

What does young talent want?

Attraction and retention of
millennials and Generation Z

Workforce Preference Study 2021

The Netherlands



Executive summary

To attract and retain new talent, organizations should have a strong and sustainable employee value proposition (EVP). An EVP consists of a unique set of compensation and benefits, leadership styles, development opportunities and the company culture which employees receive and experience in exchange for the skills, capabilities and time they bring to an organization. Optimizing the EVP requires a holistic approach. This approach brings all the elements an organization offers in line with the strategic objectives and ensures that they are appealing to the current workforce and to the targeted new talent.

One of the pillars to strengthen the EVP is understanding the preferences of the targeted workforce. To help shape that understanding, PwC conducted a workforce preference study (WFPS) among 725 starters and students (millennials and people of Generation Z).

What does young talent look for in their (future) employer? They are looking for a *personal experience* in a job. The results show that offering interesting work, the best development opportunities in a safe and social environment, while inspired by leadership, should be the focus for attracting and retaining talent in the new normal.

When focusing on target groups with a specific study background – finance & accounting, STEM and social sciences – young talent in finance finds elements related to career opportunities the most important and values elements related to work-life balance the least. For young talent in social sciences, it is the opposite: they find elements related to work-life balance the most important and value elements related to career opportunities the least. STEM students score in between both scales.

Top 10 preferences 16-28 years

- | | |
|---|--|
| 01 Work that is interesting and challenging | 06 Base pay |
| 02 Direct colleagues | 07 Teamwork and cooperation |
| 03 Open and honest leadership communication | 08 Career opportunities within the company in your home country |
| 04 Trustworthy and accessible leaders | 09 Flexible work schedule and work time |
| 05 Business/technical skills training | 10 Performance based promotion with credible and fair performance evaluation |



Introduction

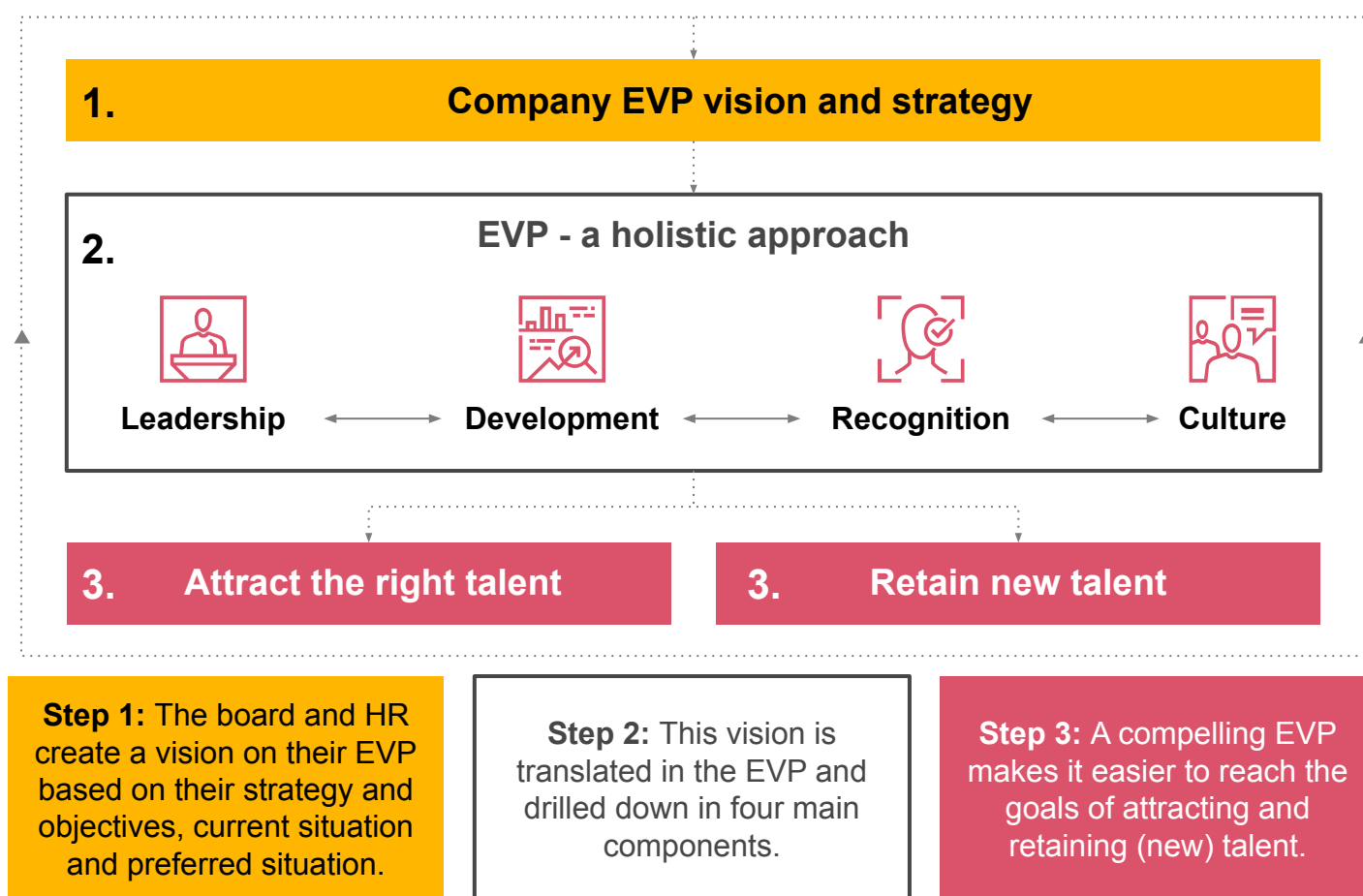
The way people work is going through a fundamental transformation. The adoption of emerging technologies and data-driven decision making is causing a change in products, business models and human tasks. Jobs and skills are rapidly changing, and jobseekers' preferences are shifting across all age groups. These changes were even further accelerated by the impact of COVID-19 on working practices.

Organizations are adjusting their strategy to the new normal. To act on this strategy, having the right people with relevant competences working for you is essential. To recruit and retain the right people, employment conditions are key. However, salary is not the only main concern for employees. How do you ensure that terms of employment, organizational culture and working conditions optimally match the needs of individual employees and your vision as an employer?



Employee value proposition

To win the war for talent, organizations will have to offer more than just high salaries and extensive benefits. Talent is looking for a comprehensive employee value proposition (EVP). The EVP is a unique set of benefits which employees receive and experience in exchange for the skills, capabilities, time and experience they bring to an organization. A strong and sustainable EVP embodies the reason why people feel motivated and connected and want to work for an organization. The EVP is at the core of all organizational processes and should be based on a holistic approach. This way, it ensures that all the elements that an organization offers are in line with the strategic objectives and that they are appealing to the current workforce and targeted new talent. Finding the right balance between these three aspects – strategy, current and targeted talent – leads to a future-proof workforce and a business advantage over competitors.



Workforce Preference Study for the Netherlands

To enhance the EVP, organizations must understand what the needs and preferences are of the targeted workforce. With the aim of helping organizations and young talent to find the best fit, PwC conducted a workforce preference study (WFPS) which focuses on the preferences of starters and students. What do they look for in their (future) employer?

As most organizations target specific focus groups within their recruitment strategy, we have created different profiles of the respondents, based on their study backgrounds: finance & accounting, science, technology, engineering & mathematics (STEM) and social sciences. What do they find more and less important in the organizations they wish to work for?



What does this mean for employers?

The results of this study, that we plan to expand in the future, are directly useful to employers in recruiting specific target groups. In addition, it gives an impression of the kind of results that PwC can deliver for individual clients – tailored to their specific sector, region, target group, etc. – to help them effectively target the right talent. Interested? PwC can support you to develop a better understanding of all elements of the EVP. This will enable you to find out the preferences of your target groups (existing and new employees), and to integrate this in your people strategy. Read more on this in the last chapter, *Strategy to execution*.

Characteristics of this study

Sample: 725 respondents, with a focus on student and starters (age 16-28, millennials and Generation Z), living in the Netherlands.

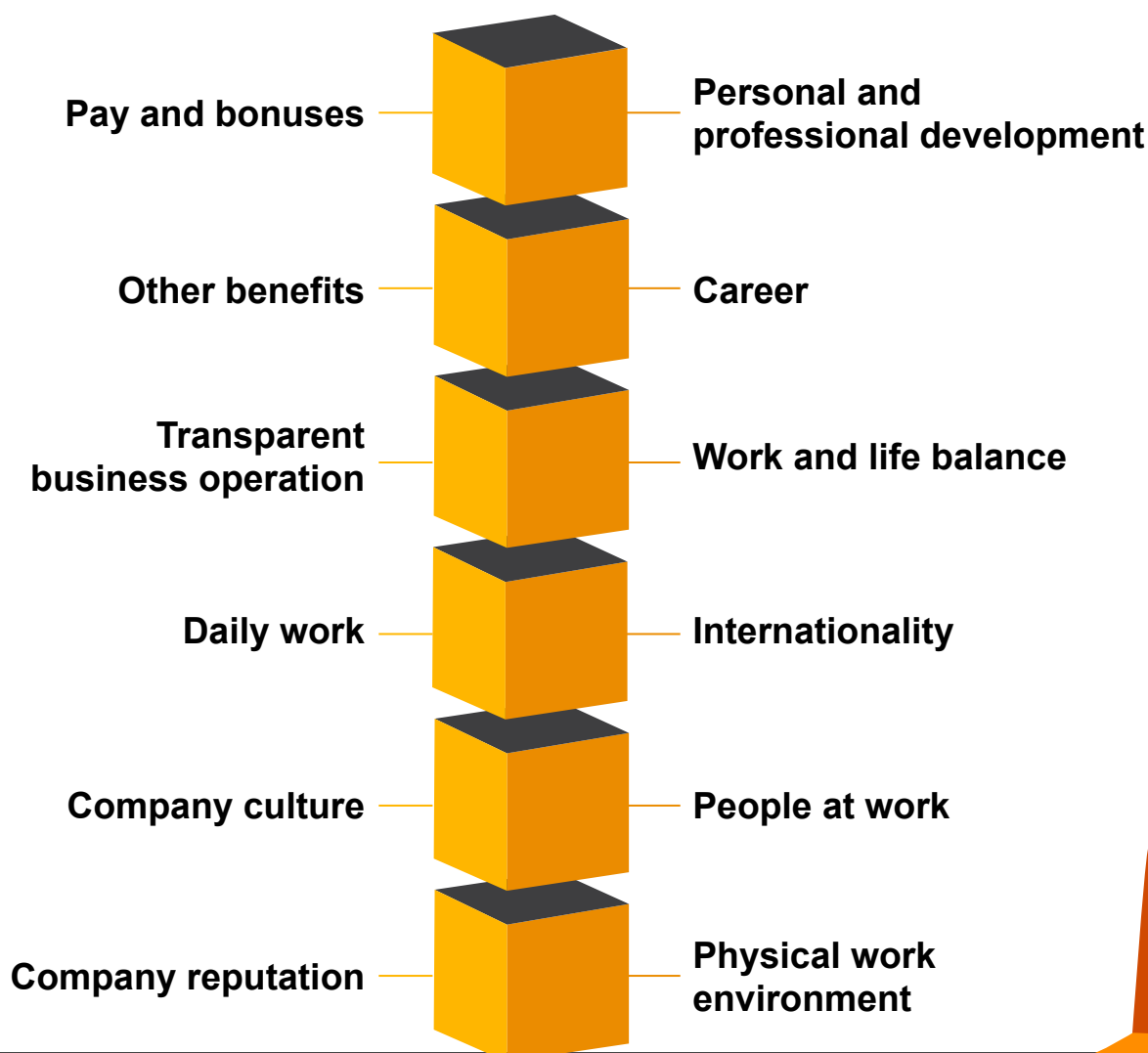
Tool: a unique and interactive online survey, supported by an AI engine to place assigned weight on individual preferences.

Focus: on absolute and relative preferences.

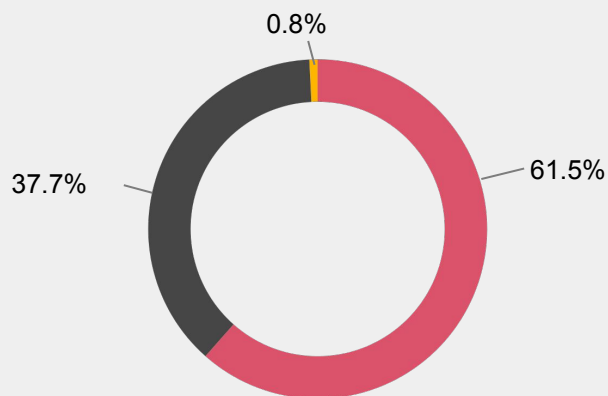
Built-in trade-offs: to 'force' participants in making a decision, resulting in high quality data.

Time frame: The study took place in the final quarter of 2020.

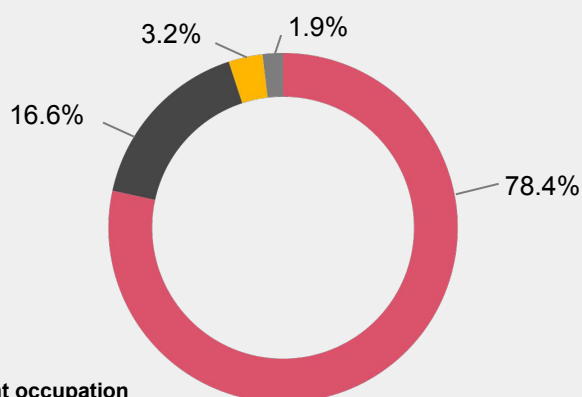
Twelve themes, divided over fifty-five work-related preferences based on: our market intelligence, current trends and motivation theories.



Respondent demographics



Female Male Prefer not to disclose

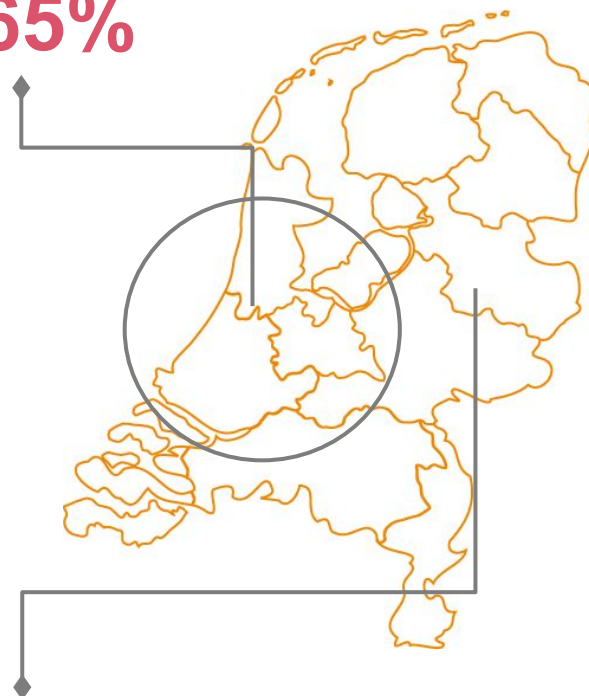


Current occupation

Studying in higher Education I'm working full time I'm working part time Other

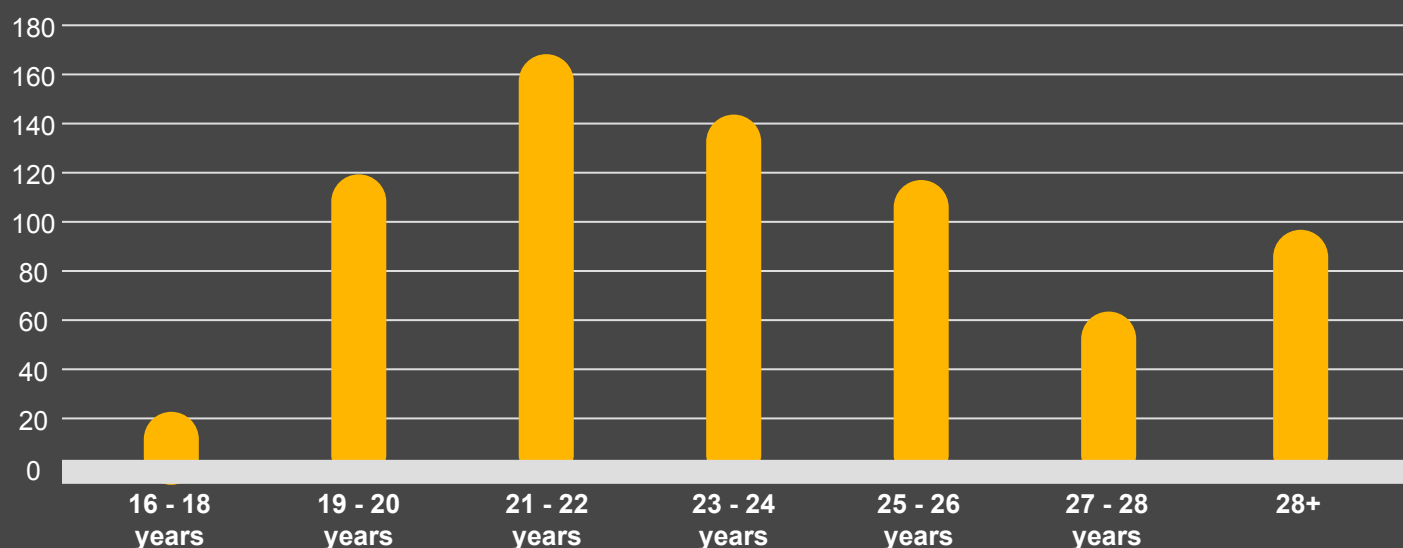
Participants living in most urbanized region ('Randstad')

65%



Participants living outside of the most urbanized region ('Randstad')

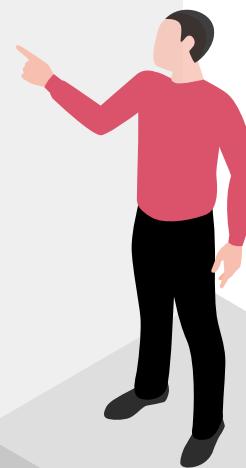
35%



Overall results and implications

“Looking for personal experience”

Young talent is looking for a *personal experience* in a job. That is the overarching conclusion for this workforce preference study. High rewards are not the most attractive. When attracting and retaining young talent in the new normal, the focus should be on providing the best development opportunities in a safe, social environment, inspired by leadership.



This is what attracts young talent in the Netherlands:

Top 10 preferences 16-28 years

- | | |
|--|---|
| 01 Work that is interesting and challenging | 06 Base pay |
| 02 Direct colleagues | 07 Teamwork and cooperation |
| 03 Open and honest leadership communication | 08 Career opportunities within the company in your home country |
| 04 Trustworthy and accessible leaders | 09 Flexible work schedule and work time |
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Other interesting findings, with ranking

- | | |
|--|--|
| 11 Physical work environment that promotes well being | 43 Individual responsibility and autonomy |
| 12 Pension benefits | 44 Corporate brand name |
| 20 Regular feedback (feedback culture) | 49 Pace of promotion |
| 24 Corporate commitment to providing job security | 50 Variable pay (performance based payment) |
| 38 Corporate social responsibility activities | 55 Transparent and predictable career path |

Daily work is key

Interesting and challenging work is perceived as most important by the respondents. Employers should carefully consider the substantive description of their vacancies.

Socially focused

Young people prefer a highly socially focused work environment. Open and honest leadership communication, direct colleagues, teamwork and cooperation are among top priorities.



Looking at people instead of systems

Young individuals have more preference for trustworthy and accessible leadership than for transparency in remuneration and performance evaluation systems. For employers, this means that the appearance of accessible and reliable leadership can be an important focus for recruiting young talent. If accessibility and reliability of leadership are not yet optimal, a culture change can be crucial to attract the younger generations.

Learning in a safe environment

Individual autonomy and responsibility are less prioritized than teamwork. Participants in our study prefer working in a team, in which responsibility is shared, surrounded by accessible leaders and role models. This is confirmed by the preference of 61% to start their career in a traineeship.

Opportunity over salary

The constructs 'personal and professional development' and 'career', score higher than the construct 'pay and bonuses'. This shows that for young talent the opportunity to develop in a professional way is valued more than being paid a high salary – keeping in mind that the Dutch base pay is often considered to be quite good. This does not necessarily mean that employers should lower salaries, but indicates at least the importance of interesting development opportunities.

A long run over a short sprint

Young talent prefers an organization that provides security: solid pension benefits, good base salary and corporate commitment for job security, over a quick pace of promotion, performance-based variable pay and the opportunity to have direct individual responsibilities and autonomy.



Company culture over company reputation

The respondents in our survey believe that the inside of an organization is more important than what an organization's reputation is. Of course, the activities of the organization are important, but corporate brand name and recognition of the products are considered as less important than the internal cultural aspects.





1

It's all about the team!

Focus your message on the team that a talent will join. Inspiring leaders, team members and a social culture are key. Your reputation and activities are no longer your golden ticket.

2

Opportunity is key!

Focus your message on development and career opportunities, making money is not the first priority.

3

Challenge is its own reward!

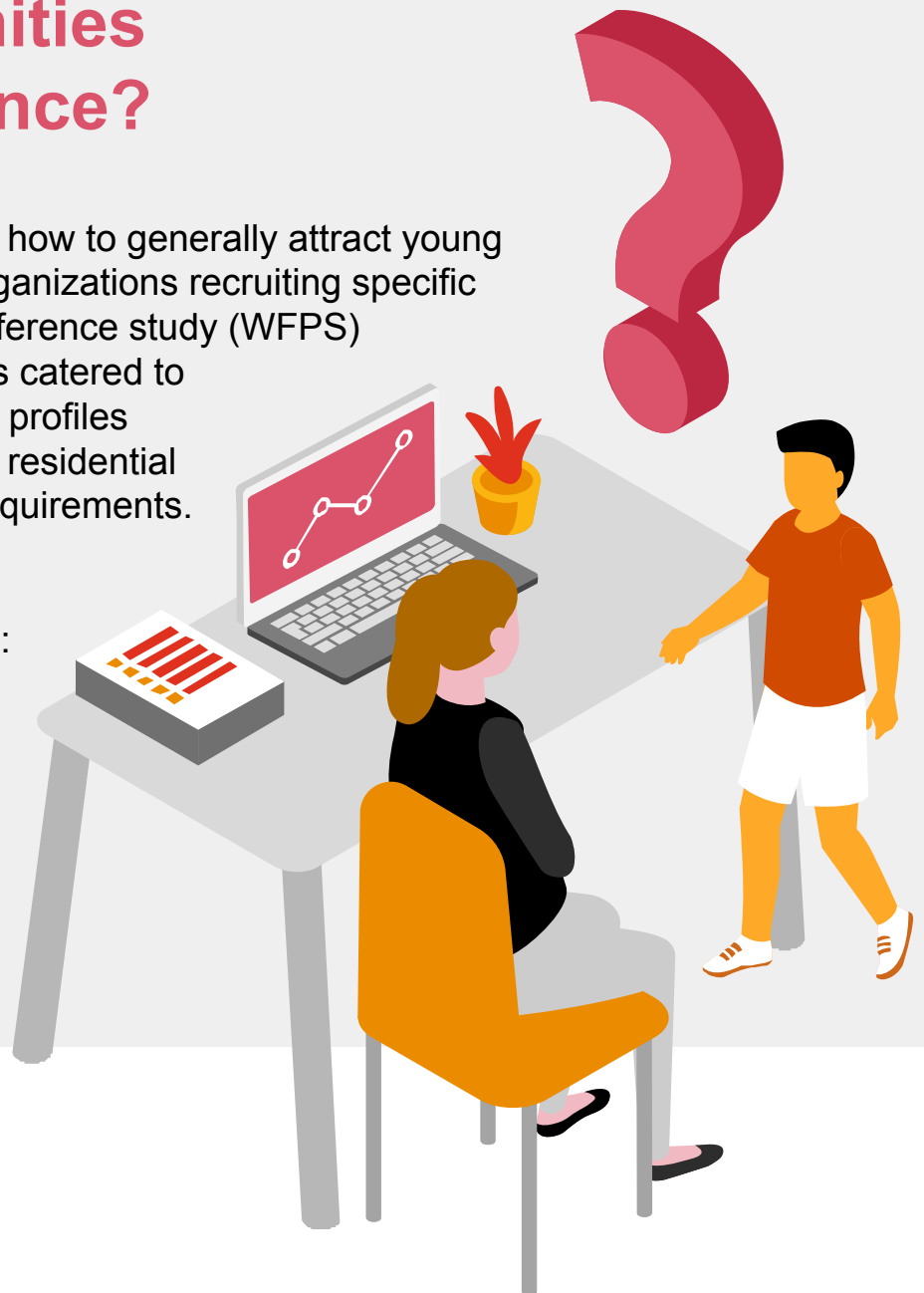
Focus your message on the interesting and challenging nature of the work, attracting intrinsically motivated young talent.

Three main communication takeaways for attracting young talent

Results and implications in three profiles

Career opportunities or work-life balance?

The findings above clearly show how to generally attract young talent in the Netherlands. For organizations recruiting specific target groups, the workforce preference study (WFPS) can also be used to filter findings catered to specific personal profiles. These profiles could be based on, for example, residential location and industry-specific requirements. In the following section, results are presented for three groups with different study backgrounds: finance & accounting, science, technology, engineering & mathematics (STEM) and social sciences.



Finance & accounting profile

'Hi, I am Stephanie*, I am a student with a finance and accounting study background. In the future I would ideally like to work for a multinational, preferably in Utrecht or Amsterdam.'

**This persona represents the answers given by 172 respondents - 24% of respondents - with a finance and accounting background (47% is female and 53% is male).*



My preferred work style and work environment

- I would prefer to work full time.
- I think it would be interesting if an organization offers a trainee programme.



What I think is important:

- My top priority is to work at an organization that offers good career opportunities.
- Performance based promotion with credible and fair performance evaluation is important for me.
- I am looking for opportunities to develop my business and technical skills.



What I think is less important:

- I think diversity & inclusion or sustainability programmes are less important.
- That my daily work has a societal impact is not my main priority.
- I am not really interested in further academic education.



What would make me want to move places within the Netherlands:

1. Personal development.
2. A challenging job opportunity.
3. Better quality of life.



What would make me want to move abroad:

1. Other culture/ company culture.
2. Higher salary.
3. Personal development.

Science, technology, engineering & mathematics (STEM) profile

'I am Daan, I am a student with a STEM study background. In the future I would ideally like to work for a multinational or a local, large organization, preferably in The Hague or Utrecht.'

** This persona represents the answers given by 168 respondents - 22% of the sample - with a STEM background (48% is female and 52% is male).*



My preferred work style and work environment

- I would prefer to work full time.
- I am not specifically looking for an organization that offers a trainee programme.



What I think is important:

- My top priority is to find an organization that offers good career opportunities.
- Work schedule predictability is important for me
- I am looking for opportunities to develop my business and technical skills.



What I think is less important:

- I think the pace of promotion is less important.
- Transparent and predictable career path is not my main priority.
- I am not really interested in coaching or mentoring programs.



What would make me want to move places within the Netherlands:

1. A challenging job opportunity.
2. Better quality of life.
3. Interest in a specific sector or company.



What would make me want to move abroad:

1. A challenging job opportunity.
2. Personal development.
3. Educational opportunities.

Social sciences profile

'I am Mark, I am a student with a social science study background. In the future I would ideally like to work in the public sector, preferably in Rotterdam or Utrecht.'

** This persona represents the answers given by 241 respondents - 33% of the sample - with a social sciences background (70% is female, 27% is male, 3% prefers not to disclose).*



My preferred work style and work environment

- I would prefer to work part time.
- I think it would be interesting if an organization offers a trainee programme.



What I think is important:

- I am looking for opportunities to develop my business and technical skills
- I would prefer to work at an organization that invests in a good work-life balance.
- A good diversity & inclusion policy/programme is important to me.



What I think is less important:

- Career opportunities within an organization are not my main focus.
- Corporate brand name is not my main priority.
- I am less interested in the opportunity to develop my digital skills.



What would make me want to move places within the Netherlands:

1. A challenging job opportunity.
2. Better quality of life.
3. Interest in a specific sector or organization.



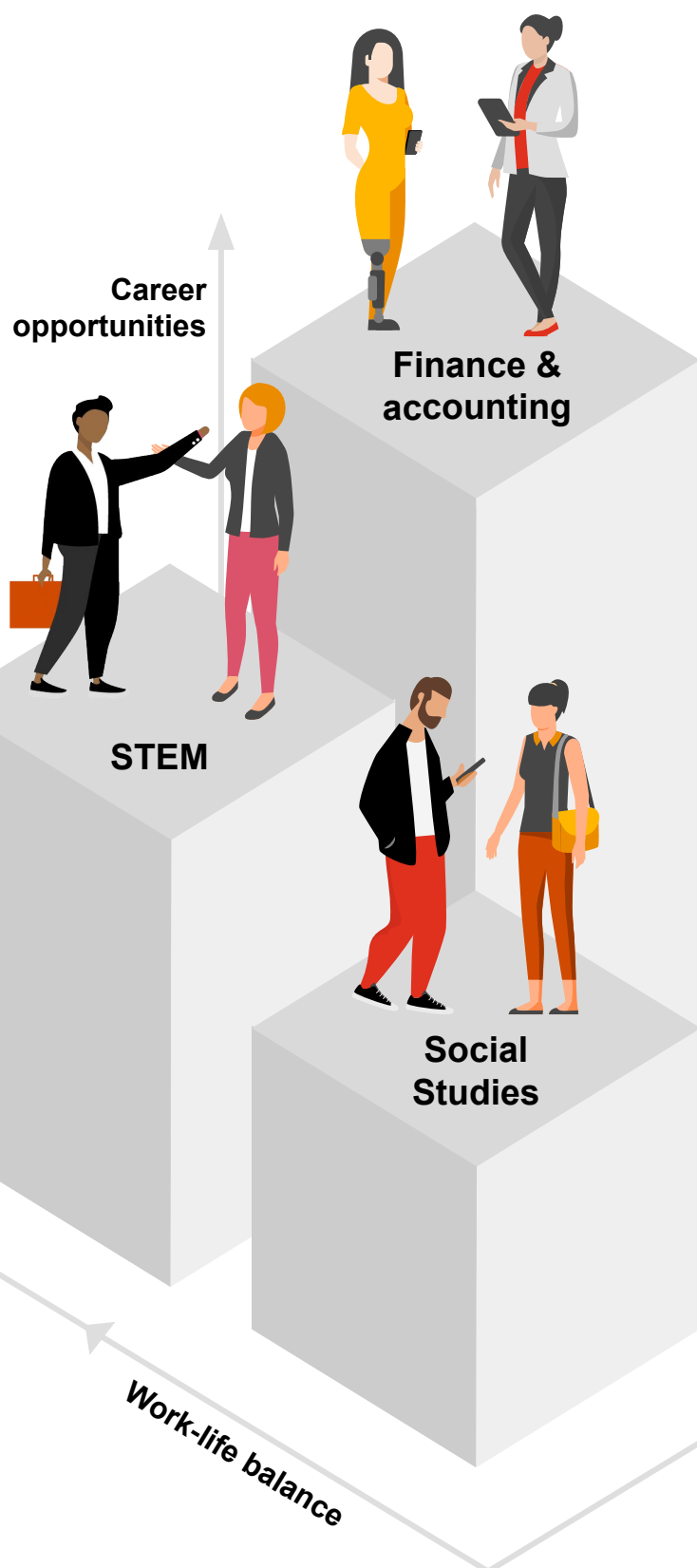
What would make me want to move abroad:

1. A challenging job opportunity.
2. More attractive physical environment.
3. Personal development.

Conclusion for three profiles

The top three preferences (interesting and challenging work, direct colleagues, open and honest leadership communication) are the same for every study focus group. Consequently, offering these three elements is key for attracting all these focus groups.

Besides the top three, a distinction is clearly visible between the appreciation of career opportunities and work-life balance, although both constructs are considered important in all groups, and one does not preclude the other. Compared to the other groups, young talent in finance and accounting finds elements related to career opportunities the most important and values elements related to work-life balance the least. On the other hand, young talent in social sciences finds elements related to work-life balance the most important and values elements related to career opportunities the least. STEM students score in between both scales.



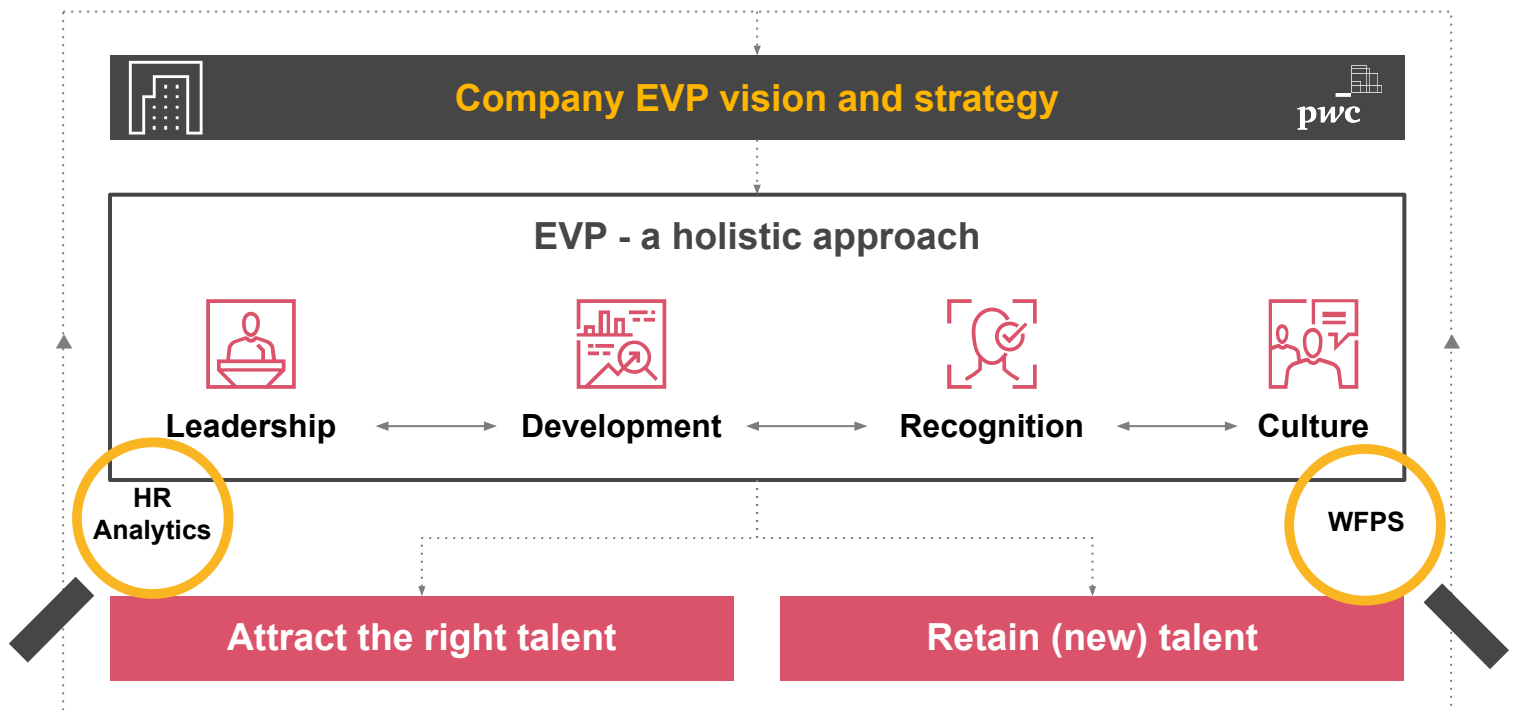
Strategy to execution

This report gives insights that can be used to enhance existing policies for the employee value proposition (EVP), through looking at the preferences and perceptions of targeted young talent. These results are not an end in itself but can help companies in achieving their strategic goals by attracting and retaining the right talent.

How can PwC help you

PwC can help you determine what the impact of current market trends and expected global developments are on your business strategy and which people and skills you need to help you realise that strategy. We advise companies on how to create a sustainable and future proof workforce with the right skill set that gives a competitive advantage. We do that by helping companies to improve the employee experience and by creating a tailor-made EVP, a holistic approach that focuses on leadership, development, recognition and culture.





Being successful does not only mean you need to attract the right talent; you also need to retain your existing talent. With our extensive expertise in data analytics, we can help you retrieve insights on the preferences and perceptions of your workforce. Our market intelligence, combined with the analyses of your company data and the workforce preference study (WFPS), gives us the data driven foundation to help reshape and optimally execute your people strategy.

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Thank
you

