

Report
Edition 4/22



Imagine the future.
Make it happen.
Create value.

The potential of Gen Z for your organisation

For managers and entrepreneurs who have clear goals and ambitions, but ...

- ... who struggle to find qualified staff,
- ... who are facing too much staff turnover,
- ... who can only implement change projects with great difficulty, delays, budget overruns, or scope reductions,
- ... who are not entirely sure that their products and services are also aimed at the younger generation, and/or
- ... who occasionally have difficulties in integrating and motivating young workers in the long term.

We are a multilingual consulting firm based in Switzerland. We support medium to large national and international companies in their transformation and see corporate culture as the most powerful driver of change.

One theme that is particularly important to us is the integration of the "newer" generations, whose skills are particularly important for digitalization and marketing. We have a comprehensive solution that enables our clients to ensure their relevance to Gen Z both internally and externally.



AGILIS SERVICES SA
Place de la Gare 15
CH-1700 Fribourg
0041 26 323 32 23
hello@agilis.services



www.agilis.services/

Generation Z - both an opportunity and a challenge for organisations!

Dear readers,

As a manager and leader, you are facing on one side the challenge of attracting young workers and on the other side the challenge of designing your products and services in such a way that young consumers will buy them.

This is a challenge that needs to be addressed now: Generation Z - those born between 1995 and 2010 - have been in the labour market for about 5 to 7 years and, depending on the country, represent around 15% of the working population (with a strong increasing rate). At the same time, the purchasing power of Generation Z is constantly increasing, making it always more important as consumers.

Members of Generation Z are **true digital natives**: they have been connected to the digital world in almost every aspect of their lives since they were born. This has created a 'hypercognitive' generation with many positive characteristics: ambition without greed, social and ecological awareness, intellectual curiosity, a focus on work-life balance, and a global perspective.

Traditional people and organisational management reach their limits when it comes to integrating Generation Z into teams. The same applies to the consumer side.

Companies must therefore ensure that they are relevant to this new generation, both internally and externally.

We hope you enjoy reading this report and would be happy to work with you to prepare your company for Generation Z!

Best regards,




Christophe Berger
CEO & Founder of AGILIS SERVICES SA

The generational gap: fad or reality?



Changing demographics, rapid economic and technological changes, and significant events in recent years present companies with considerable challenges.

On the one hand, society now includes people from six generations - sometimes with totally different values and ways of working. On the other hand, the pandemic has fundamentally changed the core values and priorities of many workers.

One of AGILIS' main themes is the **design and implementation of cultural change in medium and large companies**. In this respect, our experience confirms that generational differences do exist and that they can be detrimental to cooperation and cohesion within a company. **As generation Z does not show 'unconditional loyalty' to their employer, young, highly qualified employees are often not retained.** This could lead to problems and delays, especially in marketing and digital projects.

The lack of understanding of the core values of each generation can lead to the design of products and services, as well as marketing and advertising, that no longer resonate with the younger generation. As a result, the company loses market share to competitors with a higher affinity to Gen Z.

This is why we believe that the theme of intergenerational teams in general and generation Z, in particular, are strategic themes that every company should proactively address.



Are you familiar with the differences between the generations? Scan the QR code to access to our generation quiz!

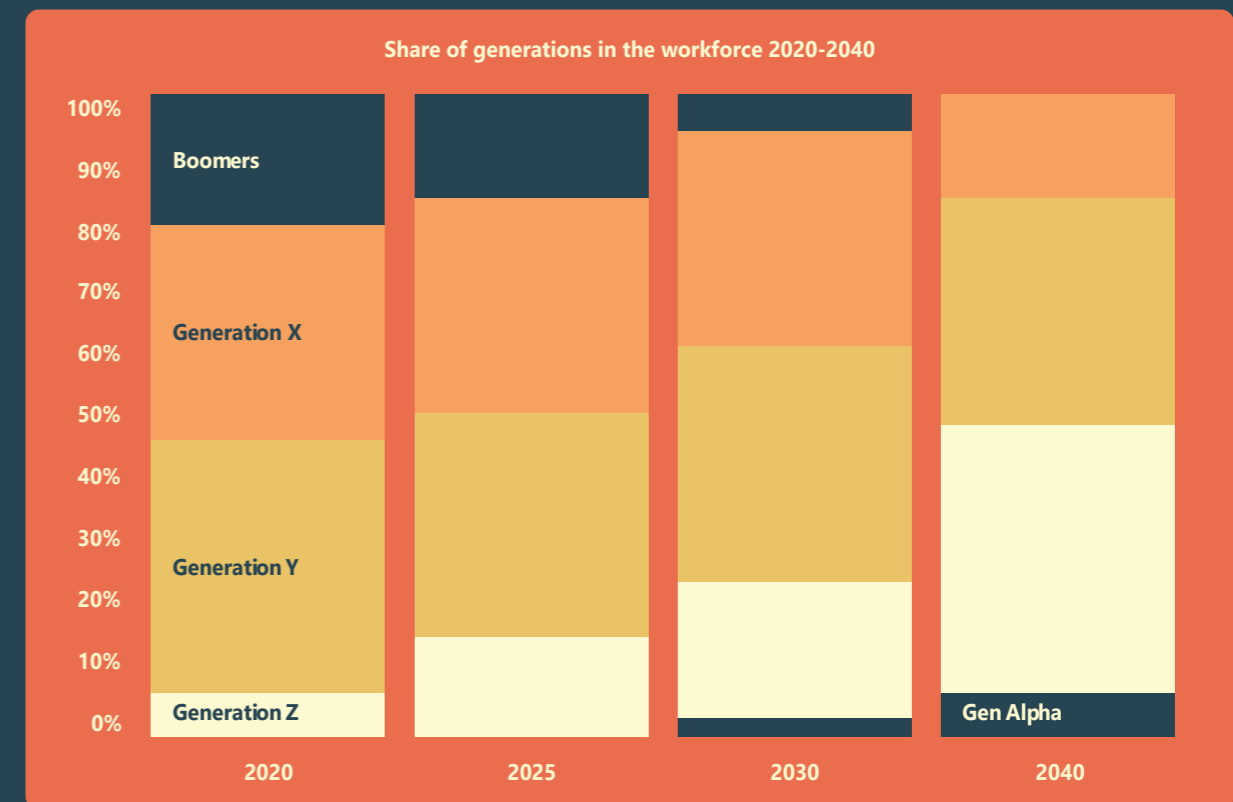
agls.me/quizg

Generational diversity in the workplace

The current workplace has been shaped by different generations:



This evolution determines the composition of the labour force:



Source: Swiss Federal Statistical Office, extrapolation on the basis of the legal retirement age

Generation Z will soon be widely present in the workplace. It is, therefore, time to think about the implications and possible measures to take in your company.

Generation Z - high potential, but clear expectations

The latest generation to enter the world of work in recent years is **Generation Z**. They have grown up with digital tools and social media, mastering them with ease. Given the spectacular technical progress and rapid progression of digitalisation, **these individuals are indispensable knowledge vectors for almost all companies.**



Generation Z have **clear expectations**, which they defend both as workers and as consumers. The **fight against climate change is a very important issue.** Indeed, sustainability is high on the list of priorities. Moreover, a significant part of Generation Z does not own a car and relies on public transport and shared mobility. Therefore, members of generation Z expect their organisation to think and act in an environmentally friendly way and to provide corresponding incentives for employees and consumers.

Social justice, gender equality, as well as inclusion and diversity are other major concerns of Generation Z. They are also the first to consider mental health as important as physical health and are **not afraid to openly discuss mental problems and problematic behaviour in the workplace.**

Although society has changed considerably over the last ten years, different generations have different views on the importance and practical meaning of all these topics.

This can create tensions and have a negative impact on the emotional bond between Generation Z and the company. In contrast to previous generations, this does not lead to a reduction of involvement to the bare minimum, but to the step of resignation.



From a "command, control and correction" management style to a management by values style!



Over the past decades, the principle of "management by rules" has imposed itself on our companies. It sometimes controls every detail and has made traditional industry successful with its emphasis on efficiency and repeatability. But this approach is not flexible enough to cope with a constantly evolving environment. And more importantly, **Generation Z is no longer prepared to accept rigid management paradigms.**


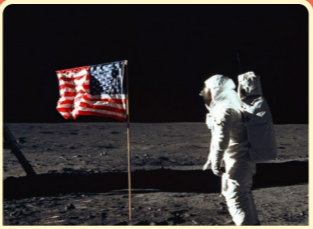










This is not to say that Gen Zers cannot be motivated - on the contrary! They can be highly committed to a cause and **perform remarkably well** if they can **identify with the values and actions of their company, see meaning in their work and be able to put people and their needs at the center of their attention.**

It is not enough to simply integrate these aspects into the Employee Experience - **the leadership principles also need to be adapted.** The key principle here is "management by values". **This approach places core values and meaning at the centre** and ensures that all employees are working in the same direction.

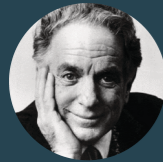


From the Builders to the Alpha generation: An overview of 6 generations

It is obvious that each generation has its own values, idols, milestones, leadership paradigms, and many other particularities. Of course, the table below is only an approximation - all these aspects are also influenced by national, socio-economic, and educational factors. But the research clearly shows that each generation has a 'common ground' which has a direct impact on values and behaviour.

	Builders before 1946	Boomers 1946-1964	GenX 1965-1979	GenY/Millennials 1980-1994	GenZ/Centennials 1995-2009	GenAlpha since 2010
<p>A major global event</p> <p>During our childhood and adolescence, our view of the world is formed, which will at some point in time be significantly influenced by an event of global significance. These milestones are part of our identity.</p>	 World War II	 Conquest of the moon	 Black Monday	 9/11	 Covid-19	 War in Ukraine
<p>First dream car</p> <p>If we are old enough to be interested in cars, we're bound to have a first dream car. At least that was the case for the generations up to the millennials, as the identifying effect of the automobile is slowly but steadily diminishing.</p>	 Citroën DS	 Ford Mustang	 Audi Quattro	 Toyota Prius	 Multiple transportation	 Transport of the future
<p>Leadership paradigm</p> <p>Our first experiences in the workplace influence our understanding of leadership. Later, when we are in leadership positions ourselves, we will bring a fresh perspective and thus contribute to the evolution of management practices.</p>	Control and supervision	Defining objectives and regular monitoring	Leading by example and get involved	Defining common objectives, communicating, coaching	Allowing for responsibility and autonomy	Inspiration and empowerment
<p>Core values</p> <p>Values play an important role in our understanding of the world. They develop during adolescence and are instructive - although it is logical that the world keeps changing and that older generations also change their views on certain issues over time.</p>	Respect for the rules, discipline, diligence at work, belief in the importance of personal effort	Pacifism, optimism, self-fulfillment, hard work, equal rights for all and everyone	Gender equality, entrepreneurial spirit, global thinking, critical and differentiated approach	Success, consumerism, self-confidence, social status, pleasure, friendship, independence	Diversity, environmental care, equity, sustainability, sense-making	Video and digital orientation, independence, hyper-connectivity, agility, lifelong learning

What motivates employees? And what demotivates them?



In the 1960s, the American psychologist Frederick Herzberg studied the subject of employee motivation and established the "two-factor theory". theory'. This is based on three facts that can be proven statistically.

01

Every new employee has **a certain basic motivation** which, if the recruitment process is well conducted, is sufficiently high.

02

Certain factors have the power to negatively - and not positively - influence motivation. These are the **hygiene factors**.

03

Certain factors have the power to positively - and not negatively - influence motivation. These are the **motivational factors**.

It is very interesting to look at the effect of hygiene and motivation factors:

On the first day of work, every employee is motivated and looking forward to their new challenge.



Motivational factors

- Identification with values
- Interesting tasks
- Independence
- Prospects for growth
- Challenges
- Personal recognition

Significant positive effect if present, but no negative effect if absent.

According to awaits, the motivation increases or decreases subsequently.



Hygiene factors

- Working conditions
- Working atmosphere
- Appropriate financial remuneration
- Type of management
- Relationship with n+1
- Safe working environment

Strong negative effect if present, but no positive effect if absent

Our consulting practice has brought to light two very important findings.

Conclusion 1: Corporate culture is both a hygiene and a motivation factor!

A healthy, inclusive and people-oriented corporate culture enhances employee motivation! An unhealthy and negative corporate culture, on the other hand, destroys the motivation of employees!

Conclusion 2: Herzberg's theory applies even more to the Gen Z than to other generations!

Staff turnover is a corporate concern and some managers believe that "fresh blood" is a positive thing. However, involuntary staff turnover can be detrimental to operational efficiency or even jeopardise the achievement of projects.

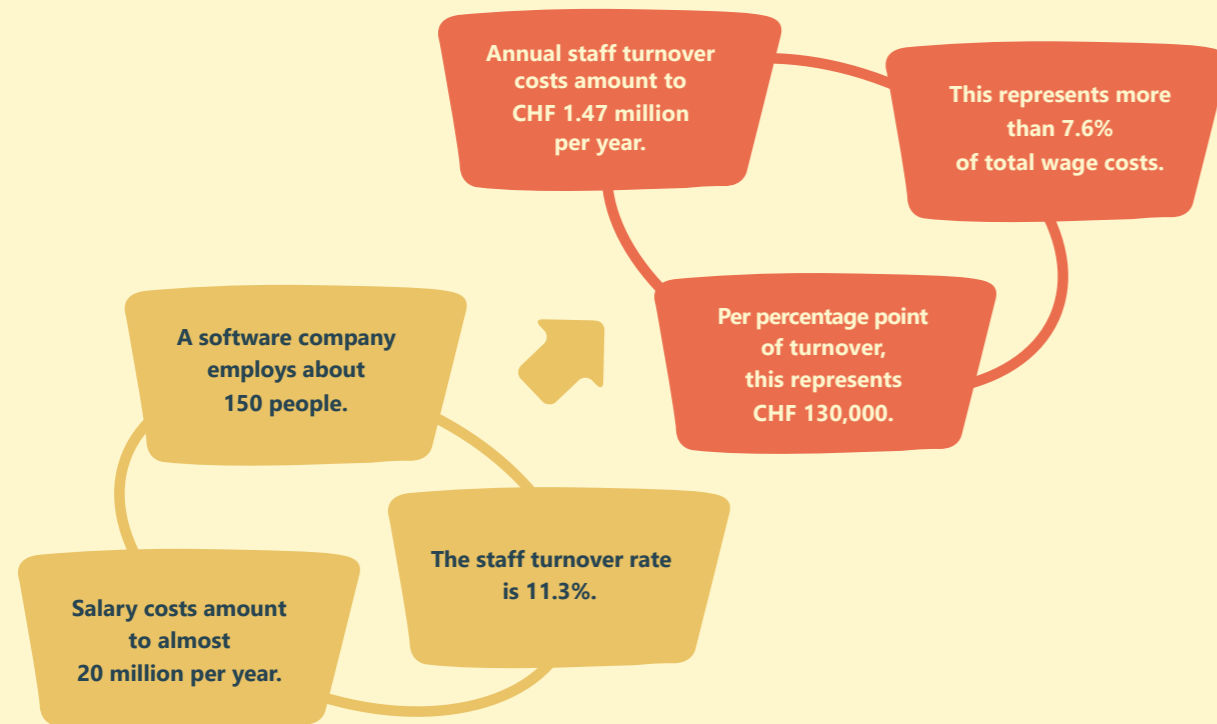
Is your company ready to welcome Gen Z?



The financial consequences of involuntary staff turnover

Staff turnover is a corporate concern and some managers believe that "fresh blood" is a positive thing. However, involuntary staff turnover can **be detrimental to operational efficiency or even jeopardise the achievement of projects.**

And there is another aspect: involuntary staff turnover leads to **considerable costs** - here is an example from our experience:



Of course, these figures increase according to the size of the company. For companies with more than 1,000 employees, fluctuation costs quickly run into tens of millions of CHF. This is one of the most frequently ignored types of hidden costs. At the same time, however, this topic is a direct lever for achieving significant savings!



Do you want to know the range of your fluctuation costs? Scan the QR code to access our calculator!

agls.me/tocost

Corporate culture - the key to sustainable success within your organisation

For the company mentioned here, staff fluctuation is not only a cost factor. Each departure also leads to the **loss of valuable knowledge**, the replacement of which requires a significant effort. **This not only delays development but also decreases the quality of the software.**

At the same time, it was difficult for the company to obtain applications from young candidates with good education and valuable experience. On top of that, it was tricky to convince suitable candidates to accept the position.

When AGILIS was confronted with this problem, it quickly became clear that the issue was not the hiring conditions or the work itself, but an inconsistent and sometimes toxic corporate culture. To get to the root of the problem, **AGILIS led the cultural change in a four-phase approach:**



Special attention was given to **the inclusion of Generation Z**, as it includes valuable knowledge carriers in new technologies. Within about six months, the corporate culture improved in a tangible and measurable way, thus eliminating the problems associated with unwanted staff fluctuations.

In addition to the massive savings already mentioned, due to the reduction of almost 50% of staff fluctuation, the cultural change has also led to...

- ... increased operational efficiency by 23%,
- ... improved ratings on platforms such as kununu.com and glassdoor.com by 1.2 points,
- ... enabled the hiring of nearly 20 highly qualified digital specialists from generation Z,
- ... and, above all, ensured that the quality, budget, and deadlines for software development were good again.

To tap into the potential of this generation for your business, you should ...

... **comprendre le fonctionnement de la works and the assets that people of this generation can bring to your company.**

... **to know what concrete measures you can implement in your company to attract and retain employees from GenZ.**

... **be aware of the state of mind of GenZ consumers and the issues that matter to them.**

... **what you can concretely do to make your current product/service portfolio attractive to GenZ as well.**

... **proactively address the issues of corporate culture and 'intergenerational collaboration'.**

... **understand the financial opportunities and risks associated with these themes.**

Customer testimonials

"I finally understood why we have so many problems with young staff and how easy it is to solve them!"

Dario S., IT manager at a logistics service provider

"What I found particularly interesting about the workshop was the focus on best practice in managing older generations. AGILIS does not have a "tunnel vision" of Gen Z but understands the topic of generations in its whole".

Christelle T., Head of Personnel at a regional bank

"AGILIS really adapted the workshop to our specific situation and - with great agility - slipped in a digression on the subject of intercultural collaboration. This was very relevant for us and we are looking forward to implementing the measures defined in the roadmap."

Thomas T., Country Manager of a large international IT provider



Do you want to make your company GenZ-ready? Use the QR code on the right to book a meeting!

agls.me/gzmeet



Your next steps



1

Get to know each other

That's why we offer a free interview to get to know each other and determine together if we can help your company.

You can book it by using the QR code above or at agls.me/gzmeet.



2

Clarify the match

During this interview, we ask a few questions about your company and your current situation.

If it turns out that we can add value to your company, a free strategy meeting a free strategic meeting is then arranged with one of our specialists.



3

Receive your GenZ plan

During the free strategy meeting, one of our specialists will guide you through a brief assessment of your "GenZ-Readiness". Following this, a comprehensive action plan will be drawn up. You can then work with us in a structured manner to develop the topic further or tackle it on your own.

Seize the opportunities offered by Generation Z!

AGILIS SERVICES SA
Place de la Gare 15
1700 Fribourg
Suisse

hello@agilis.services
0041 26 323 32 23

www.agilis.services