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Ready, Set, Strive—Gen Z Is Coming

Get Ready For Gen Z Workers

Social media 'had a little too much power over my self-esteem.'

'I was in no rush to get a driver's license.'

'I felt like me personally, I didn't want to go through' the pressure of school debt.

Battle-scarred, they are sober, driven by money and socially awkward; a 1930s throwback

BY JANET ADAMY

Sean McKeon was 11 years old when the 2008 financial crisis shot anxiety through his life in Hudson, Ohio. He remembers his father coming home stressed after the Federal Deposit Insurance Corp. took over the bank where he worked. A teacher asked classmates if their parents cut back that Christmas. They all said yes.

That unsettling time shaped the job plans he hatched in high school. "I needed to work really hard and find a career that's recession-proof," says Mr. McKeon, now 21. He set his sights on a Big Four accounting firm. He interned at EY in Cleveland and will become an auditor there after graduating from Miami University in Oxford, Ohio, next year.

About 17 million members of Generation Z are now adults and starting to enter the U.S. workforce, and employers haven't seen a generation like this since the Great Depression. They came of age during recessions, financial crises, war, terror threats, school shootings and under the constant glare of

freshmen nationwide who prioritize becoming well off rose to around 82% when Gen Z began entering college a few years ago, according to the University of California, Los Angeles. That is the highest level since the school began surveying the subject in 1966. The lowest point was 36% in 1970.

The oldest Gen Zers also are more interested in making work a central part of their lives and are more willing to work overtime than most millennials, according to the University of Michigan's annual survey.

"They have a stronger work ethic," says Jean Twenge, a San Diego State University psychology professor whose book "iGen" analyzes the group. "They're really scared that they're not going to get the good job that everybody says they need to make it."

Just 30% of 12th-graders wanted to be self-employed in 2016, according to the Michigan survey, which has measured teen attitudes and behaviors since the mid-1970s. That is a lower rate than baby boomers, Gen X, the group born between 1965 and 1980, and most millennials when they were highschool seniors. Gen Z's name follows Gen X and Gen Y, an early moniker for the millennial generation.

College Works Painting, which hires about 1,600 college students a year to run painting businesses across the country, is having difficulty hiring managers because few applicants have entrepreneurial skills, says Matt Stewart, the Irvine, Calif., company's co-founder. "Your risk is failure, and I do think people are more afraid of failure than they used to be," he says.

a program originally called "are u ok?"—now called "We Care"—a companywide mental health program.

Mr. Stewart, of College Works Painting, says he wasn't aware of any depressed employees 15 years ago but now deals frequently with workers battling mental-health issues. He says he has two workers with bipolar disorder the company wants to promote but can't "because they'll disappear for a week at a time on the down cycle."

Smartphones may be partly to blame. Much of Gen Z's socializing takes place via text messages and social-media platforms—a shift that has eroded natural interactions and allowed bullying to play out in front of wider audiences.

In the small town of Conneaut Lake, Pa., Corrina Del Greco and her friends joined Snapchat and Instagram in middle school. Ms. Del Greco, 19, checked them every hour and fended off requests for prurient photos from boys. She shut down her social-media accounts after deciding they "had a little too much power over my self-esteem," she said.

That has helped her focus on studying at Embry-Riddle Aeronautical University in Daytona Beach, Fla., to become a software engineer, a career she sees as recession-proof. When the last downturn hit, she remembers cutting back on gas and eating out because her parents' music-lesson business softened.

The flip side of being digital natives is that Gen Z is even more adept with technology than millennials. Natasha Stough, Americas campus recruiting

technology and social media. The broad result is a scarred generation, cautious and hard-

ened by economic and social turbulence.

Gen Z totals about 67 million, including those born roughly beginning in 1997 up until a few years ago. Its members are more eager to get rich than the past three generations but are less interested in owning their own businesses, according to surveys. As teenagers many postponed risk-taking rites of passage such as sex, drinking and getting driver's licenses. Now they are eschewing student debt, having seen prior generations drive it to records, and trying to forge careers that can withstand economic crisis.

Early signs suggest Gen Z workers are more competitive and pragmatic, but also more anxious and reserved, than millennials, the generation of 72 million born from 1981 to 1996, according to executives, managers, generational consultants and multidecade studies of young people. Gen Zers are also the most racially diverse generation in American history: Almost half are a race other than non-Hispanic white.

With the generation of baby boomers retiring and unemployment at historic lows, Gen Z is filling immense gaps in the workforce. Employers are trying to adapt.

LinkedIn Corp. and Intuit Inc. have eased requirements that certain hires hold bachelor's degrees to reach young adults who couldn't afford college. At recruiting events, EY is raffling off computer tablets because competition for top talent is intense.

Revised training

Companies are reworking training so it replicates You-Tube-style videos

Mr. Stewart noticed that Gen Z hires behaved differently than their predecessors. When the company launched a project to support managers, millennials excitedly teamed up and worked together. Gen Z workers wanted individual recognition and extra pay. The company introduced bonuses of up to \$3,000 to encourage them to participate.

Michael Solohubovskyy was 12 when his family left Ukraine in 2012 for Snohomish County, Wash. His father, a former taxi driver, instilled in him that hard work was key to success. Reading about billionaires Bill Gates and Jeff Bezos reinforced the message.

Sacrificing sleep

After graduating from high school, Mr. Solohubovskyy, now 18, took a job at Boeing as an electrical technician. The company pays for his classes to earn an airframe and powerplant license. Once a month he also works at a Tommy Hilfiger store so he can get 50% off clothing.

"I never want to fail," says Mr. Solohubovskyy. "When you read the stories about famous people, they have to sacrifice something to achieve. I'll sacrifice my sleep."

After seeing their millennial predecessors drown in student debt, Gen Z is trying to avoid that fate. The share of freshmen who used loans to pay for college peaked in 2009 at 53% and has declined almost every year since, falling to 47% in 2016, according to the UCLA survey.

Denise Villa, chief executive of the Center for Generational Kinetics in Austin, says focus groups show some Gen Z members are choosing less-expensive, lower-status colleges to lessen debt loads. Federal Reserve Bank of New York data show that nationwide, overall student loan

director at EY in Chicago, was wowed by a young hire who created a bot to answer questions on the company's Facebook careers page.

To lure more Gen Z workers, EY rolled out video technology that allows job candidates to record answers to interview questions.

Getting employees comfortable with face-to-face interactions takes work, Ms. Stough says. "We do have to coach our interns, 'If you're sitting five seats away from the client and they're around the corner, go talk to them.'" Intense competition for Silicon Valley talent prompted Intuit to change its recruiting practices. The Mountain View, Calif., financial software maker began responding to all 4,500 young adults who apply for internships and first jobs annually. Not responding could hurt the company's brand because tech-savvy young adults have the power to influence peers, says Nick Mailey, Intuit's vice president of talent acquisition.

Intuit moved job postings to Slack, a messaging platform, so workers who pay less attention to email don't overlook opportunities inside the company. "They will gain a skill and move onto the next thing," Mr. Mailey says. "You're seeing more attrition."

LinkedIn, which used to recruit from about a dozen colleges, broadened its efforts to include hundreds of schools and computer coding boot camps to capture a diverse applicant pool.

"We don't care where they went to school or frankly if they went to school," says Brendan Browne, the company's vice president of global talent acquisition. "We'll take talent and build them from scratch."

Mr. McKeon, the Ohio student, sees a silver lining growing up during tumultuous times. He used money

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that appeal to Gen Z workers reared on smart-phones.

“They learn new information much more quickly than their predecessors,” says Ray Blanchette, CEO of Ruby Tuesday Inc., which introduced phone videos to teach young workers to grill burgers and slow-cook ribs. Growing up immersed in mobile technology also means “it’s not natural or comfortable for them necessarily to interact one-on-one,” he says.

Demographers see parallels with the Silent Generation, a parsimonious batch born between 1928 and 1945 that carried the economic scars of the Great Depression and World War II into adulthood while reaping the rewards of a booming postwar economy in the 1950s and 1960s. Gen Z is setting out in the workplace at one of the most opportune times in decades, with an unemployment rate of about 4%.

“They’re more like children of the 1930s, if children of the 1930s had learned to think, learn and communicate while attached to hand-held supercomputers,” says Bruce Tulgan, a management consultant at RainmakerThinking in Whitneyville, Conn. At Ruby Tuesday, Mr. Blanchette can’t find enough young adult workers to wait tables and wash dishes because Uber and Lyft siphoned them off with worker-driven scheduling. “It’s a swipe one way on their phone and they’re working, and a swipe the other way and they’re not. It’s tough to compete against that,” he says.

Those who do pick Ruby Tuesday want assurances they will get health insurance and other benefits.

“They’re not even going to access these benefits that we offer, because they’re staying on their parents plan, but they want to know it’s there,” Mr. Blanchette says. “They’re thinking, ‘What if I graduate college and I

balances have grown at an average annual rate of 6% in the past four years, down from a 16% annual growth rate in the previous decade.

Lana Demelo, a 20-year-old in San Jose, Calif., saw her older sister take on debt when she became the first person in their family to attend college. “I just watched her go through all those pressures and I felt like me personally, I didn’t want to go through them,” says Ms. Demelo. She enrolled in Year Up, a work training program that places low-income high-school graduates in internships, got hired as a project coordinator at LinkedIn and attends De Anza College in Cupertino part-time.

Gen Z is literally sober. Data from the Michigan survey and federal statistics show they were less likely to have tried alcohol, gotten their driver’s licenses, had sex or gone out regularly without their parents than teens of the previous two or three generations, Ms. Twenge, the San Diego State professor, found.

Safe space

They grew up trusting adults, and Gen Z employees want managers who will step in to help them handle uncomfortable situations like conflicts with coworkers and provide granular feedback, says Mr. Tulgan, the management consultant.

When Mr. Tulgan’s company surveyed thousands of Gen Z members about what mattered most to them at work, he heard repeatedly that they wanted a “safe environment.” He is advising clients to create small work teams so managers have time to nurture them.

“I was in no rush to get a driver’s license,” says Joshua Berja, a 21-year-old San Francisco resident who waited until he turned 18 to get one. He lives with his parents to save

from his grandfather and jobs at McDonald’s and a house painting company to build a stock portfolio now worth about \$5,000. He took school more seriously knowing that “the world’s gotten a lot more competitive.”

“With any hardship that people endure in life, they either get stronger or it paralyzes them,” Mr. McKeon says. “These hardships have offered a great opportunity for us to get stronger.”

Corrina Del Greco, 19

Josh Berja, 21

Lana Demelo, 20

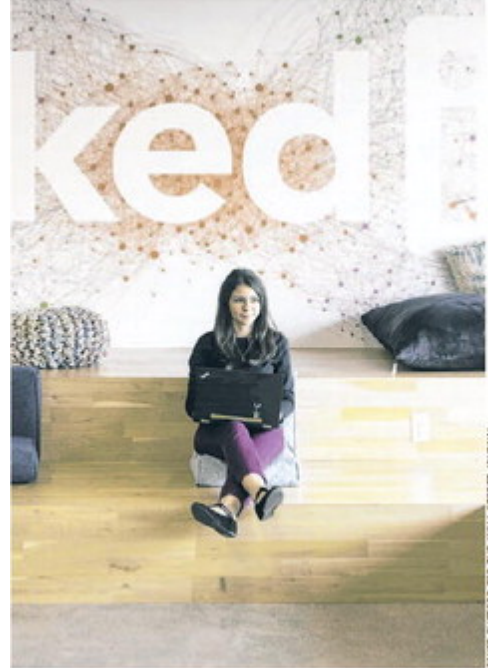
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don't find a job, and I need to stay here?' ” Gen Z's attitudes about work reflect a craving for financial security. The share of college

money, runs errands for his mother and picks his father up from work.

Gen Z is reporting higher levels of anxiety and depression as teens and young adults than previous generations. About one in eight college freshmen felt depressed frequently in 2016, the highest level since UCLA began tracking it more than three decades ago.

That is one reason EY three years ago launched



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