives may not be the top reason for accepting a position, they remain important to Gen Z for ensuring security and stability.
- ▶ Competitive benefits packages to attract and retain top Gen Z talent have cost implications, but they can also create significant cost savings in staff turnover by as much as 30%-400% depending on the specialization or seniority of the position.

WORKPLACE EXPECTATIONS

Without a clear understanding of Generation Z's expectations for the workplace, college and university administrators are hard-pressed to adequately guide and equip students with the tools they need for success. Talent recruiters likewise need to know that a templated approach based on Millennial expectations will not be effective for the emerging Gen Z population. As the next-generation workforce continues to transition from colleges and universities to the workplace, there exist significant opportunities for greater collaboration between campus and corporate leadership.

Original research by Sodexo surveyed members of Gen Z about their specific expectations for the workplace to better understand the most critical drivers of engagement. At 43%, respondents overwhelmingly identified having a fulfilling role as their number one priority. This was followed closely (at 33%) by a desire to work for organizations with a strong commitment to corporate social responsibility (CSR).

The results indicate a strong penchant among Gen Z toward aligning itself with work that has personal meaning and significance. When asked, "How important is it that your passions/interest align with your future profession?" a clear majority (85%) saw it as either important or very important. These findings are further supported in similar research,⁹ which asserts that Generation Z wants to make positive contributions through its work.

Work-life balance and a high salary also ranked high (31% and 29%, respectively) as important factors that contribute to a better quality of life at work. Given Gen Z's desire for a stable and financially secure future, this is not surprising. However, when asked, "What is more important to you, a high paying formal 9-5 job or a role with less pay, greater flexibility and work-life balance?" the majority (65%) chose the latter.

Leadership expectations are equally important for this cohort. In responding to the same survey, Gen Z subjects were asked what they most value and respect in an organizational leader: ability to drive revenue, decisiveness, adaptability, humility, transparency or empowerment and courage. The attribute respondents selected as most valued and respected was empowerment and courage at 35%.

There is a contrast between Millennials and Gen Z regarding workplace expectations. Millennials expect to have more opportunities to develop and grow. They likewise desire constant feedback.¹⁰ Gen Z, on the other hand, places less value on these factors in the workplace.

Only 14% of those surveyed felt that constant feedback was extremely important, and 15% rated it as not important at all. This finding is perfectly aligned with a broad range of literature that identifies Gen Z as self-motivated with little need for complex frameworks for maintaining motivation and engagement.

As neighboring cohorts, Millennials and Gen Z do have some common ground in terms of workplace expectations. Each desire fulfilling work and gravitate toward organizations with strong commitments to corporate social responsibility. They also both have a strong desire for work-life balance. An important distinction here is that Gen Z values fulfilling work above work-life balance, while Millennials value the latter above all else.¹¹ For Gen Z, however, this survey identifies fulfilling and meaningful work as the single most important factor in considering their future and finding a job.





WHAT DOES GEN Z RATE AS THE MOST COMPELLING ENGAGEMENT AND MOTIVATIONAL FACTORS IN THE WORKPLACE?

43%

of respondents ranked
"Fulfilling Work" as
extremely important



33%

of respondents ranked
"Commitment to Corporate
Social Responsibility" as
extremely important



31%

of respondents ranked
"Work-Life Balance" as
extremely important



29%

of respondents ranked
"High Salary" as
extremely important



IDENTITY AND QUALITY OF LIFE

Diversity and inclusion remain key business imperatives for successful companies targeting innovation and high performance. With the entry of Generation Z into the workplace, they are no less important, particularly given the fact that this cohort represents the most diverse generation to date.

According to the U.S. Census Bureau, Generation Z has the largest percentage of Hispanics and non-Hispanic Blacks at 22% and 15%, respectively. Compare that to the Greatest Generation (those age 71 and older), which is overwhelmingly comprised of non-Hispanic Whites (78%), with much smaller percentages of Blacks and Hispanics (9% and 8%, respectively).¹² In addition, multi-racial and multi-ethnic Americans are one of the country's fastest growing demographic groups, and experts project a continuation or acceleration of that trend.¹³

Generation Z also represents the largest group of multi-racial/ multi-ethnic individuals to come of working age in the United States. Race and ethnicity, however, are not the only triggers for developing social groups. Gender, sexual orientation, sexual identity, disability and other factors are equally important when analyzing group identity and its interplay with quality of life in the workplace.

In the research for this paper, the question was posed to members of Generation Z, "How important are your group identities to you?" The results were interesting in that there was an even split in the responses between "extremely important," "important" and "moderately important."

More specifically, and as it relates to research by Innovation Group,¹⁴ indications are that Gen Z is not defined by gender as much as previous generations. The same study comments that Gen Z may see identities such as gender and sexual orientation with greater fluidity, as on a continuum, rather than binary in nature.

It is important to understand that quality of life and identity are intricately intertwined.¹⁵ It is critical for administrators of higher education and corporate HR teams to gain a greater understanding of Gen Z's group identity to inform leaders how best to shape organizational strategy such that it will optimize inclusion and performance.

"In a recent survey, Generation Z cited empowerment and courage as the most valued and respected traits of an organizational leader; someone who can make tough decisions and empowers others to do the same," said Lorna Donatone, CEO, Geographic Regions and Region Chair, Sodexo North America. "These qualities are important for all future leaders in any profession across multiple industries, including the business, entertainment and government arenas."





WHAT DO YOU VALUE AND RESPECT THE MOST IN AN ORGANIZATIONAL LEADER?

Respondents were asked to rank the following attributes in the order of which they valued and respected the most in an organizational leader:

- Ability to Drive Revenue
- Decisiveness
- Adaptability
- Humility
- Transparency
- Empowerment & Courage



The attribute which was most valued and respected was “Empowerment & Courage” at 35%.

35%

This leadership characteristic also dovetails with four characteristics which Catalyst research¹⁶ says are important to create an inclusive work environment:

1. Empowerment
2. Courage
3. Humility
4. Accountability

This is no small matter, considering Gen Z represents one of the most culturally diverse generations yet.



CONCLUSIONS AND RECOMMENDATIONS

The importance of understanding Generation Z's workplace expectations and the impact that critical engagement drivers can have on enhancing organizational loyalty cannot be overstated. Organizational loyalty among employees today looks significantly different than it did 50 years ago, and according to recent research¹⁷ it is identified as the most important factor for driving effectiveness and efficiency.

As vast numbers of Baby Boomers continue to exit the talent pipeline, educators, recruiters and human resource professionals are tasked with getting the next generation of talent engaged and productive in a manner that meets the new cohort's expectations for quality of life. For Gen Z that means understanding that these future leaders are willing to commit to an organization much longer than their Millennial

"Nearly 85% of Gen Z survey respondents expect to work for between one and seven organizations over the course of their career," notes Rolddy Leyva, Vice President, Global Diversity & Inclusion, Sodexo. **"If both businesses and prospective employees are to reap the benefits of such organizational loyalty, corporate HR teams will be challenged to strategically engage this generation in accordance with its unique set of expectations for quality of life."**

predecessors, particularly when an opportunity is perceived as fulfilling and in alignment with a personal interest and a passion for contributing to society.

Colleges and universities are quickly getting up to speed in understanding how to attract and retain Gen Z students. The challenge now is to add value by ensuring students make a smooth transition from the classroom to the corporate office. One way this might be accomplished is by leveraging an understanding about Gen Z's learning patterns and applying it to help students gain real-world job experience.

A recent study¹⁸ noted that 51% of Gen Z students learn best by doing and 38% prefer to learn by reading course materials. They are also widely observed to be self-starting "digital nativists," who take personal responsibility for growth and development. These insights can be leveraged for implementing effective practicum curricula, mentoring and internship programs that provide the face-to-face communications upon which Gen Z thrives.

Campuses might look to establish strategic partnerships between various auxiliary services (e.g., dining services) and corporate businesses. These business partners can make introductions between students and prospective employers, host lunch-and-learns around corporate social responsibility, or provide the skills training Gen Z students need to achieve success. Prospective employers can make a great early impression with Gen Z by focusing on what large companies have identified as a catalog of missing soft skills.¹⁹

That same attention must be paid to concerns for financial well-being. Gen Z is determined not to suffer the fiscal challenges of its Gen X parents and therefore pays strict attention to the financial implications of every decision. That naturally includes career decisions and weighing the salary and benefits offered by prospective employers. Companies have an opportunity to attract talent that is committed for the long-haul if they can differentiate their value proposition with an aggressive benefits package that includes more competitive health benefits, a stronger 401K matching program and a collection of tools and resources that enhance financial literacy.

Alleviating student debt remains both a blind spot and an opportunity as employers contemplate benefits packages for attracting Gen Z talent.²⁰ With 46% of Gen Z reporting that student debt²¹ is chief among its financial concerns, an employer's offer to reduce or eliminate that debt will go a long way in relieving stress associated with one of this generation's largest financial obligations.

Decisions like these have an obvious bottom-line impact for businesses. However, they also have the potential to create considerable savings by reducing employee turnover. A 2015 study²² estimates that each entry-level employee who leaves a company costs the organization 30%-40% of the employee's salary to refill the position. That cost can increase to as much as 400% when associated with replacing high-level or highly specialized employees.



“Forward-looking university leaders and their teams are joining forces with the local community and corporate partners to design experiential learning opportunities that better prepare Gen Z for success after college and in their career,” said Barry Telford, CEO, Universities West, Sodexo North America. “This effort is important to the future stability and performance of our workforce as the Pew Research Center estimates approximately 10,000 Baby Boomers exit the talent pipeline on a daily basis.”

Finally, it is critically important that companies put their “best face forward” when approaching Gen Z. That is, while concerns about work-life balance and high salaries are top of mind, what Gen Z wants more than anything is to know the time it spends at work has meaning and is fulfilling. It wants to work for courageous leaders who empower employees. In understanding the identity of the generation, educators and employers will need to grasp this generation’s unique cultural diversity. As one researcher²³ put it: “Nearly half of Gen Z is non-Caucasian and 81% of Gen Zers said they have friends of a different race. Noting this new generation’s multicultural demographic allows companies to understand that valuing diversity is not simply a cause Gen Zers advocate, but rather, multiculturalism is a criterion of who they are.”

With all of this in mind, one of the most important things that recruiters, employers and HR teams can do is develop an informed “purpose statement” that puts a face on the company. It should be brief in length and broad in scope, succinctly encapsulating the positive contribution the organization makes to the world around it. For a generation that is bent on seeking out and participating in meaningful work, the purpose statement is an effective means of engagement and one that demonstrates how the outcomes of an organization contribute meaningfully to the world and communities in which it operates.

3 TIPS TO RECRUIT GEN Z

1. **Tell the company story** using career videos, blogs and other social platforms.
2. **Personalize the recruiting process** by delivering content that is relevant to this generation.
3. **Leverage technology** to deliver a best-in-class experience, including face-to-face interactions.





ABOUT SODEXO

Sodexo is a global, Fortune 500 company with a presence in 80 countries. Delivering more than 100 services that enhance organizational performance, contribute to local communities and improve quality of life, Sodexo is a leading provider of sustainable, integrated facilities management and food service operations.

Backed by nearly 427,000 employees around the world, Sodexo's commitment to diversity and inclusion remains a top priority. Currently in the 16th year of metrics-driven efforts, Sodexo's diversity journey has resulted in a systemic culture change for the company and its employees, clients and customers. Diversity and inclusion are strategically woven into the very fabric of the organization as key business drivers, increasing employee engagement and expanding business development opportunities.

Sodexo remains an established thought leader and innovator in the space of diversity and inclusion — conducting ongoing, original research on topics that include gender balance and quality of life around the world. For its achievements, the company has received numerous accolades and recognition, from being ranked in the Top 10 of *DiversityInc* magazine's "Top 50 Companies for Diversity" list for the 9th consecutive year, to landing on *FORTUNE Magazine's* list of "World's Most Admired Companies."

For more information, visit SodexoInsights.com or e-mail SodexoOfficeOfDiversity@sodexo.com.

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