

What does young talent want?

The attraction and retention
of young talent

Workforce Preference Study 2023
The Netherlands

November 2023



So, where to start?



For at least two decades, organisations are facing their war for talent: the battle to attract and engage their workforce of choice. Nothing new under the HR sun. However, this year we see that this talent challenge is unparalleled and has become a multi-headed concern. Companies are currently faced with the historically unique combination of a significant and increasing labour market scarcity, combined with a fierce economic headwind and uncertainty. On top of this, the talent landscape is fundamentally changing as a result of technological developments, with GenAI playing a particularly influential role. At this moment, one out of every four university students graduating in the coming few years, will start in a job that currently does not exist yet.

As the findings of this PwC research reveal, this setting translates into quite drastic shifts in the perspective of young professionals towards work, employment and their preferences. Are they more critical and demanding compared to previous years and their more experienced colleagues? Perhaps they are, but what is more important is that this research highlights the wide range of workforce preferences within different segments of this generation.

By understanding and analysing these diverse preferences, your company can leverage this differentiation to the benefit of your desired workforce. Because you are not an Employer of Choice by chance. It starts with the right insights.

Get in touch!



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Characteristics of this study



Target group

Students & starters age 18-35

Tool

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

Focus

On absolute and relative workforce preferences

Dutch labour market

Time frame

June - July 2023

Distribution

Employed & student

- University (WO)
- Applied university (HBO)
- Secondary vocational education (MBO)
- University preparatory education (VWO)
- Senior general secondary education (HAVO)
- Preparatory vocational secondary education (VMBO)

11 Themes

57 Items

- Career path
- Personal and professional development
- Company culture
- Other benefits
- Physical work environment
- Work and life balance
- Company reputation and values
- Pay and bonuses
- Recognition
- Everyday work
- People at work

There have been some changes in the items and themes of the WFPS '23 compared to the WFPS '22. These changes are visible in the complete study results in the appendix.

Respondent demographics

#participants 3034



Gender

- Female
- Male
- Prefer not to disclose



Education level

- University (WO)
- Applied university (HBO)
- Secondary vocational education (MBO)
- Other

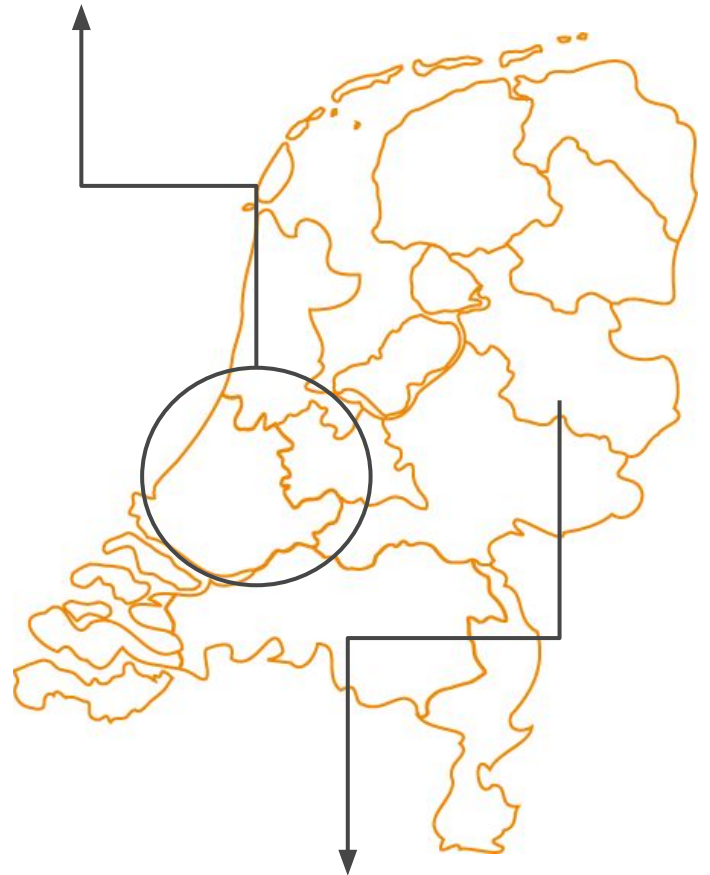


Employment status

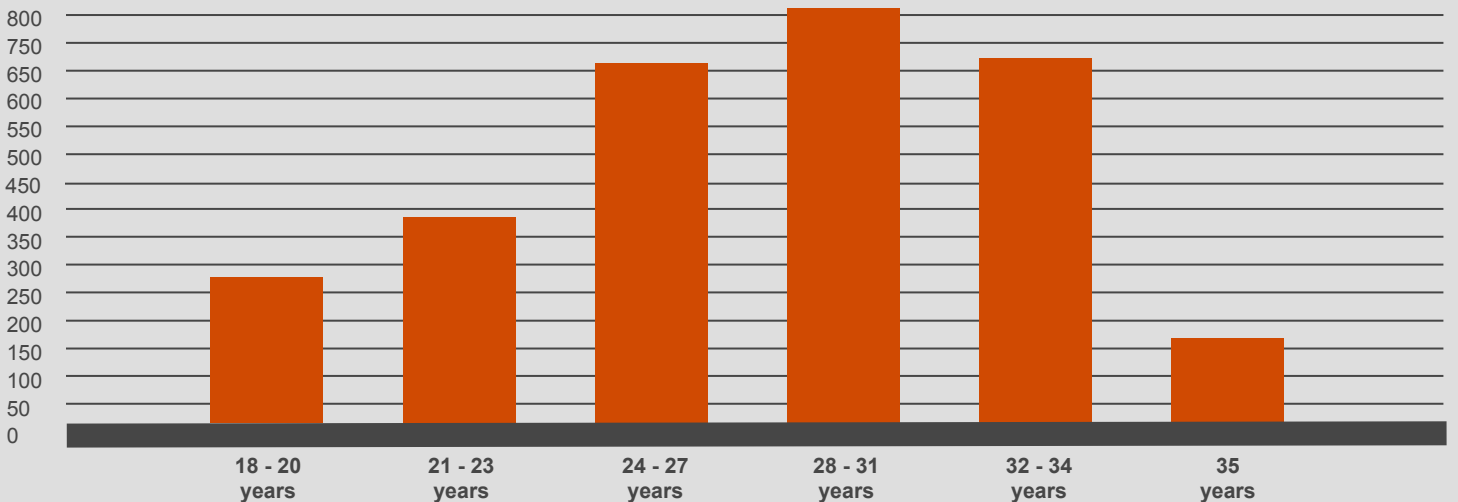
- Employed
- Student



73% Of the participants living **inside** most urbanised region ('Randstad')



27% Of the participants living **outside** of the most urbanised region



This is what attracts young talent in the Netherlands















Top 10 preferences 18-35 years

In this section you will find the ranking of the most important elements of the WFPS. The numbers in the right column show the difference in ranking compared to last year (WFPS '22). For example, the preference for base pay has increased by 1 place from (#2) to (#1).

Top 10 items		Position compared to last year			
#1	Base pay	+ 1	#6	Colleagues	- 3
#2	Vacation days	New	#7	Good transport access to workplace	+ 10
#3	Permanent employment contract	New	#8	Approachable managers and leadership	- 1
#4	Work that is interesting and challenging	- 3	#9	Face-to-face recognition	New
#5	Salary increase	New	#10	Pension benefits	- 1

The 57 elements demonstrate the specific preferences of individual constructs. As they are part of 11 overarching themes, the preference in themes show more general trends in the labour market.

Ranking of the 11 themes		Position compared to last year						
#1	Work and life balance 	-	#6	Personal and professional development 	- 2	#11	Company reputation and values 	-
#2	Pay and bonuses 	+ 3	#7	Physical work environment 	+ 2			
#3	People at work 	- 1	#8	Company culture 	-			
#4	Recognition 	new	#9	Career path 	- 3			
#5	Everyday work 	- 2	#10	Other benefits 	-			

What are the trends?

1

Prioritizing **safety** and **security** over personal fulfillment

For years, young professionals have placed great importance on finding work that is both interesting and challenging. However, a significant turning point has been reached, where the desire for *interesting and challenging work* (#4, -3) has been overshadowed by the need for (financial) security. This trend, which emerged last year, shows no signs of slowing down, as evidenced by the increasing demand for a good *base pay* (#1, +1), a *permanent employment contract* (#3, new item) and *salary increase* (#5, new item).

This change in mindset can be partly attributed to the rising cost of living, which is driven by increasing inflation rates. Additionally, it may be influenced by the unsustainable workloads that many young individuals from Generation Z and millennials experience, with more than a third of Gen Z and millennials reporting excessive work pressure (PwC's Hopes and Fears, 2023).

Zooming in: what differences do we see within the sample?

When examining the different subgroups within the young population, it becomes apparent that the significance of safety and security grows once an individual is engaged in the labour market, as opposed to being a student.

Furthermore, it is particularly important for young professionals with a vocational education to be acknowledged through a salary raise compared to those with an academic or theoretical background.

2

Aiming for **the fast lane** while navigating the tight job market

Young talent becomes more assertive in their pursuit of *opportunities for career progression* (#13, +12) and *pace of promotion* (#14, +24). We see two possible explanations for this trend.

Firstly, the tight job market. Waiting in line for the next step in their career? Not anymore. If young talent does not find these opportunities at their current employer, they may be inclined to seek these somewhere else.

Secondly, young talent may feel the need to take on work that is above their current level and seek recognition for their extra efforts and responsibilities. They are eager to prove themselves and demonstrate their capabilities.

Zooming in: what differences do we see within the sample?

Exploring different levels of education reveals a contrast in priorities: young talent with an academic background place a greater emphasis on the importance of opportunities for career progression compared to those with a practical education background.

What are the trends? (continued)

3

Debunking the priority of the young generation on **societal themes and impact**

Research and media highlight the significance of considering societal impact for the younger generations when choosing a job. However, when young professionals are faced with a trade-off between societal themes such as *inclusion and diversity* (#36, -22), *commitment to sustainability* (#42, -5), and the *societal impact of your work* (#43, -3), young talent prioritises individual-focused elements like *base pay* (#1), *vacation days* (#2), and a *permanent employment contract* (#3). In fact, these societal themes have even scored less in importance compared to previous years.

Zooming in: what differences do we see within the sample?

When looking at the differences in scores between education level, it becomes apparent that inclusion and diversity (I&D), commitment to sustainability, and the societal impact of one's work hold greater importance for those with a theoretical or academic education, as opposed to those with a practical education.

Furthermore, sustainability emerges as a more important theme for students compared to working professionals, and it carries greater weight for women than for men.



What are the trends? (continued)

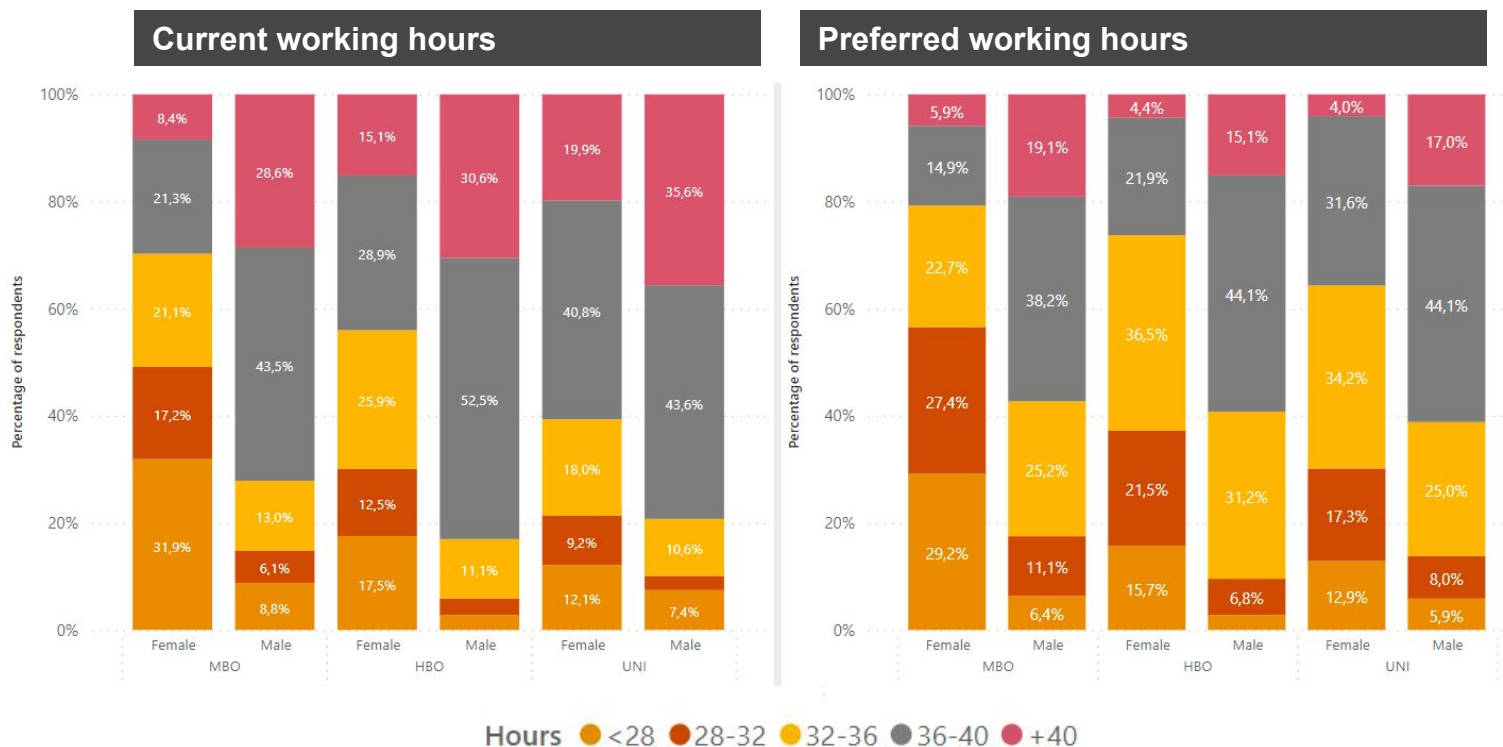
4

Is young talent willing to solve the **labour market shortage**?

Results show that young talent is not willing to work more hours. In fact, regardless of their education or gender, young talent on average actually wants to work fewer hours. The young talent in our research currently works an average of 36,6 hours per week (h/w), but they would prefer to work only 35,8 h/w.

Although all groups have expressed a preference for working fewer hours on average, this tendency is most pronounced among employees with a University degree, who also happen to work the most hours. Additionally, when examining the gender differences, it becomes apparent that females (35,2 h/w.) are currently working less than males (38,2 h/w.). The drop in preferred hours is bigger for females (0,8 h/w) compared to males (0,6 h/w).

However, it is important to note that there are groups within the labour market who express a desire to work more hours. This can vary depending on the sector. For example, within the tourist and hospitality industry, 21% of young employees have indicated their preference to work additional hours.



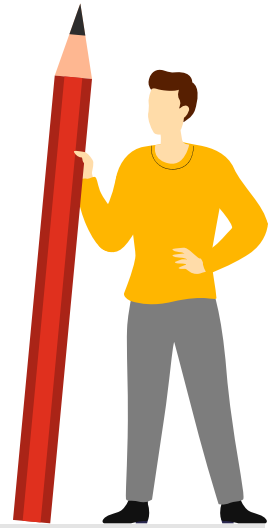
Key takeaways to attract and retain young talent



As we navigate this evolving landscape, we observe some interesting trends.

There is a notable shift in the priorities of young talent, moving from a desire for "work that is interesting and challenging" to a greater emphasis on (financial) stability. Additionally, we see a growing assertiveness among young individuals in their pursuit of career progression and faster promotions. It is worth noting that societal impact is not a top priority when choosing a job. Furthermore, on average, the younger generation values work-life balance and may not be willing to work longer hours.

In order to continue to attract and retain young talent, it is important to recognise and address these changing priorities of young professionals.



Strike a balance between (financial) stability and personal fulfillment

While the pursuit of (financial) security has become more important, it is essential as an employer not to lose sight of the value of engaging and meaningful work. By finding ways to satisfy both the need of (financial) stability and interesting and challenging work, you have a greater chance of attracting and retaining young talent in your organisation.

1

Provide growth opportunities and a clear and transparent career path

Recognise that young talent is becoming more assertive in their pursuit of career progression. Create a clear and transparent career path within the organisation, outlining the steps and opportunities for growth. Moreover, focus on employee development: invest in the development of young talent by providing training, coaching, and mentorship programmes. Help them acquire new skills and knowledge that will enhance their career prospects.

2

Create a supportive environment that stimulates a healthy work-life balance

As an employer you play an important role in recognizing the ambitions of young talent and at the same time encourage to keep a healthy work-life balance. Recognise and reward their efforts, provide regular feedback, and create a safe space for them to voice their ideas and concerns.

3

Offer competitive compensation and (flexible) benefits packages

In a competitive job market, it is important to offer competitive compensation packages that reflect the value of the work being done. Additionally, consider offering (flexible) benefits such as flexible work arrangements and work schedule, hybrid working opportunities and a fair pay for the value young talent creates.

4

WFPS team



Want to join our mission in helping young talent and organisations find a better fit? Or would you like to know more about the study? We are continuously working on extending our study's impact and would be happy to get in touch!



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Appendix

Result sheet WFPS '23



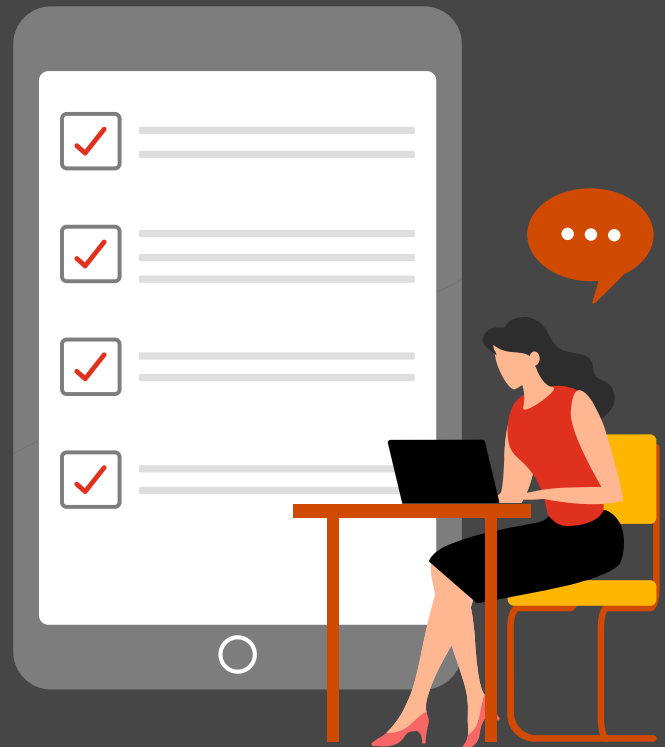
Ranking of the items		Position compared to last year	Ranking of the items		Position compared to last year
#1	Base pay	+ 1	#20	Overtime pay	+ 2
#2	Vacation days	new	#21	Celebration of success with the team	new
#3	Permanent employment contract	new	#22	Teamwork and cooperation	- 9
#4	Work that is interesting and challenging	- 3	#23	Your direct manager (daily contact)	- 3
#5	Salary increase	new	#24	Physical work environment	- 12
#6	Colleagues	- 3	#25	Predictable workload	- 17
#7	Good transport access to workplace	+ 10	#26	Soft skills development	- 7
#8	Approachable managers and leadership	- 1	#27	Regular feedback (feedback culture)	-
#9	Face-to-face recognition	new	#28	Bonuses	+ 18
#10	Transparency about pay and recognition	+ 14	#29	Company vision and strategy	+ 2
#11	Pension benefits	- 1	#30	Part time or non-standard work patterns available	-
#12	Variety of work	+ 17	#31	Transparent and predictable career path	+ 22
#13	Opportunities for career progression	+ 12	#32	Individual bonus	+ 14
#14	Pace of promotion	+ 24	#33	Social events	new
#15	New development opportunities	- 6	#34	Collective bonus	+ 12
#16	Flexible work schedule and work time	- 12	#35	Possibility to work from home	new
#17	Services to support well-being	- 6	#36	Inclusion and diversity	- 22
#18	Room for innovation	- 2	#37	External education	- 16
#19	Hard skills development	- 14	#38	Possibility to choose your benefits	- 5

Appendix

Result sheet WFPS '23



Ranking of the items	Position compared to last year	Ranking of the items	Position compared to last year		
#39	Autonomy	+ 4	#49	Popular or recognizable company products or services	- 10
#40	Mobility budget	new	#50	Sabbatical (career break)	- 6
#41	Digital upskilling	- 6	#51	The name of the company	+ 3
#42	Commitment to sustainability	- 5	#52	Work phone for personal use	+ 3
#43	Societal impact of your work	- 3	#53	International career opportunities	- 19
#44	Clients	new	#54	Short term assignment abroad (e.g. 3 months)	new
#45	Lunch and coffee facilities	new	#55	Sport facilities	new
#46	External coaching	- 10	#56	International work environment	- 8
#47	Home office supplies	new	#57	Your annual basepay is payed out weekly	new
#48	Leadership (board/MT)	new			



Thank you

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