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U.S. EDITION

GEN Z RISING

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NEW GRADS ARE BEGINNING TO FEEL THE LOVE

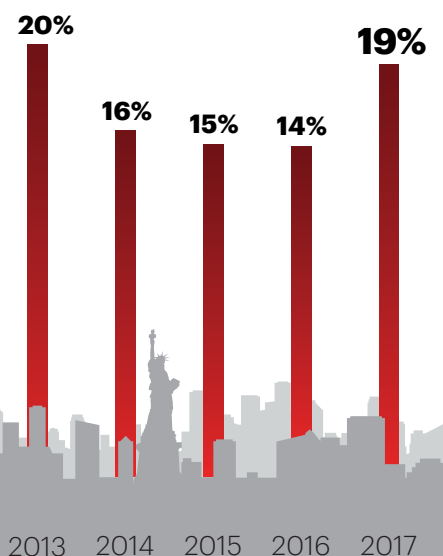
For the first time in years, there is an uptick in the number of U.S. college graduates wanting to work for large companies, with a 37 percent increase over last year.¹

They are willing to commit and ready to roll up their sleeves, but in return they want an engaging employee experience that takes full advantage of their degree. Currently, they see a majority (54 percent) of their predecessors feeling underemployed and want to avoid that fate.

As the first crop of Gen Z talent joins the future workforce, they bring a change in attitude and perspective, according to a new Accenture Strategy study (See “About the research”). Although their attitudes reflect a return to more traditional workplace values such as the desire for a clear career path and stability, these potential employees are not old school. They bring a future-forward outlook, in the form of digital skills and mindset, to any employer.

This growing preference for large firms stands in contrast to the recent past, in which college graduates flocked to the entrepreneurial vibe. Whether it was the 47 percent who went to work for small businesses (versus 23 percent at companies with 1,500+ employees)², or their peers who started their own businesses, young grads gravitated toward the new and entrepreneurial. They eschewed large employers in favor of digital disruptors with a startup culture. But it looks like the tide may be beginning to turn. This year’s graduates are providing large employers a window of opportunity they should capitalize on while it remains open.

After years of decline, in 2017 more graduates are interested in working for a large company



A FUTURE-FORWARD TAKE ON TRADITIONAL VALUES

Gen Z resembles its parent generation, Gen X, more than its Millennial/Gen Y predecessors. New grads are looking for an employee experience that is tailored for them.

With salary and training high on their list, large employers are better positioned than their smaller counterparts to provide the complete package: A strong career path with mentoring, training and competitive compensation (see sidebar on page 4).

Senior leaders will quickly see some shared values, from new grads taking ownership of their careers to requests for the training and work experience necessary to develop their skills. Upon entering the workforce, a whopping 78 percent of 2017 grads already will have completed an internship, apprenticeship, and/or co-op—showing an appreciation for the need to bring practical skills to the table from Day One as they embark on their careers.

Despite this effort on their part to come to a new job prepared, the future workforce realizes they have much to learn, with 84 percent of new grads expecting their first employer to provide formal training.

None of this strays far from what their parents expected a few decades ago. Gen Z and Gen X are strikingly similar in this regard. But, this new generation of talent comes with a modern flair, bringing much desired digital skills to employers in addition to the skills relevant to their field of study. While 2017 graduates are true digital natives—growing up with a device in hand from a very young age—they seem to realize keeping up with technology requires ongoing learning. Almost three out of every four new grads (73 percent) have already taken digital or computer science related courses when they begin their first job—bringing a highly marketable digital mindset with them.



78%
completed an internship
or apprenticeship



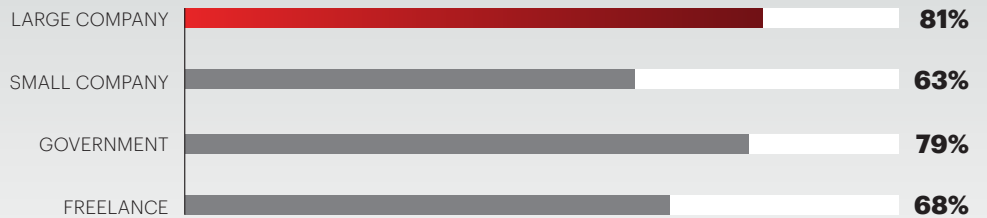
84%
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CLASS OF 2017 CAN LEARN FROM RECENT GRADS

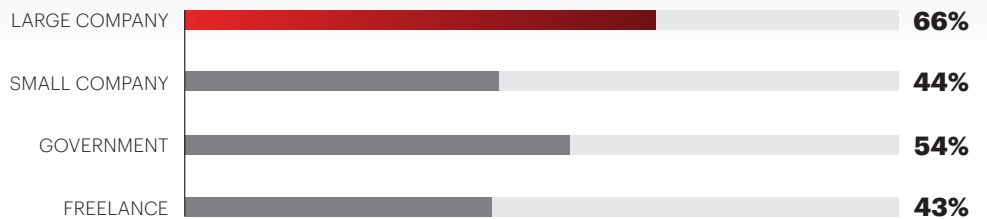
Large companies offer more of what new graduates value



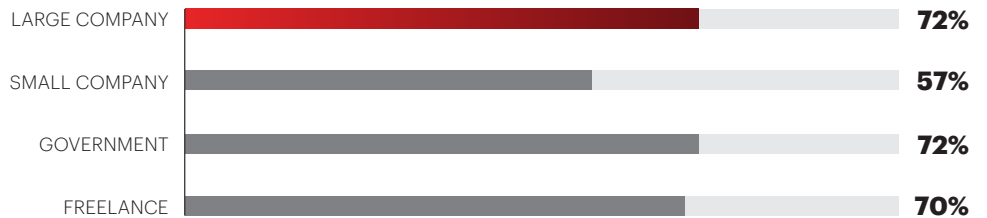
Can advance career at current employer



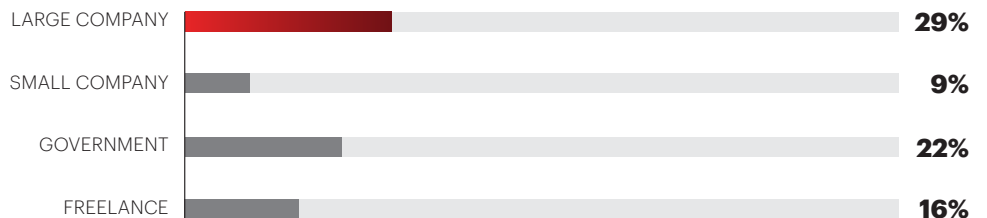
Earn more than \$35,000 a year



Receive training



Plan to stay 5+ years



PRAGMATISM IS MAKING A COMEBACK

Employers will see a refreshing practicality in new grads. Gen Z grads are showing a willingness to work not just for—but with—their new employer on many issues.

For example, 75 percent of new grads are willing to relocate to another state for a job offer, with New York, Chicago and Southern California being their most popular areas to work. 71 percent would consider taking an unpaid internship after graduating if a paid job is not available. And more than half (58 percent) consider it acceptable to work on weekends or evenings.

This flexibility does not come without the expectation of reciprocity from their future employer. Gen Z workers expect equal flexibility on the part of the company they work for to help them maintain work-life balance, one of their top concerns. They also expect training and mentoring, as well as meaningful, challenging work and a clear skills path. Employers that can wrap all of the above into an engaging, tailored employee experience will reap the benefits. Recent 2015/16 graduates who get these things are two-and-a-half times more likely to make a long-term commitment to their employer than those who feel underemployed in jobs that are not taking full advantage of their college degrees.

With 88 percent of 2017 graduates having considered job availability before selecting a major, most are showing a desire to enter fields with room for long-term growth. An almost equal number of new graduates (83 percent) agree their education prepared them well for their career. But, they realize this preparation is just a starting platform. They are now looking to their employer as a partner in their growth, offering up the challenges and career path necessary to help them advance.



75%
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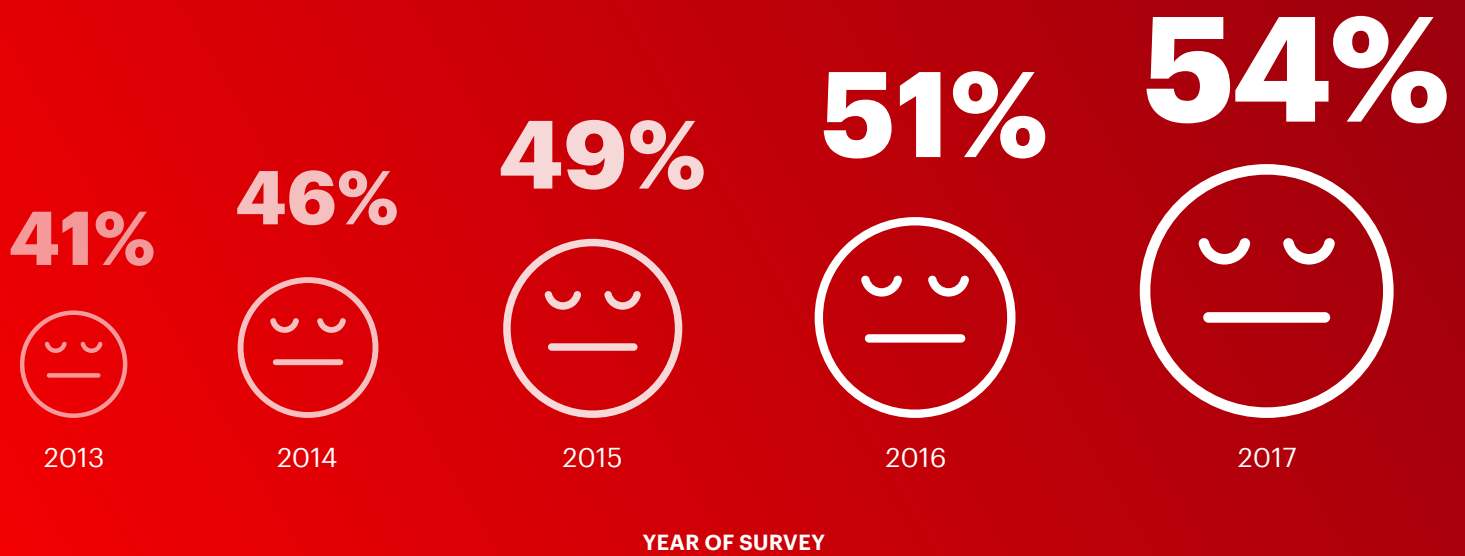


58%
consider it acceptable
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weekends

WANT TO RETAIN GEN Z? GIVE THEM CHALLENGING, MEANINGFUL WORK

While 62 percent of 2017 graduates expect to stay at their first job for three years or longer, 54 percent of recent 2015/16 graduates feel underemployed. These recent graduates are two-and-a-half times more likely to stay for five or more years if they feel their skills are fully utilized with challenging, meaningful work. Training and development plans as part of a well-designed, engaging employee experience become increasingly important for Gen Z workers, and can be the difference between retaining and losing digital talent.

More than half of 2015/16 graduates who entered the workforce one or two years ago consider themselves underemployed



DIGITAL NATIVES CRAVE THE HUMAN ELEMENT

Having grown up in an age where technology is pervasive, new grads swim well in digital waters, but at the same time they understand the importance and value of the human touch in a world of robotics and artificial intelligence (AI).

A significant percentage show a preference for in-person meetings (42 percent). Half of new grads rated communications skills as something that would make them attractive to potential employers. Problem-solving and management skills round out the top skills they are looking to develop. And recent 2015/16 grads working for large companies rank a supervisor who will mentor and coach as their top priority besides interesting and challenging work.

Two-thirds of new grads welcome AI and other advanced technologies, believing they will enhance their work experience. More than three-quarters (78 percent) believe their school prepared them for today's digital workforce. As a result, it is not surprising that these digital natives are less worried about their competency with emerging technologies. They have grown up in a connected world where humans and machines are partners. For them, working alongside technology is less daunting than mastering the softer skills of communication, problem solving and management.



42%
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78%
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the digital workforce**

A CHECKLIST FOR LARGE EMPLOYERS

Large employers have an opportunity to seize upon the values of Gen Z grads, by capitalizing on the inherent match between what they can offer and what new talent is asking for.



DIGITIZE RECRUITING

Disrupt recruiting norms by using technology to reach new talent pools at low cost.



CROSS-TRAIN

Create a boundary-less project assignment and staffing model internally, one that breaks down organizational and functional barriers and allows newer workers the opportunity to learn in multiple areas of the company.



CONNECT THE DOTS

Make each employee's total rewards line up to the value system of the new generation, and show each employee how his or her contributions support the organization's purpose and objectives. Total transparency should be a given.



PLAN FOR GROWTH

Develop an individualized skills and career plan for new hires, showing them your company invests in their advancement by providing multiple, different experiences early in their career. Begin by asking new hires to help co-design their development plans, to ensure you are utilizing their skills to the fullest and providing the necessary growth opportunities.



COACH FOR SUCCESS

Formalize the process of assigning incoming employees coaches to help leverage their strengths, guide career paths and provide a personal touchpoint beyond their team lead.

While these actions are not comprehensive, they are a healthy start to welcoming the college graduates headed your way. Making the most of the match between their values and the employee experience your large company can offer now helps position your organization favorably in the ongoing competition for top talent.

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NOTES

1. Accenture 2017 U.S. College Graduate Employment Study. All statistics in this paper are from this source, unless otherwise specified.

2. <https://hiring.monster.com/hr/hr-best-practices/small-business/hiring-process/gen-y-small-business.aspx>

ABOUT THE RESEARCH

The Accenture Strategy 2017 College Graduate Employment Study surveyed 1,000 U.S. students who are graduating from college in 2017, and 1,000 students who graduated in 2015 or 2016, between the ages of 18 and 24, to compare the perceptions of students preparing to enter the job market with the experiences of recent graduates already in the workforce. Survey conducted in January/February, 2017.

Generations in the workforce were defined per the following birth years: Gen X: 1965–1979. Millennials/Gen Y: 1980-1992. Gen Z: 1993-1999.

ABOUT ACCENTURE

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world’s largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With approximately 401,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.

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