Sparking passion in your people: Attract and retain the best of a new generation

Insights from the Accenture Strategy 2016 German University Graduates Study

By Tim Good and Rouven Fuchs
German employers have one big advantage: They have successfully worked with students through apprenticeships before university studies and internships during those studies. These programs have helped ensure that students have the right skills for their chosen careers. This has resulted in a steady feed of qualified applicants into the workforce.

How will you attract and retain the best and the brightest talent of a new generation?
In the past, these apprenticeship and internship programs might have been all that well-established employers needed to do to create a talented and loyal workforce. Today, however, according to the Accenture Strategy 2016 German University Graduates Study, they need to do more. Comparing attitudes toward work between this year’s graduates and those who have been working a year or two, a degree of discontent surfaces among recent hires. This is urgent news.

Nearly 3 in 5 recent graduates, those who have been in the workforce for one or two years, believe they are “underemployed”, in that their job really does not require their university degree. They feel their skills are being underutilized. They are more apt to be concerned about whether they are making a personal impact on their organization. They want to pursue more meaningful work. They are looking to become more employable, developing market-relevant skills to drive better career prospects.

Are German employers meeting that need? It appears they are not.

This is the challenge facing German organizations today: After working with students to develop their skills during apprenticeship and internship programs, how can organizations move to the next level and put workers’ full range of skills to good use? Many organizations are falling short when it comes to capitalizing on the talent they have at hand. In an increasingly global, volatile and competitive market environment, employers must build an agile, change-ready and multi-skilled workforce of the future.

One key is to design and deliver on a more holistic and integrated talent strategy that focuses on workers’ personalized needs and specific career expectations. Organizations need to see the workforce not as a monolithic collection of roles, but as individuals with particular needs, interests and ambitions. Organizations also need to tap into the distinctive skills and experiences that these digital natives bring to the table.
Pragmatism or passion?

According to our study, a high degree of pragmatism runs through German university programs and, therefore, into students’ initial forays into the workforce. For example, a significant majority of graduates in Germany—82 percent—looked primarily at job availability when choosing their area of university study. Just 49 percent of graduates in Germany chose their area of study based on an inward-driven, personal passion. By contrast, 69 percent of US graduates, and 62 percent of UK grads, were fueled by such an inner drive.

This pragmatism also shows up in the fields of study chosen by students in Germany. For 48 percent of this year’s graduates, these choices were dominated by science, technology, engineering and math courses (STEM) as well as business fields, compared with just 28 percent of students who focused on liberal arts and social sciences. Reflecting back on their choices, almost two-thirds of recent graduates were encouraged to pursue STEM subjects.

The practical value of internships

Tracking from a field of study to an internship to a job is also commonplace among our survey participants. For example, 93 percent of new graduates completed an apprenticeship or internship either before or during university studies, compared to 68 percent and 69 percent in the US and UK, respectively.

And for more than three-fourths of graduates in Germany (78 percent) their internship led to a job, either with the company or through the network established during the internship. This number was much lower in the US (43 percent) and the UK (67 percent).

Not surprisingly, then, 93 percent of graduates are employed in their field of study—compared to 65 percent in the US and 72 percent in the UK. Eight in ten (81 percent) had a job at graduation, or found one within six months.
New hires show deep levels of commitment

Although the millennial generation has been labeled as job-hoppers, in fact we found high levels of commitment to employers. For example, 77 percent of graduates in Germany expect to stay at their first job for three or more years. And 76 percent are even willing to relocate for a job.

Graduates also expect to work hard. About half (48 percent) consider it acceptable to work on evenings and weekends. And about the same percentage (47 percent) accept the need to have meetings or conference calls outside of standard business hours.

Don’t misunderstand here, however. Being practical does not mean giving up fun. Culture is important to 2016 grads: About two-thirds (65 percent) would rather work at an organization with a fun, social atmosphere even if it means having a lower salary. Social gatherings among work colleagues are also important. New and recent graduates seem to be saying, “I want a job that doesn’t feel like work so that I don’t even think about work-life balance.”

Where do graduates think they will find this kind of work culture?

This is a cautionary tale for large, global companies—many of which are dominated by a siloed and hierarchical mentality, and which often offer fewer opportunities for new hires to feel empowered to work in a self-directed manner. Consequently, just 27 percent of new graduates want to work for a large company. The vast majority (63 percent) favor working for a small- or medium-sized business, in public service, for a non-profit, or as an entrepreneur. It appears that many graduates may feel at risk of becoming lost within the inflexible work experiences and more rigid career paths of a larger organization.
Reality strikes: The challenge of underemployment

The work experience of recent graduates in Germany—those who have been in the workforce one or two years—is not necessarily rosy. In fact, 59 percent of recent university graduates consider themselves underemployed—working in a job that does not actually require their degree.

Those who feel underemployed have concerns and interests that differ somewhat from their colleagues who do not feel underemployed. They are more likely to feel that their skills are being underutilized. They are defining success differently: they are looking to make a real impact on their organization rather than just performing the duties of their job.

Perhaps not surprisingly, then, 81 percent of the underemployed have either already left their first job, or intend to leave within five years.

The headline emerging from this analysis is that companies need to beware of creating work environments and career opportunities that lead to feelings of underemployment among experienced workers. Not only does it impede productivity by under-utilizing skills, it also puts an organization at risk of "brain drain"—losing the time and investments in developing an experienced worker and then having to spend large sums hiring someone else into that role.
How to “light a spark” in your employees to improve engagement and retention

How can organizations use the insights of the Accenture Strategy 2016 German University Graduates Study as a means of attracting and retaining high performers among entry-level employees? Here are some important actions to take.

**Hyper-personalize your talent strategy**

In a world where consumers can purchase everything customized, employees do not accept a one-size-fits-all approach to development and advancement from their employer. Tailor and implement a comprehensive talent strategy centered on a personalized approach, delivered by line managers at the moments that matter most to the individual employee.

**Transform your internship programs into a talent magnet**

Maintain momentum from your internships into full-time employment. Make a personal connection and don’t let go.

**Bridge the gap**

Redesign entry-level jobs to make them more engaging. Utilize graduates’ skills more effectively and give top performers more responsibility. Leverage digital natives and their experiences for the benefit of your organization. Help newer hires understand how their skills contribute to overall business performance.
Provide a small-team feel

Create a feeling of belonging and influence. Offer opportunities to work on smaller projects and give newer employees specific accountabilities in line with their interests and strengths.

Re-connect learning with performance

Re-configure training programs to emphasize on-the-job learning. Provide opportunities to continuously refresh and renew skills, and help employees see the connection between their skills and ongoing career opportunities.

Drive passion and purpose

Connect employees’ talents and interests to the purpose of the organization and offer them choices rather than top-down decrees. Allow your people to extend beyond their jobs to have an impact on the organization, as well as improve the community through corporate social responsibility programs. Celebrate success and create a sense of pride among your employees.
Putting the employee at the center of your strategy

German organizations need to draw on an increasingly diverse workforce to continue to thrive in the global economy. This spells opportunity for savvy employers to focus on the end-to-end employee experience. Now is the time to build your workforce of the future by putting the employee at the center of your strategy. Understand the employees' needs, desires and pain points, and then design the interactions and services that create a differentiating employee experience.

Use internships to attract high performers. Focus more on individualized coaching and development than on formal training classes. Capture your people's hearts and give them the sense that they are part of a small team and not an impersonal conglomerate.

As new and recent graduates look for more certainty and stability, organizations that rethink their entry-level positions with a hyper-personalized approach to talent attraction and retention are more likely to flourish.

Organizations must spark the passion needed for employees to take their performance to the next level. They must provide employee experiences that will make today's graduates want to stay and grow with them.
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About the research

Accenture Strategy conducted an online survey in Germany of 1,000 students graduating from university in 2016, and 1,000 participants who graduated from university in 2014 or 2015. The survey was conducted in June/July, 2016.