

Gen Z:

Not Quite Ready for Primetime



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STUDY

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Introduction

Generation Z, defined as 18 to 25-year-olds, is the youngest group entering the workforce en masse. Many factors have collectively shaped the experiences, values, and behaviors of Generation Z, setting them apart from previous generations. Those factors include being the first generation to grow up with the internet, social media, the economic uncertainty of the Great Recession and the disruption of the COVID-19 pandemic.

But how have these experiences impacted the generations work readiness? To understand this, Junior Achievement (JA) commissioned *HRO Today* to conduct a survey among Talent Acquisition (TA) managers and other senior HR leaders involved in the learning and development of young workers.

Specific areas examined in this report are:

- What are the perceptions of this age group in terms of their preparation for work?
- What are organizations doing to recruit qualified workers?
- What specific areas/skills need to be addressed within this segment. These can be hard skills or soft skills, including professionalism and communication ability.
- What are organizations doing to bridge the skills gap for both hard and soft skills within this group? How much success are they having with their approach?

Methodology

The study was fielded between March 19, 2024, and May 8, 2024. Study participants were from the HRO Today network of senior HR professionals in the United States. Respondents were screened to ensure they were personally knowledgeable about their organization's recruiting practices for younger workers (18 to 25-year-olds) and could appraise their organization's recent success with quality of hire among this segment. There were 103 usable responses in the dataset.

Summary

Assessment of Gen Z

- **Overall, 61% characterize 18 to 25-year-olds today as being much worse or worse in terms of being prepared for the requirements of work than the same age group in the past.** This percentage is 3.5 times as many as those who characterize 18 to 25-year-olds as better.
- **The greatest strength of the group is that they are tech-savvy, as indicated by 89% of senior HR leaders.** Being inclusive and open-minded is the second most commonly viewed area of strength, as indicated by nearly two-thirds (64%).
- **The greatest weaknesses are face-to-face communication skills,** as indicated by 75%, informal communication style (60%), and impatience (55%).

Recruiting

- **Compensation expectations are considered the most challenging factor when hiring young professionals,** as indicated by three-quarters (75%) of HR leaders. Retention is considered a challenge by nearly as many as compensation expectations (73%).
- **The tools most often used to recruit qualified young professionals are job boards and recruitment platforms** (92%), social media (82%), and employee referral programs (80%).

Training and Coaching

- **Success in training young professionals is modest.** While more than 8-in-10 think they are having at least moderate success with their approach to training young professionals, only 13% characterize it as a great success.
 - o In-person training is most often used (85%). Online coursework, mentorship programs, and education cost reimbursement are used by over 50%.
- **There is solid interest in supporting an internal coaching program using existing employees as mentors/coaches,** as 72% are very interested or interested.
- **HR leaders reacted positively to hiring young adults who have had coaching,** regardless of the source of the coaching.
 - o The likelihood of hiring a young adult coached by an existing employee is much higher than one who went through a coaching program at another organization.
 - o Over three-quarters (77%) are much more likely or more likely to hire a young adult coached by an existing employee versus only 58% more likely to hire one coach.
- **Just over two-thirds (69%) view coaching programs as part of talent acquisition activities** at least to a moderate extent, though only 9% of that view to a great extent. Given the view of Gen Z as being further behind prior generations in terms of work readiness, coaching is likely going to become a greater part of the TA landscape.



DETAILED FINDINGS

Characterization of 18 to 25-Year-Olds

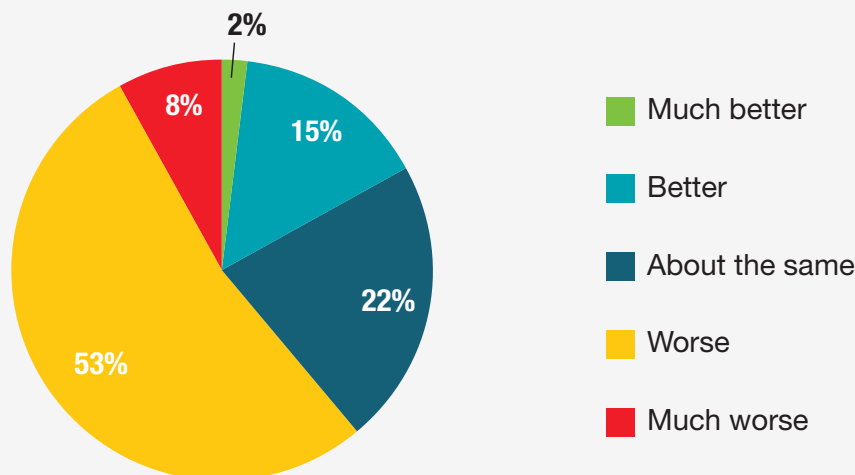
Overall, how would you characterize 18 to 25-year-olds today with this same age group in the past in terms of being prepared for the requirements of the workforce?

Overall, 61% characterize 18 to 25-year-olds today as being much worse or worse in terms of being prepared for the requirements of work than the same age group in the past. This is 3.5 times as many as those who characterize 18 to 25-year-olds as better.

Despite the majority of recruiters who characterize 18 to 25-year-olds today as being less prepared for work

compared with their parent's generation, young adults today are more likely to work full time. These trends in employment can be connected to the fact that young adults in 1993 were coming out of a mild recession, while unemployment has been historically low in recent years.¹

Characterization of 18 to 25-Year-Olds



Strengths of 18 to 25-Year-Olds

What do you consider to be the strengths of the age segment?

The greatest strength of the group is being tech-savvy, as indicated by 89% of senior HR leaders. Gen Z is the most tech-savvy generation, having grown up with the internet, social media, and mobile devices. This digital fluency enables them to quickly adapt to new technologies and leverage them for various purposes, including education, work, and social interactions.

Being inclusive and open-minded is the second most commonly viewed area of strength, as indicated by nearly

two-thirds (64%). Gen Z is the most racially and ethnically diverse generation in history. They place a high value on diversity, equality, and inclusion, advocating for social justice and actively participating in movements that promote these values. This commitment to diversity shapes their worldviews and interactions.²

Strengths of 18 to 25-Year-Olds



Weaknesses of 18 to 25-Year-Olds

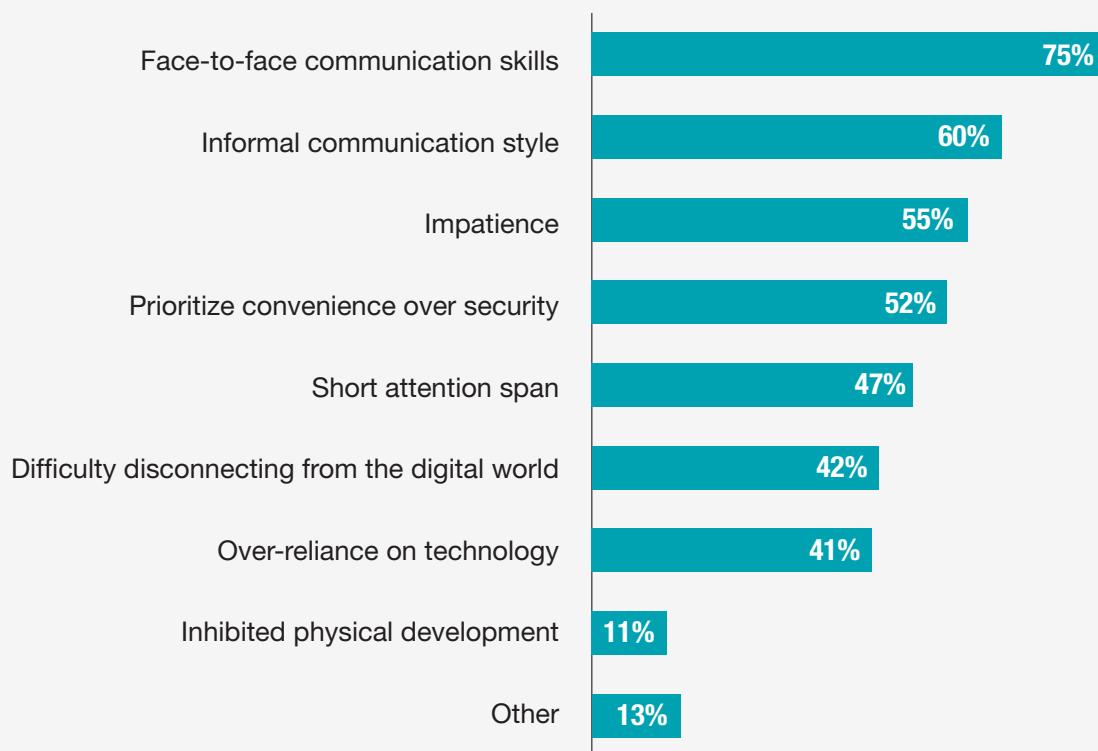
What do you consider to be the weaknesses of the age segment?

The greatest weaknesses are face-to-face communication skills, as indicated by 75%, informal communication style (60%), and impatience (55%).

Communication skills are part of social skills, which are a more important predictor of full-time employment and wages. Social skills also include cooperating,

collaborating, exercising social intelligence, and resolving conflicts.³ An article by Fordham Institute states that strong cognitive skills are an increasingly necessary condition, but not a sufficient one, for obtaining a good, high-paying job. Social skills are very much needed.⁴

Weaknesses of 18 to 25-Year-Olds



Challenges When Hiring Young Professionals

Please indicate the extent of challenge in each area below when hiring young professionals.

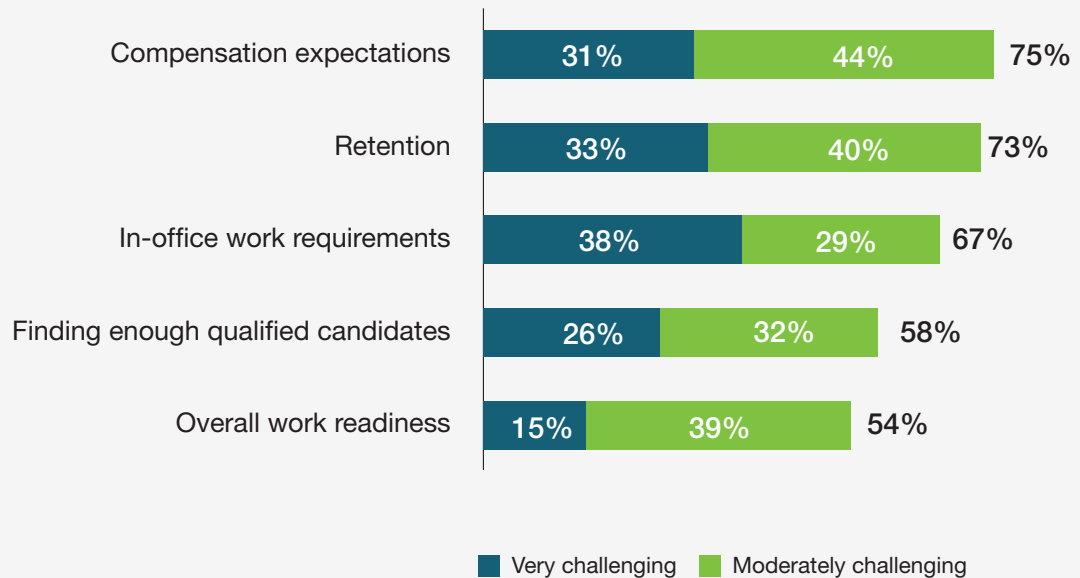
Study participants were asked to indicate the extent of challenge in five different areas when hiring young professionals. Compensation expectations were considered most challenging, as indicated by three-quarters (75%) of HR leaders. An analysis conducted by Pew Research Center supports this contention. Young adults (18 to 24-year-olds) today are enjoying higher wages than their counterparts in 1993 (figures are median annual earnings adjusted for inflation): \$15,462 in 1993 versus \$20,000 today.⁵

Retention is considered a challenge by nearly as many (73%). Job retention among Gen Z in the US presents unique challenges due to several factors related to their expectations, work values, and external economic conditions.

Gen Z prioritizes purpose and values in their work environment. A significant portion of them are willing to reject job offers or leave positions if the company's values do not align with their own, particularly regarding environmental sustainability, social justice, and ethical practices.⁶

In-office work requirements were third highest (67%). Gen Z employees place a high emphasis on work-life balance. Many seek roles that provide flexibility, such as remote or hybrid work arrangements, and are reluctant to accept traditional 9-to-5 office jobs. The desire for flexibility is rooted in their experience during the COVID-19 pandemic, which normalized remote work for many.⁷

Challenges When Hiring Young Professionals



Recruitment Tools Used to Recruit Young Professionals

What tools do you use to recruit qualified young professionals?

The tools used to recruit young professionals largely reflect the tools used for recruiting in general. The most commonly used recruitment tool for young professionals is job boards and recruitment platforms, as indicated by nearly all (92%) of respondents. Each year, millions of dollars are invested by organizations introducing new job boards, often for a specific niche. This is in addition to the updates in existing platforms, such as LinkedIn, ZipRecruiter, and Indeed.

Social media is an important resource for promoting job openings, particularly for young professionals. It was selected by 82% of the HR professionals in our study.

According to CivicScience, 90% of Gen Z adults aged 18 to 24 use social media, and they are heavier users than Millennials. On average, Gen Z spends four to five hours a day on their phones, and 24% use social media for 2 to 4 hours per day, while another 24% use it for 4 or more hours per day.⁸

Employee referral programs are commonly used as a recruiting tool, as indicated by 80% of respondents. The advantages are cost reduction, better quality candidates, and employee appreciation, which helps retention.

Recruitment Tools Used to Recruit Young Professionals



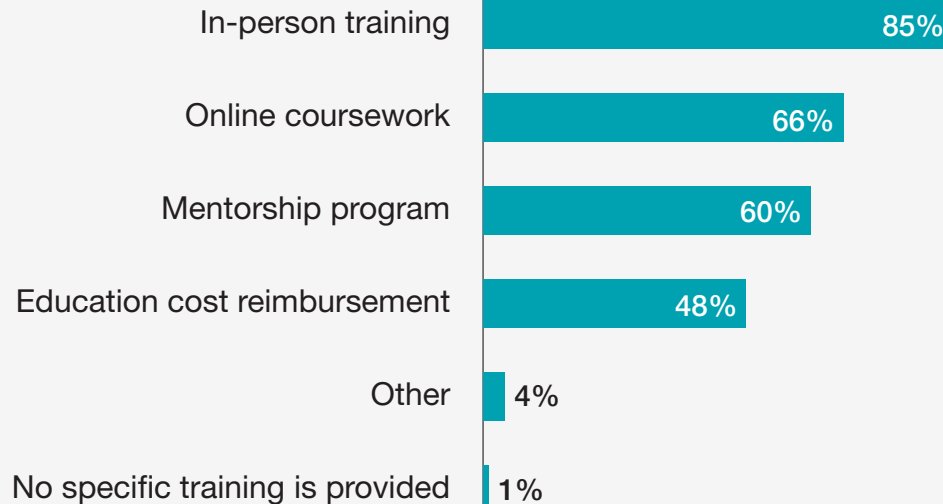
Steps Taken to Provide Training for Young Professionals

What does your organization do to provide training for young professionals?

Respondents were asked to select from a list of methods their organization uses to provide training for young professionals. Organizations use many different ways to train employees in the 18 to 25 age group.

In-person training is most often used (85%) with online coursework, mentorship programs, and education cost reimbursement used by over 50%.

Steps Taken to Provide Training for Young Professionals



Success with Approach to Training Young Professionals

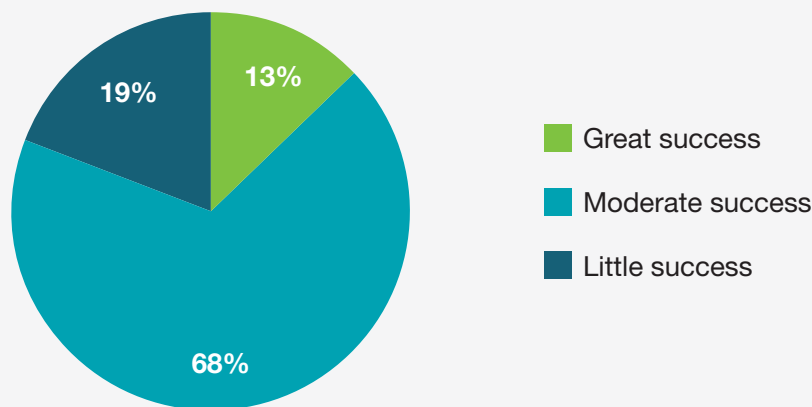
How much success is your organization having with their approach to training young professionals?

Respondents were asked to quantify the extent of success they feel they have had in their approach to training young professionals.

While more than 8-in-10 (82%) think they are having at least moderate success with their approach to training young professionals, only 13% characterize it as a great success.

Organizations struggle with training and development in general. In the annual report by *HRO Today*, “Top Concerns of CHROs 2023–2024,” less than one-half (42%) of senior HR leaders consider their company’s training and development capability strong or very strong.⁹ This mediocre self-assessment comes against advocating for the use of internal capability as the best way to close the skills gaps in their organizations.

Success with Approach to Training Young Professionals





Final Thoughts

Despite its tech acumen, Gen Z is perceived by senior HR executives as not being fully prepared for work, and significantly behind other generations during the same point in their careers. Soft skills, such as communication, patience and attention span, hold the group back. This manifests itself in communication style and retention.

But with additional coaching, there is a higher likelihood of recruitment and subsequently hiring members of Gen Z. Organizations that allocate resources that use existing employees to serve as mentors have the most potential to close the skills gap, capitalize on the strengths and maximize the potential of the workforce generation for years to come. ■

Notes

1. Minkin, Rachel et al. "Key milestones for young adults today versus 30 years ago," *Pew Research Center*. January 25, 2024. <https://www.pewresearch.org/social-trends/2024/01/25/key-milestones-for-young-adults-today-versus-30-years-ago/>
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3. Deming, David J. Deming. "The Value of Soft Skills in the Labor Market, *The Reporter*, January 5, 2018. <https://www.nber.org/reporter/2017number4/value-soft-skills-labor-market>
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5. Minkin, Rachel et al. "Key milestones for young adults today versus 30 years ago," *Pew Research Center*. January 25, 2024. <https://www.pewresearch.org/social-trends/2024/01/25/key-milestones-for-young-adults-today-versus-30-years-ago/>
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8. Shriber, Sara. "3 Key Social Media Trends Among Gen Z and Millennials," *Civil Science*, June 14, 2023. <https://civicscience.com/3-key-social-media-trends-among-gen-z-and-millennials/>
9. Basinait, Larry. "Top Concerns of CHROs 2023-2024," *HRO Today*, January 23, 2024. <https://www.hrotoday.com/market-intelligence/2023-2024-hro-today-annual-top-concerns-of-chros/>

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Junior Achievement USA is the nation's largest organization dedicated to giving young people the knowledge and skills they need to own their economic success, plan for their future, and make smart academic and economic choices.

Junior Achievement's programs; in the core content areas of work readiness, entrepreneurship and financial literacy ignite the spark in young people to experience and realize the opportunities and realities of work and life in the 21st century.