

# Three Reasons Why Millennials and Gen Z Job Hop



Job-hopping is when an employee leaves one job for another within a short period. Some people job hop it because they are dissatisfied with their current position or don't fit in with their coworkers and the company culture. Additionally, others leave for a higher position being available or more growth opportunities at a different company.

In December 2022, LinkedIn and CensusWide surveyed over 2,000 U.S. workers about their professional plans for the new year. Of those respondents, 72% of Gen Zs and 66% of Millennials said they are contemplating a career change within the next 12 months.

While Millennials and Gen Z are often said to have a shorter patience span than other generations and may seek rapid career advancement, job hopping is more often the result of selective focus and the desire for growth. Younger workers want to explore careers, find fair compensation, and work environments that provides the highest possible return on their job investment. Here are three reasons why Millennials and Gen Z's job hop and how employers can retain this workforce demographic.



## Flexibility of Financial Benefits

Millennials, Gen Z, and other generations have different priorities regarding how they approach financial benefits. The younger generation has unique circumstances that have shaped their view of the world, including their workplace priorities. For example, 401k plans have largely replaced a traditional pension plan. A pension is an employer-funded retirement plan that, unlike a 401(k), can only be accessed by the retired employee.

A recent survey found 35% of Gen Z say retirement savings are a financial priority, 48% of Millennials say the same. Both generations value the flexibility this offers because it allows employees to advance in their careers when ready. For example, if a worker leaves their job and rolls over their 401(k) into their new employer's plan, the old account balance can be matched up to a fixed amount by the new company. This allows them to continue receiving the match from their employer at their new job while still saving up for retirement.

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## Employees are Disengaged

The Udemy Workplace Boredom Study found that Millennials and Gen Z are disengaged at work because they lacked opportunities to learn new skills, were not challenged, or did not have enough to do. To grow, Millennials and Generation Z realize they need to seek opportunities in different companies if it's not available in their current role. This has challenged employers as they adapt to these new workplace expectations.

Employers can combat employee disengagement by providing opportunities for professional development. These opportunities can include workshops, leadership programs, or other learning options to help employees grow vertically or laterally within the company. They could also provide time off for employees to pursue professional development, such as taking classes at local colleges or continuing their education through online courses. In addition, Millennials and Gen Z desire challenges from their roles. Therefore, employers should allow them opportunities to take ownership of projects or tasks, provide them with feedback and guidance, and give them a sense of ownership connected to the company's goals.

## Workers Expect More from Companies

Gen Z and Millennials have grown up with an awareness of the importance of mental health. Their generation has also witnessed a rise in the emphasis on work-life balance, which has led to a new outlook on the way we work. Companies can support employees' well-being by creating a culture that protects their mental health. This includes removing the stigma around taking sick days related to mental health, encouraging employees to talk openly about their wellbeing, and making it easy for those who need help to reach a professional.

In addition, younger generations want to feel like they are making a difference. They want to work for companies that emphasize community involvement. Companies should think about giving back to their community by joining charitable organizations or donating time and money towards various social justice issues within communities. By doing so, employees can feel good about the work they're doing and give back to their community meaningfully.

Younger workers are more likely to job hop today than in previous generations. This is partly due to changes in retirement plans and benefits, a lack of employee engagement in the workplace, and the opportunity for more meaningful work elsewhere. Most significantly, Millennial and Gen Z individuals are not afraid to make a change to get what they want for their career. These younger professionals are making changes within the workplace, and companies must keep up with them if they want to retain their talent.

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