How Millennials and Generation Z are Redefining Work

2017
Since our inception, Lovell Corporation has provided authentic market insights and services to help clients understand, engage, and connect with the next generation of young professionals. Sought out for Millennial and Generation Z expertise, we specialize in helping industry leaders develop effective youth marketing and employee retention strategies.

As an award-winning youth consultancy firm, we offer a diverse portfolio of digital media, consulting, and technology solutions that help clients create meaningful connections with today’s youth and tomorrow’s leaders. Lovell Corporation’s approach to youth interaction emphasizes positivity, individual growth, and advocacy to help industry stakeholders engage young professionals and market influencers in an authentic way.
Although there is agreement that the Millennial generation began around the early 1980s, there is little agreement on its end date, raising speculation about the characteristics of the generation that follows them, tentatively referred to as “Generation Z”.

The Change Generation™ Report seeks to define this emerging new cohort. In partnership with the University of Guelph, Lovell Corporation led a two-phase, comparative research study on Millennials and Generation Z for the future of work.

The information uncovered through this study identifies strategies to encourage youth-led innovation, create better quality job opportunities, and retain young talent in the workplace.

Through a survey of over 2000 young people between the ages of 14 and 36-years-old, we uncovered some critical gaps, shifting workplace values and opportunities, which are showcased in this report. As a result of our findings we believe the next generation of the workforce is best characterized as The Change Generation™.

There is an abundance of popular and academic literature describing work-related differences among Baby Boomers, Generation X and Millennials. The term “Millennials” was coined by Strauss and Howe (1991) to refer to individuals both after 1981.

As one of the most researched generations in history, there are ample resources promising to help employers and educators understand the characteristics of this population. Picking up a variety of other labels along the way, such as “Generation Y,” “Next Generation,” “Digital Natives,” and “Generation Me”, Millennials have gained a reputation of being tech-savvy, entitled, self-confident, and coddled workers (Lyons et al., 2012).

**OBJECTIVES**

1. Clearly define the characteristics, career expectations, and values of the youngest generation in the workforce.

2. Identify the principles and implications of these characteristics to help businesses and educators adapt to their needs.
Methodology

We surveyed over 2,000 young people from across the Canada, including both rural locations and urban centres, to gather diverse insights from youth in various stages of their professional careers. In this study we sought to recruit a sample that was as inclusive as possible, in order to mirror with demographic trends across the country. Findings are grouped in four major categories:

<table>
<thead>
<tr>
<th>Career Aspirations</th>
<th>Work &amp; Career Priorities</th>
<th>Communication Preferences</th>
<th>Generational Memories</th>
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</table>

YEAR BORN

The respondents were comprised of people born between 1981 and 2003. Due to the challenges of recruiting the youngest members of Generation Z, some years are less represented than others.

ETHNIC BACKGROUND

The ethnic diversity of respondents was relatively consistent with demographics across Canada. While nearly 66% of the sample are caucasian, roughly 34% were of other ethnicities.
Today’s Youth Generations

Millennials VS Generation Z

With Baby Boomers set to retire and Millennials being the most studied generation to date, it’s time to turn our attention to the newest generation: Generation Z.

Unlike their predecessors, Generation Z doesn’t resonate with traditional marketing and career ideals. They are a fiery generation, determined to pursue their passions and chart their own career paths.

The question is: who is Generation Z?

While it is widely accepted among researchers that Millennials are individuals born in the 1980s and later, the point whereby this generation ends and Generation Z begins is heavily debated.

We used a method called Cumulative Sums Analysis (CUSUM) to analyze trends in work value scores for people born between 1980 and 2002 (aged 14 to 37). Our analysis showed inflection points in the data around 1987 and 2001, but the largest and most consistent shift in the data occurred at 1994.

Our interpretation of these patterns is that the dividing line between Millennials and their successors, “Generation Z” (i.e., Gen Z) occurs at 1994/95. Both generations can be further divided into early and late groups as depicted below. It is unclear at this point what year will mark the end of Generation Z, but based on the pattern we have observed here, 2008 seems likely.

Therefore for the purposes of this report, we separate our participants into two groups:

<table>
<thead>
<tr>
<th>Early Millennials</th>
<th>Late Millennials</th>
<th>Early Generation Z</th>
<th>Late Generation Z</th>
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</table>

Career Aspirations

Of the 2,000 participants surveyed, the top desired career for young professionals was entrepreneurship, followed closely by public service work. These statistics demonstrate the inclination of younger workers to seek meaningful work that fulfills their personal goals and creates impact.

Desired Occupation

A fair number of non-employed participants were not sure which occupation they wanted to pursue in the future. Among the 84% who did know, the most common preferences were: entrepreneur (17.4%); public service work (17%) and healthcare (15.2%).

Among participants who were not yet working (i.e., students and the unemployed), fewer than half expressed a desire to work in the private sector.

- **Public Sector**: 39.1%
- **Not For Profit**: 11.5%
- **Private Sector**: 49.4%
Entrepreneurial Landscape

Whether Millennial or Generation Z, respondents showed a strong tendency towards creating their own path in life. Over 50% of young professionals have considered starting a business at some point in their professional careers or have already started a business of their own.

When asked what to identify the biggest challenge or deterrent from pursuing their own business, roughly half indicated startup costs.

These findings suggest a need to develop better financing and mentorship support for young entrepreneurs, with an emphasis on commercialization.

Salary Expectations

Respondents were asked to identify their expected salary for their first job and 5 years after entering their first permanent career job, in unadjusted Canadian dollars*. The average expected salary for a first job for both Millennials and Generation Z was $41,462, and for five years out was $65,062. We also asked all respondents to provide their expected peak salary and the average was $91,881. A significant difference in the first year and peak salary expectations is noted between Millennials and Generation Z.

While Generation Z have lower salary expectations going into their careers, they exhibit higher hopes for their career potential and ultimate success. This higher peak salary expectation of Generation Z reflects their driven nature and eagerness to grow. Generation Z may be willing to put in the time to gain experience and develop their skills early in their careers if it can lead to greater future success. The key for employers to recruit and retain this generation will be to connect initial roles with these longer term career ambitions.

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The top 3 struggles facing young entrepreneurs

1. **Access to capital** Respondents said that they simply do not have enough capital to make their ideas a reality.

2. **Go-to-market** A significant portion of respondents fear that they do not have the means or know-how to adequately market their product/services, which would result in a failure to adopt consumers/clients.

3. **Mentorship** Respondents indicated not knowing where to start and having the skills necessary to succeed as an entrepreneur as key discouraging factors.

<table>
<thead>
<tr>
<th></th>
<th>MILLENNIALS</th>
<th>GENERATION Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Job</td>
<td>$47K</td>
<td>$44K</td>
</tr>
<tr>
<td></td>
<td>$43K</td>
<td>$38K</td>
</tr>
<tr>
<td>5 Years</td>
<td>$71K</td>
<td>$74K</td>
</tr>
<tr>
<td></td>
<td>$62K</td>
<td>$61K</td>
</tr>
<tr>
<td>Peak</td>
<td>$102K</td>
<td>$126K</td>
</tr>
<tr>
<td></td>
<td>$78K</td>
<td>$98K</td>
</tr>
</tbody>
</table>

*Salary data were Winsorized to control for extreme values. The top and bottom 5% of salary data were replaced with the first non-extreme value on each end of the distribution.
Work and Career Priorities

Work Values

We asked respondents to rate the importance of 28 work value priorities, ranging from compensation (e.g., pay and benefits) to social environment (e.g., co-workers, fun workplace) and psychological benefits (e.g., interesting work, variety).

Interesting work and continuous learning are two values shared by the generations. To better appeal to young professionals employers should therefore consider investing more personal development and employee engagement activities. Employers can prepare for a shift as the next generation continues to enter the workforce with the emergence of new work values prioritized by Generation Z.

While Millennials seek jobs that provide stability, convenience, and balance, Generation Z is more readily concerned with fueling their passions and taking pride in the work they do. For the first time, we see a generation prioritizing purpose in their work.

We can describe Millennials as driven by growth and lifestyle, and Generation Z as driven by growth and passion.

Work Value Factors

To get a simpler perspective on the work value priorities we measured, we used a technique called factor analysis to identify underlying commonalities in the 28 priorities. Six factors emerged.

Again themes of passion, making a difference and growth can be observed in the factors listed. These characteristics lend to our decision to refer to today’s young professionals as The Change Generation™.

Generation Z’s desire to pursue their passions as part of their core work values is a relatively new phenomenon that has yet to be seen in previous generations.

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THE TOP 5 WORK VALUE PRIORITIES OF EACH GENERATION

Millennials
1. Job security
2. Interesting work
3. Convenient hours of work
4. Work-life balance
5. Continuous learning

Generation Z
1. Interesting work
2. Organization you’re proud of
3. Work you’re passionate about
4. Having the information to do your job
5. Continuous learning

TIPS TO MAKE YOUNG PROFESSIONALS STAY:

- Professional development opportunities.
- Mentorship with senior leadership and/or management.
- Opportunities for co-creation and project input.
Definitions Of Career Success

When asked what career success means to them both Millennials and Generation Z rated financial security as the most important factor. This factor can be attributed to high rates of youth unemployment, competitive job market, and career uncertainty that lingers in the current economy for many young professionals. The secondary factors identified by both generations emphasize the importance of workplace culture and inclusivity. A notable difference between the two generations was Generation Z’s stronger inclination to consider positive work relationships and impact as a determinant of their career success.

Retention Factors

Reflecting the values that young professionals hold in their daily lives, Millennial and Generation Z retention factors highlight the same trends that characterize their professional lives.

The trend towards corporate social responsibility and transparency for business continues to rise with young professionals at the helm. Among the 3 high-impact retention factors, a strong employer brand for ethics and social responsibility, is #2.

While personal development and work-life balance also remains a common concern of both generations, Generation Z once again characterizes itself by highlighting the need for passion and motivation in their work. Young professionals are more likely to stay with companies that value ethics and social responsibility while creating a positive environment that ensures individual growth and development.

3 HIGH-IMPACT RETENTION FACTORS THAT ARE IN THE TOP 5 FOR BOTH GENERATIONS

1. Provide job security
2. Build a strong employer brand for ethics and social responsibility
3. Take work-life balance seriously

TO BOTH ATTRACT AND RETAIN YOUNG TALENT, EMPLOYERS MUST BE WILLING TO:

1. Ensure opportunities for upwards mobility
2. Create a culture that takes work-life balance seriously
3. Build a brand with purpose that values ethics and social responsibility
4. Foster a creative environment that supports personal development goals
5. Provide job security
Requested Support From Employers

We asked respondents to tell us what employers could do to better support young workers. This is an area where Millennials and Generation Z differ in their views. Millennials placed the greatest emphasis on employability supports such as education, training, and career support where as Generation Z seeks greater mental health supports.

With rising rates of anxiety and depression among youth, the emphasis placed on mental health by Generation Z suggests that the tough labour market and precarious school-to-work transition is taking its toll on young professionals. Offering added personal supports to help young professionals transition to new positions, cope with stress and ultimately excel in their roles will help foster better retention and performance.

More and more, young professionals see education as the most pressing need from employers. Consistent with their work value priorities and retention factors, these responses indicate a generation that is driven to grow both personally and professionally. If an employer wants to retain young talent, they must ensure that they are fostering a culture that highlights the importance of career development and well-being.

<table>
<thead>
<tr>
<th>Support Programs Needed in the Work Force</th>
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<tbody>
<tr>
<td><strong>Better Education</strong></td>
</tr>
<tr>
<td>89.5%</td>
</tr>
<tr>
<td><strong>Better Mental Health</strong></td>
</tr>
<tr>
<td>83.9%</td>
</tr>
<tr>
<td><strong>Employment &amp; Career Support</strong></td>
</tr>
<tr>
<td>89.7%</td>
</tr>
</tbody>
</table>
Communication Preferences

Social Media Use

Today’s young people gain a considerable understanding of the world through the use of communications technologies and social media platform. Generation Z is gravitating to video-based platforms and image heavy content, highlighting the need for companies to make their content be concise and impactful.

Preferences

When considering the communication preferences of young professionals a quick assumption is social media. Despite preconceived notions of its demise, email is still the preferred way for companies to communicate with both Millennials and Generation Z. Channels such as Instagram and YouTube offering visually engaging content that can be tailored to their needs are also preferred by Generation Z.

Often still characterized as ‘Digital Natives’, young professionals have garnered an unfavourable reputation by some for their devotion to their smart phones and technology devices. Interest in SMS marketing continues to rise and executives grapple to understand acclaimed apps such as Snapchat. Contrary to popular belief these channels rated as heavily disliked by both generations, particularly among women of Generation Z.

Perhaps seen as too personal to connect with brands and channels reserved for friend circles, Snapchat, text and other messaging platforms such as Kik and WhatsApp were the most disliked form of communications with brands.

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**TOP SOCIAL MEDIA PLATFORMS BETWEEN BOTH GENERATIONS**

<table>
<thead>
<tr>
<th>Platform</th>
<th>Generation Z</th>
<th>Millennials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td>99%</td>
<td>0%</td>
</tr>
<tr>
<td>Texting</td>
<td>98%</td>
<td>0%</td>
</tr>
<tr>
<td>YouTube</td>
<td>97%</td>
<td>0%</td>
</tr>
<tr>
<td>Facebook</td>
<td>90%</td>
<td>0%</td>
</tr>
</tbody>
</table>

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**COMMUNICATION TIPS TO AVOID**

1. Mass produced content
2. Overstepping personal boundaries
3. Too much reading/text heavy content

**COMMUNICATION TIPS TO TRY**

1. Personalized messaging
2. Tailored, relevant content
3. Visually engaging graphics

Like Millennials, Generation Z shows a clear preference for email communications while strongly disliking text message communications. Where they differ, however, is in their preference of social media platforms like Instagram and YouTube.
Generational Memories

Each generation is forged by collective memories. The opportunities and challenges that young people face in their adolescence and early adulthood leave an indelible imprint that they carry with them throughout their lives. It is these formative events that shape the world view of a generation and bind them as a social group.

Both Millennials and Generation Z have been raised in times of political strife and global crisis, sparking a strong aspiration for equality and inclusion. Young professionals are bringing these motivations to the workplace and in doing so reshaping businesses to prioritize diversity, inclusion and gender equality.

**THE MEMORIES THAT DEFINE GENERATIONS**

**Millennials**
1. September 11th
2. Donald Trump elected president of USA
3. Barack Obama elected president of USA
4. Justin Trudeau elected PM of Canada
5. 2008 economic recession
6. Middle east conflict, Afghanistan, Iraq, Iran
7. Personal event: marriage, divorce, child birth
8. The internet
9. Event: death of influential person
10. Progress for gay marriage, LGBTQ rights

**Generation Z**
1. Donald Trump elected president of USA
2. September 11th
3. Barack Obama elected president of USA
4. Justin Trudeau elected PM of Canada
5. Personal event: transitions, college /university
6. Progress for gay marriage, LGBTQ rights
7. Syrian crisis, refugees
8. Event: death of influential person
9. The 2010 Winter Olympic Games
10. Middle east conflict, Afghanistan, Iraq, Iran

**Why Care?** To engage the next generation of the workforce we must understand their values and motives. These collective memories offer context on the origin to some of these values and provide employers a lens in which to understand and respond to their needs.
Conclusions

Generation Z has grown up in a connected world with instant information access. This has made them more aware of global crisis and economic challenges. Born with the same innate desire to have purpose, Generation Z seek meaningful work that aligns with their passion and will create impact. Having witnessed the employment struggles of Millennials however, Generation Z exhibits caution and prioritizes their personal growth and success. This is a generation that knows what they want and are driven to seize opportunities to step up their game to achieve it.
Top Takeaways

1. **ENTREPRENEURIAL MINDED**
   About 75% of Millennials and Generation Z indicate they already have or may consider starting a business.

2. **SEEK MENTORSHIP & SUPPORT**
   The biggest obstacles noted for starting a business are start-up costs, finding customers and lack of know-how. Access to capital, business mentors and entrepreneurship ecosystems will be key for enabling youth-led innovation and career growth.

3. **SUCCESS-DRIVEN**
   While initial salary expectations are fairly reasonable, Generation Z showed higher expectations for their future success than Millennials. In other words, Generation Z may willing to put in the work to grow their skills and develop their career, but they are more driven to succeed and accelerate their career progression.

4. **SOCIALLY CONSCIOUS**
   Both generations emphasize the importance of ethics and values in the workplace. Indicative of their desire for meaningful work, Millennials and Generation Z seek employers with aligned missions and corporate social responsibility.

5. **VALUE PERSONAL DEVELOPMENT**
   Both Millennials and Generation Z seek opportunities to learn and grow. While Millennials prefer training and career support, Generation Z’s desires consider well-being with a demand for better mental health support from employers.

6. **PRIORITIZE QUALITY OF LIFE**
   Neither generation is focused primarily on wealth. Both Millennials and Generation Z define career success in terms of work-life balance and meaningful work.

7. **EXPERIENCE FOCUSED**
   The lines between work-life and personal continue to fade. Both Millennials and Generation Z seek interesting work and opportunities for learning and development.

8. **GUIDED BY PASSION**
   One of the biggest shifts between generations is Generation Z’s emphasis on passion in their work and career success. For the first time, passion is ranked as one of the top 3 work values. Employers will be required to keep their spark alive in the workplace - ensuring work speaks to individual interests, provides growth and aligns with employee values.

9. **WANT MEANINGFUL WORK**
   Salary alone will not recruit or retain Generation Z. In stark comparison to previous generations, Generation Z doesn’t even include salary as one of their top 3 work values. They are most likely to quit instead because of poor work-life balance, disconnect with their passion and low job security. This is a generation that values stability, balance, and opportunities to grow their passion.
About Lovell Corporation

Led by Kelly Lovell, a globally recognized thought leader, social entrepreneur, online influencer, and consultant, Lovell Corporation is an award-winning millennial consultancy and influencer marketing agency. Through our comprehensive brand portfolio, we help industry leaders and corporations recruit, engage, market to, and retain the next generation. To fulfill this need, Lovell Corporation has developed the very best in human resources (HR), marketing, training, research, branded content and consulting services tailored to the needs of Millennials and Generation Z audiences. We train clients on leadership, Millennials and youth engagement, digitalization at work and corporate social responsibility. Through coaching, consulting, and audits we assess and improve Millennial employee recruiting and retention quality; while our branded content and market research services engage young talent and influencers in an authentic way. Our portfolio include: BridgingTheGap™ (digital strategy, training and millennial marketing); Kelly A. Lovell™ (thought leadership & influencer marketing); The Change Generation™ (global youth leadership network); YOU Effect™ (branded content & media production); and MyEffect™ (employee engagement & corporate social responsibility).

Lovell Corporation’s approach to youth interaction and millennial strategy emphasizes positivity, individual growth, and advocacy to spark meaningful connections and loyalty. Our brands continue to be ranked among the top 0.1% of online influencers on the topics of entrepreneurship; innovation; marketing and youth mobilization, and, our international networks reach youth influencers across 59+ different countries.

Whether you seek to recruit authentic youth influencers, tailored solutions for Millennial engagement, or require expertise on emerging Generation Z trends, Lovell Corporation is your go-to company. We have a global reputation for bridging the gap to next generation.

Acknowledgments

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