



# The Pharmaceutical Executive's Guide to Engaging Generation Z

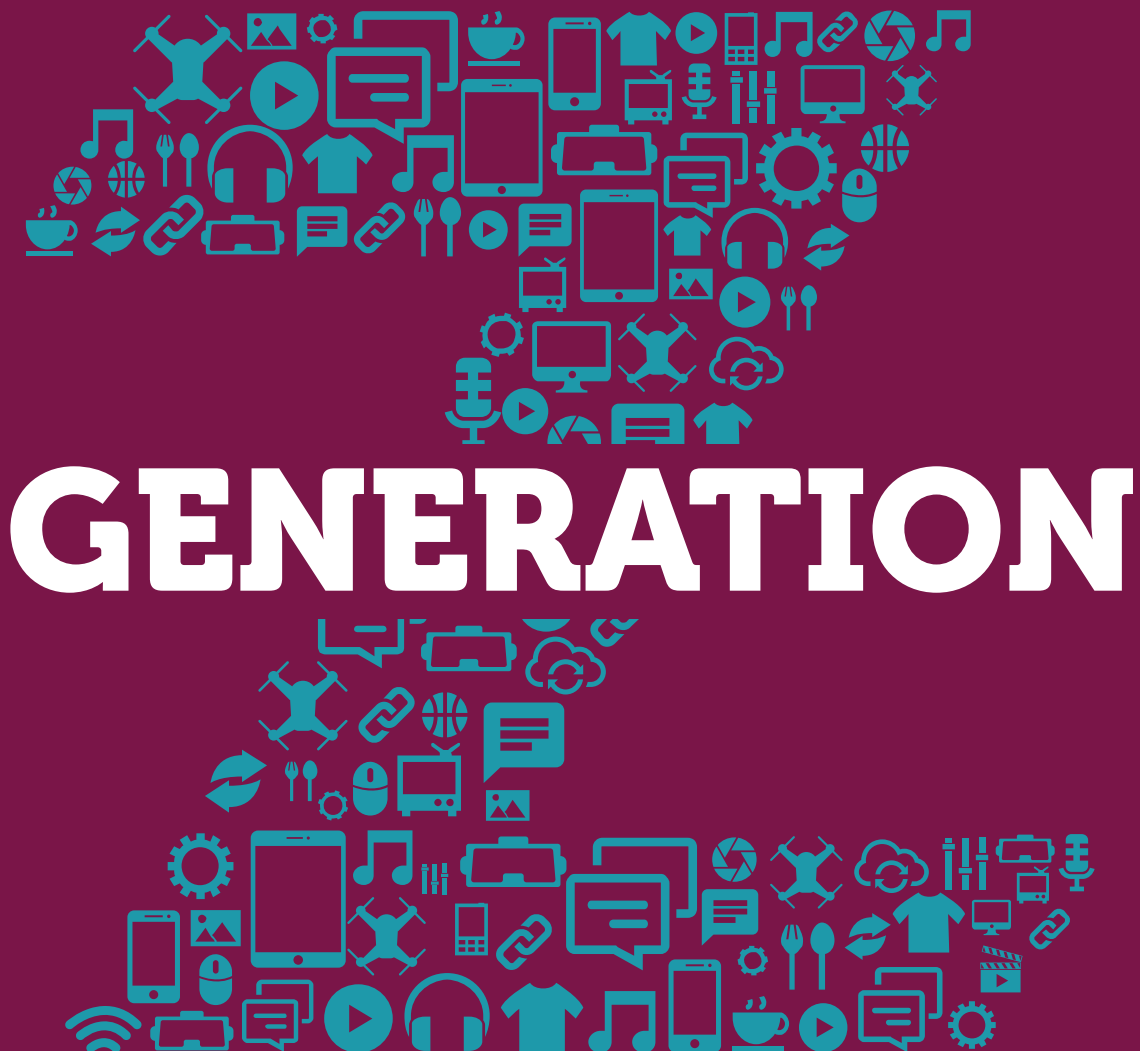
*How Understanding the New Generation of Young Professionals Can Help You to Better Retain and Mentor Top Talent*

*Presented By:*



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## Introduction: Meet Generation Z

According to a recent article from Pharmaceutical Executive entitled, "Leadership in All the Right Places", the April issue of the magazine focuses on understanding and mentoring talent within the pharmaceutical and biotech industries. The hope is that by gaining expertise from both recruiters and consultants, readers will garner valuable insight into where to find top talent as well as uncover the necessary skills industry employees will need for success. More importantly, readers will gain an understanding of how employees are mentored throughout their time with an organization and ultimately, how they can advance into new roles.<sup>1</sup> It is important to note that to properly mentor talent...and to properly retain top talent, one must understand the audience. Meet Generation Z. The newest population of young adults hitting the workforce.

Also known as the Post-Millennial Generation, and consisting of those born in 1995 or later, Generation Z makes up 25.9% of the United States population. As the largest percentage of the population, this generation will account for 1/3 of the U.S. by the year 2020, contributing an estimated \$44 billion to the American economy.<sup>2</sup>

There are many differences between Generation Z and its preceding generation, the Millennials. It's important to understand these differences as it will impact the way you recruit, train, mentor and ultimately retain top talent of this generation.

**This report will examine the characteristics of Generation Z and identify how to leverage these characteristics to implement better leadership strategies and create an attractive work environment that appeals to this new generation. Specifically, the report will examine how to create effective engagement programs that will ultimately lead to higher productivity, lower turnover rates, reduced HR costs, and increased profits.**

## Background: A New Generation Brings New Retention Challenges

Many pharmaceutical and biotech companies have already adopted employee engagement. However, with the rise of a new generation comes new challenges in identifying ways to engage, motivate and retain top talent.

Generation Z has its own identity. With that comes a different approach to their careers and different expectations about work environments. For starters, Generation Z was shaped by a post 9/11 world and recession. Consequently, it is a generation of self-starters, self-learners, and self-motivators who are fiercely determined to make their mark.<sup>3</sup>

In *22 Insightful Statistics about What to Expect from Generation Z in the Workplace*, internationally-recognized speaker and trainer, Ryan Jenkins, provides us with critical points that can affect your organization's bottom line. Among them he notes:

- Generation Z's workplace priorities are: career growth (64%), an honest boss (38%) and the ability to mentor someone (21%).<sup>4</sup>
- 41% of Generation Z described mid-size organizations as the ideal work environment, followed by large organizations (38%) and only 14% cited start-ups.<sup>4</sup>
- Top 3 Generation Z job search priorities are: growth opportunities, generous pay, and making a positive impact.<sup>4</sup>
- 28% of Generation Z view balancing work and personal obligations as their top career concern, followed by making enough money (26%) and finding a stable job (23%).<sup>4</sup>

What does all of this mean for pharmaceutical and biotech organizations? How can they take this information and use it to create an engaging work environment that will attract top talent from Generation Z?

## **Solution: Effective Employee Engagement Programs for the New Generation**

Developing effective employee engagement programs can create an appealing work environment, which will positively impact employee productivity, retention rates as well as HR costs and overall profitability.

***\$11 Billion is lost each year  
on employee turnover*** – Source: Bloomberg BNA

The concept of employee engagement programs is not new to the pharmaceutical and biotech industries. Many organizations are already reaping the benefits of these programs. The question is, how do you modify or better yet, re-energize your programs in a way that appeals to the new workforce generation?

The two most important elements of employee engagement are properly communicating objectives and providing strategic direction. This point is particularly relevant to Generation Z and is reinforced in a recent report from Jenkins which states: Generation Z states that honesty is the most important quality for being a good leader, followed by a solid vision, and then good communication skills.<sup>5</sup>

Beyond that, young people, Generation Z specifically, want to feel valued every day for their hard work and commitment. They desire frequent recognition of their successes and acknowledgment of their contributions to the company. Further, 61% of Generation Z's population has a strong desire for managers to listen to their ideas and value their opinions.<sup>5</sup>

Developing an employee recognition program that rewards employees for top performance, their years of service and continued excellence, conveys that they are appreciated and respected and it makes them feel that their efforts are worthwhile. It motivates them to stick with the company, further propels their performance and in turn, your organization continues to prosper.

### **Choosing the Right Rewards**

When it comes to rewards, consider non-cash rewards to acknowledge a job well done. According to the Incentive Research Foundation, over the last 20 years, there has been a significant uptick in the number of U.S. businesses using non-cash rewards. In 1996, only 26% of businesses were using non-cash rewards for recognition. By 2016 however, this number had reached 84%.<sup>6</sup> Experts attribute this to the fact that most times cash rewards don't resonate.

People enjoy being able to look at a tangible item and remember how hard they worked to earn it. Premium rewards that offer a high perceived value are long-lasting and will resonate for years to come.

The key to non-cash rewards is personalization. Understanding the audience's various wants and needs is critical, if you want to deliver rewards that resonate. Offering a blend of products that accurately targets demographic preferences will ensure that you connect with your audience.

For example, while the Millennials grew up in the digital age, Generation Z were born into it. An article on Inc.com notes, "Ubiquitous connectivity, highly curated global information, on-demand video, and 24/7 news cycles are native to Generation Z."<sup>7</sup>



Items like Alexa-enabled speakers, noise-canceling headphones, and wi-fi home security cameras would make an impact with Generation Z and properly convey appreciation.

Also important to Generation Z is the idea of individuality and the power of choice. Employees enjoy having the ability to choose from a selection of in-demand merchandise across a variety of categories, chosen especially for them. This power of choice approach is a unique and powerful way to deliver a memorable experience that will leave employees motivated and engaged.

Working with a partner that not only understands your audience, but that also has access to the right mix of brands and products, is crucial to offering an effective engagement program.



## Conclusion: Connecting with Generation Z

You cannot consider retention, mentoring and development of the next generation of the workforce without the implementation of an effective employee engagement program. Aligning yourself with a partner that understands the behaviors, tendencies and motivations of Generation Z will allow you to inspire the new workforce to not only succeed, but also develop a long-lasting relationship with your organization.





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## About Rymax

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