**EMPLOYCO USA**
*The Power to Compete*

# HR Edge

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Presented by Employco USA, Inc.

# Engaging Generation Z in the Workplace

Generation Z (Gen Z) accounts for a growing percentage of the global workforce. These individuals, born between 1997 and 2012, range from 13 to 28 years old, making up nearly all of the current as well as the next wave of young professionals.



The U.S. Bureau of Labor Statistics predicts that by 2030, Gen Z will constitute **30% of the workforce**.

### Who Is Gen Z?

Gen Zers are often socially conscious, digitally savvy and invested in career development. They are passionate about social causes and may choose to work for organizations with similar values over higher-paying positions. According to a survey conducted by Deloitte, 75% of Gen Z and millennial workers factor in an employer's community engagement and impact when searching for employment.

This generation of workers tends to value honesty and transparency from employers, prioritize mental health and job flexibility, and seek opportunities for career growth. They are also more willing than previous generations to leave their jobs if they don't offer what they desire. As such, they will likely remain loyal to employers offering development opportunities and internal support.

With Gen Z comprising almost a third of the global workforce by 2030, it's clear that engaging this demographic is crucial for employee attraction and retention. It's also essential for organizational productivity. Gen Z workers can bring fresh ideas and creativity to an organization; as digital natives, Gen Z can bring new talent and in-demand skills into the workplace, driving innovation and efficiency. Therefore, harnessing this potential can keep organizations ahead in a competitive market. Engaging this generation can help maintain a productive workforce and drive long-term organizational success.

### Gen Z Engagement Challenges

Even though engaging Gen Z in the workplace provides attraction, retention and productivity benefits, this effort is not without challenges. The following are obstacles employers may encounter when engaging Gen Z:

- **Changing needs**—Gen Z's needs and desires differ from those of previous generations, putting pressure on employers to close the gap. Gen Zers have new expectations at work, such as up-to-date technology, work-life balance, mental health support and career development.

- **Increased desire for feedback**—Many managers report that Gen Z wants more feedback, often at least once a week. Without it, these employees may feel disengaged and stuck. By focusing on meaningful feedback and direction while offering flexibility and autonomy, employers can help these employees thrive in their jobs.

- **Lack of soft skills**—Although they possess strong technical skills, Gen Z employees may widely lack soft skills, such as communication, time management and teamwork. This is

# Engaging Generation Z in the Workplace (Continued)

likely due to many of this generation entering the workforce during the COVID-19 pandemic when remote work was the norm. With the lack of in-person work, many didn't gain practical interpersonal communication experience through traditional work environments. By providing guidance and training, employers can help these employees develop soft skills to complement their technical abilities.

Employers might encounter challenges when appealing to Gen Z, but implementing the right strategies can allow these employees to succeed and foster a productive, engaged workforce.

## Gen Z Engagement Tips

Employers can engage Gen Z employees and improve attraction and retention rates among young workers by proactively responding to Gen Z's wants and needs. Here are strategies for employers to engage Gen Z in the workplace:

- **Make work meaningful** by emphasizing the significance of employees' jobs and creating a work environment where Gen Zers can see the impact of their work.

- **Enhance onboarding** to teach new employees how to develop hard and soft skills. This can enhance their performance and satisfaction.

- **Utilize the latest technology** to improve efficiency and productivity.

- **Prioritize mental health** by making mental health resources and programs readily available, training managers to be empathetic and encouraging employees to take vacation time.

- **Allow employees flexibility and autonomy** to work when and how they please, and promote a work-life balance.

- **Provide career development opportunities,** such as career ladders, internal promotions and mentorship programs.

- **Listen and respond to employee feedback** to foster a culture of trust and collaboration. This process also benefits organizations by identifying areas for improvement.

Gen Z individuals are a growing percentage of the global talent pool. However, like every new demographic entering the workforce, these employees have unique needs and priorities. Employers who actively engage Gen Z may experience a competitive advantage when hiring and retaining these workers. These initiatives may also contribute to increased satisfaction and productivity. Contact us today for more workplace resources.

# Health Care Spotlight: GLP-1 Medications

Industry surveys and reports project that employers anticipate health care costs to increase by 7%-8% in 2025. As a result, employer-sponsored health care plans will continue to cost more per employee, impacting employers and employees alike. With glucagon-like peptide-1 (GLP-1) drugs gaining popularity and being used by more plan participants, they are a key driver of rising health care costs.

### Obesity and the Growing Demand for GLP-1s

Obesity can lead to many other illnesses, such as Type 2 diabetes, heart disease and certain cancers. More than 2 out of 5 adults in the country have obesity. While long-term weight loss is possible with lifestyle, diet and mindset changes, many are turning to weight loss drugs instead. The popularity of these drugs has increased in 2025 as more patients become aware of GLP-1s and take action to improve their health.

> A KFF poll revealed that **1 in 8 Americans have already used a GLP-1 drug,** while 6% are currently taking one. However, this number is projected to rise in the coming years; J.P. Morgan estimates that **9% of the U.S. population could be on GLP-1s for weight loss by 2030.**
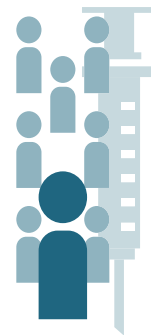
GLP-1 drugs are already proving popular with plan participants who are eager to lose weight and improve their overall health. Mounjaro (which has the active ingredient tirzepatide), Ozempic and Rybelsus (which both use the active ingredient semaglutide) are approved for treating diabetes but are commonly prescribed off-label for weight loss. Zepbound (tirzepatide) and Wegovy (semaglutide) are drugs that use the same active ingredients but are approved to treat obesity for qualifying patients. Most recently, Ozempic was approved to reduce the risks of kidney disease worsening, kidney failure and death due to cardiovascular disease in adults with Type 2 diabetes and chronic kidney disease. In addition to these conditions, the active ingredients in GLP-1 medications have shown promise for treating other conditions, including Alzheimer's disease, heart disease and even sleep apnea. While these use cases are still undergoing clinical trials for approval, the potential applications of GLP-1s could lead to these costly drugs being used to treat even more patients.

### The Cost of GLP-1s

On average, GLP-1 treatment costs around $1,000 per individual each month. When considering covering weight loss drugs, many employers are concerned that they must be used for extended periods to be effective, requiring a long-term commitment.

A Business Group on Health (BGH) survey validated that heightened interest and spending on GLP-1 drugs are major drivers of rising health care costs in 2025. More than half (57%) of the respondents said that GLP-1 spending was "driving health care costs to a great or very great extent." Other concerns focus on costly cell and gene therapies and overall pharmacy costs. Participating employers in the BGH survey said they won't reduce benefits and plan to absorb most of the costs themselves instead of passing them on to their employees.

### Cost Mitigation Strategies for Employers

Employers have historically not covered GLP-1s for weight loss, yet increased demand from workers and obesity concerns among U.S. adults are forcing employers to reconsider comprehensive obesity care benefits. Although most employers

# Health Care Spotlight: GLP-1 Medications (Continued)

cover GLP-1s for approved uses to treat obesity, decision-makers have hesitated to cover them for weight loss. While employers are largely covering these drugs due to employee demand, they often experience the advantages of a healthier workforce. Employees with obesity are likely to incur more medical costs, file workers' compensation claims and take more sick days than other employees. Add those things up, and they can be pricey for employers. Employees who are overweight or obese can incur between $1,200 and $6,700 per year in excess costs. However, these excess costs may not sway all employers due to the higher price tags and the need for the employee to take GLP-1s indefinitely.

While rising health care costs may be unavoidable, some employers are pursuing the following strategies to lower costs related to GLP-1s:

- Develop a plan to cover GLP-1 medications for Type 2 diabetes and obesity.
- Raise the body mass index (BMI) threshold for plan participation. For example, some employers may require either a 30 BMI or a 27 BMI in addition to other relevant health conditions to qualify.
- Introduce guardrails or controls for employees, such as prior authorization, step therapy or other actions, before gaining coverage for GLP-1 use.
- Combine weight loss drug coverage with wellness programs. Research suggests GLP-1s are more effective when combined with physical activity and dietary changes, so some employers offer wellness programs focusing on overall lifestyle changes. These types of programs may also help users who want to stop taking the medication but sustain weight loss.
- Take advantage of prescription drug-savings programs, such as rebates, coupons and other pharmacy options.

- Adjust cost-sharing arrangements, such as increasing employees' deductibles, coinsurance, copayments or premium contributions.

Employers can consider which strategies can have a tangible impact on their health care spend, specifically concerning GLP-1 medications. Pursuing the right initiatives can have a sizeable impact on an organization's bottom line and the financial health of its employees.

# Overcoming HR Fear and Distrust

HR performs several functions necessary for organizations and employees, including employee recruitment, onboarding, training, payroll and benefits, compliance and employee relations. Despite the benefits HR professionals provide, many businesses find it difficult to maintain these teams' credibility among employees.

## Reasons for HR Distrust

A lack of confidence in HR can lead to distrust of leadership, a lack of transparency, poor workplace cultures and potentially high employee turnover. Therefore, it's crucial for employers and their HR teams to understand the key reasons for this distrust and implement strategies to foster credibility among employees.

Every workplace is unique, but employees may generally have apprehension and reluctance toward HR for the following reasons:

- Lack of approachability
- Perceived ineffectiveness of HR
- Doubt in confidentiality
- Fear of repercussions
- Involvement in office politics

Because of this hesitation, many employees prefer to solve workplace issues independently or with their manager's help without raising them with HR. While policies and procedures are important to HR practices, workers want to know that people matter just as much.

## How to Gain Employee Trust

By improving departmental practices and focusing on employee needs, businesses' HR teams can earn trust among workers and help create a positive company culture. The following strategies can build trust in HR:

- **Develop and maintain an effective employee handbook.** An employee handbook is essential so that HR can clearly communicate expectations to the workforce. Adhering to the handbook's policies consistently and treating all employees fairly can provide workers with stability and minimize risks.
- **Align HR with employee needs.** It's imperative that HR understands and addresses the diverse needs of the workforce. HR teams should listen and respond to employee feedback and concerns. This alignment fosters trust, allowing employees to feel seen and heard.
- **Advocate for employees.** When HR stands up for workers' rights and well-being, employees are more likely to view these teams as their allies, thus instilling confidence and trust in HR.
- **Practice transparency.** Transparency entails open and honest communication about company policies, decisions and changes. This practice can help build trust with HR, as it reduces uncertainty, keeps employees informed and shows them that their involvement is valued.
- **Prioritize employee needs.** HR teams should focus on solving employee issues, such as helping them access their pay, fixing benefits issues, growing their careers, and assisting with paid time off, leave and administrative obstacles. By prioritizing workers' needs, HR teams can prove their value to the employees.
- **Invest in training and developing HR teams.** Thorough and regular training and development equips HR teams with the skills and knowledge to support employees and address their concerns. It also enables HR to act competently and demonstrate its reliability to employees.

Although it may be challenging, creating productive HR functions is crucial so these teams engender trust among employees. By implementing strategies to address the key factors that lead to HR distrust, employers can reduce turnover and improve employee satisfaction and engagement, leading to a healthy workplace culture.

**Contact us** for more HR trends, industry insights and proactive strategies to maintain a competitive edge in today's workplace.

MyPerfectResume's latest HR Perceptions Report revealed that **86% of workers are afraid of HR representatives.**