Preparing for Gen Z and Gen Alpha:
How Younger Generations Will Change Business Travel and Expense Management

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Summary

I've worked in the business travel and expense (T&E) industry for more than 40 years. In that time, there has been one constant I, and all T&E managers, have had to come to terms with: change.

Each decade has brought new expectations, challenges, opportunities, and technologies, shaped by a new generation entering the workforce. And each generation has challenged pre-existing T&E policies, over time bringing about necessary change.

Some of us may question whether such changes are truly necessary. Why fix something that isn't broken, right? But in my past and current roles, I have been asked to review and modernize many companies' T&E policies. Often, this involves making a noted shift away from a draconian approach defined by endless rules and regulations—sometimes even in contradiction with themselves. Policies like these can only cause employee frustration, friction, and a felly of mistrust.

The bottom line is that every company must adapt to survive and thrive in an ever-changing business landscape. Our fast-approaching future will be vastly different than the world of T&E management that we know today, and much of this will be driven by changing employee demographics and expectations.

To put pending changes into perspective, it helps to consider how the millennial generation changed business travel. For instance, while I was leading T&E, changes brought about by a largely millennial workforce included:

- The introduction of "bleisure" travel (i.e., the ability to mix business with leisure travel).
- The acceptance of shared service providers, from lodging to ground transportation.
- An increase in the use of enhanced travel applications and technologically advanced travel suppliers.
- The preference for digital payment methods.
- The popularization of social media, including its use as a platform for customer service and reviews.

As the millennial generation continues to rise through the organizational ranks, they will be responsible for adjusting T&E policies and processes to accommodate the expectations of Gen Z and, eventually, Gen Alpha colleagues. And make no mistake—these generations' expectations will be different from those that came before.

Introduction

When I joined a large, cloud-based software company in 2008, their average employee was 27 years of age: the oldest of the millennials. I was twice that age— plus a few years—and as the new director of T&E, my immediate responsibilities included rapidly coming up to speed in understanding, accommodating, and communicating with the business travelers of that generation.

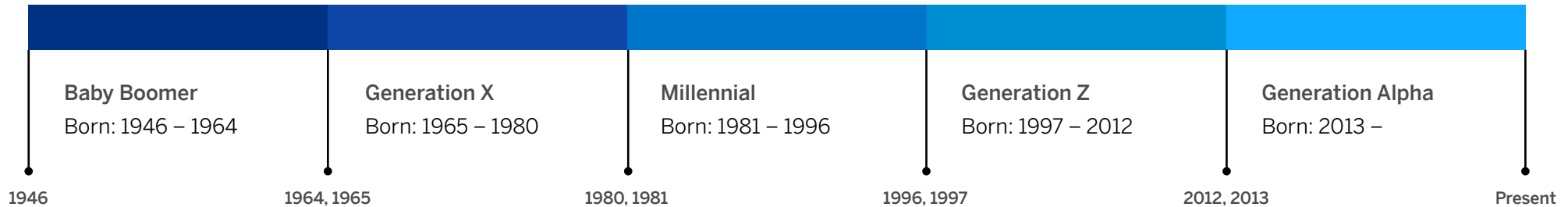This required change—from me. I needed to think and act differently if I was to survive in this environment.

I couldn't succeed in my role by telling my millennial colleagues how T&E was to be managed in the corporate world. Instead, I needed to recognize and respect how they worked best. I needed to listen. I needed to shift from the old "command and control" mentality to a mindset valuing employee empowerment and choice enablement. I learned to take a "sell not tell" approach: Sell the value proposition, then encourage employees to make the right decision for them based on their individual business needs.

And more changes are now on the horizon. In 2025, it is **forecasted** that Gen Z will comprise about 27% of the workforce among countries in the Organization for Economic Co-operation and Development (OCED), with an average age of 27. Meanwhile, the oldest of millennials will be 45. And in 2030, Gen Z will be the largest workforce demographic, just as Gen Alpha begins to enter the labor force. From my standpoint, it feels like déjà vu in T&E.
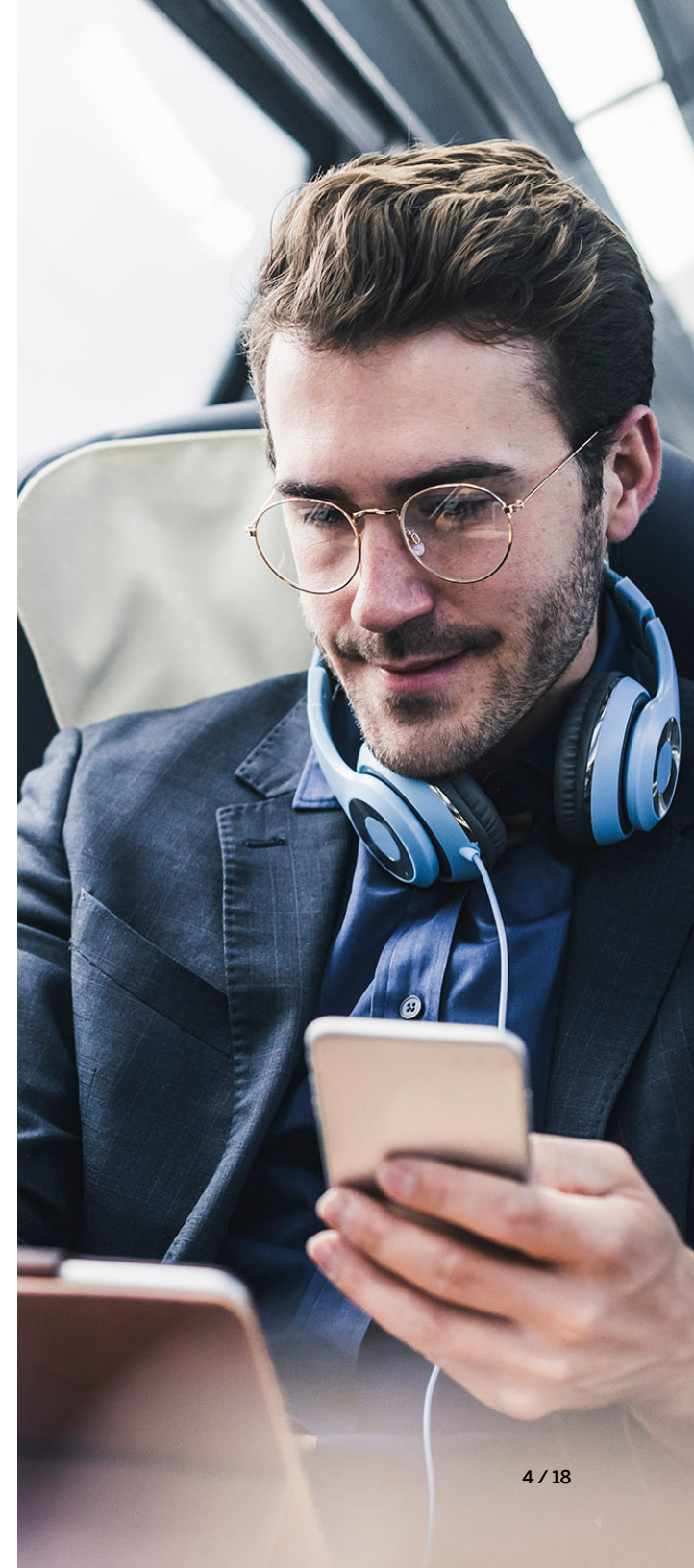
Why will this matter? As we know, each generation is shaped by its upbringing in a unique social and cultural moment in time. The differences that help distinguish each generation will inevitably lead to changes in the workplace. T&E leaders—as I learned back in 2008—will have to respond accordingly. We will have to adapt to the expectations and experiences that younger generations will demand. We will have to change how we work to accommodate business traveler needs, not the other way around.

The Generations Defined[1]

Baby Boomer	Generation X	Millennial	Generation Z	Generation Alpha
Born: 1946 – 1964	Born: 1965 – 1980	Born: 1981 – 1996	Born: 1997 – 2012	Born: 2013 –

| 1946 | 1964, 1965 | 1980, 1981 | 1996, 1997 | 2012, 2013 | Present |

1. Pew Research Center, 2019: Defining generations: Where Millennials end and Generation Z begins

Who Are Gen Z and Gen Alpha?

Most current T&E leaders of large organizations are baby boomers or Gen X, rapidly heading towards retirement. Millennial T&E colleagues are waiting in the wings to manage their peers, Gen Z and Gen Alpha—all generations raised in the digital age with varying levels of immersion.

So, what do we know thus far about Gen Z and Gen Alpha?

Gen Z (Born 1997 – 2012)

A handful of expert and survey resources help to cast some light on what we can expect from Gen Z employees. For example, in a **recent interview**, Stanford University Senior Research Scholar Roberta Katz explains, "For those who are now experiencing [Gen Z] in the workplace, my advice is to recognize that these new colleagues are used to working collaboratively and flexibly, with an eye to being efficient in getting the job done. They are pragmatic and value direct communication, authenticity and relevance. They also value self-care. They may be more likely than older people were when they were the age of [Gen Z] to question rules and authority because they are so used to finding what they need on their own."

According to a **Pew Research Center survey**, Gen Z is less likely to drop out of high school, more likely to be enrolled in college, more racially and ethnically diverse, and more politically progressive than previous generations.
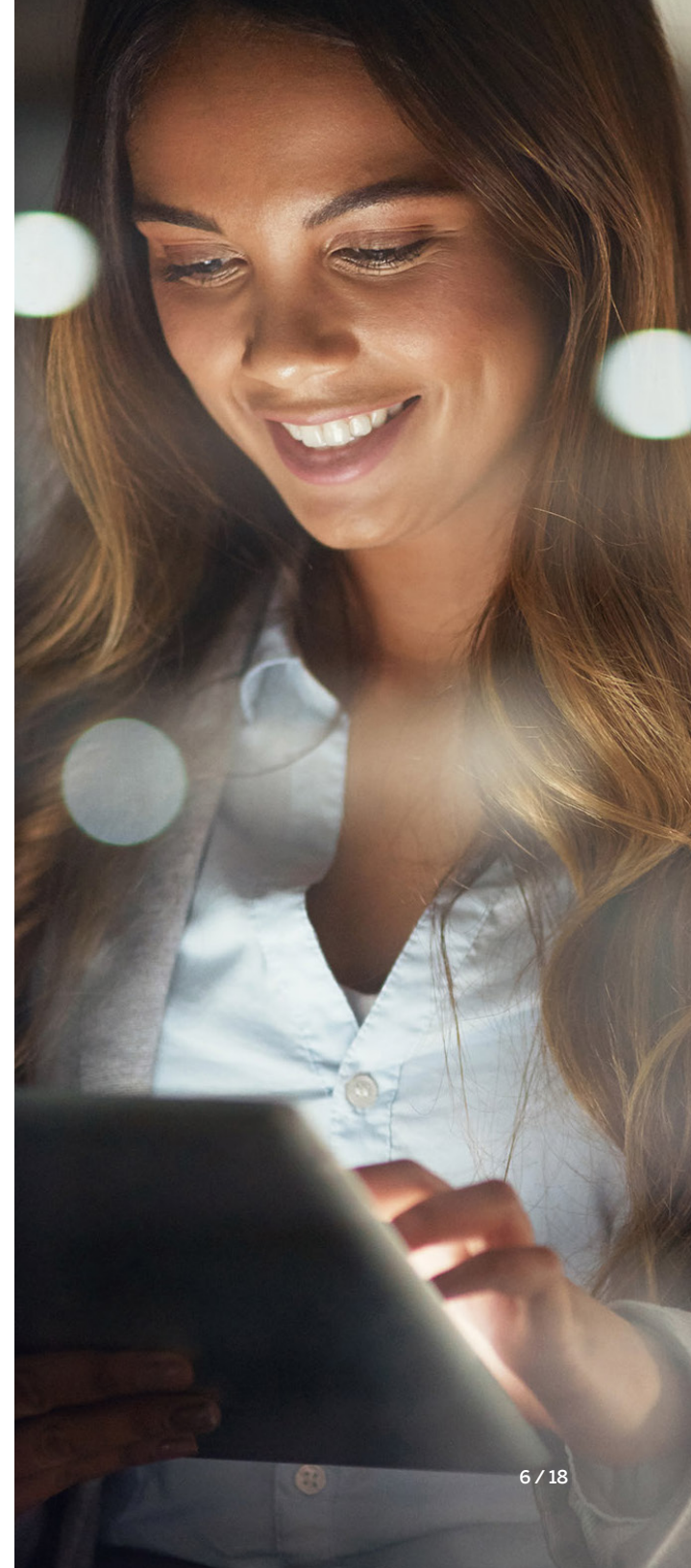
Additionally, the [2022 SAP Concur Global Business Travel Survey](#) offers a few [key takeaways](#) regarding Gen Z's expectations for business travel:

- At the time of the survey, only 36% of Gen Z business travelers globally were satisfied with their current business travel schedule, while 42% wanted to travel more and 22% wanted to travel less.

- Among all those who were unhappy with their current level of business travel, Gen Z was the most likely to take action (63%) and the greatest flight risk (35%), compared to an average across generations of 46% and 23%, respectively.

- Shaped by their experience during the COVID-19 pandemic, 94% of Gen Z respondents considered some flexible travel and booking options as essential for their company to allow to protect their health and safety when they travel for business. Their top essential requirements were the ability to select their preferred mode of travel (37%) and to book directly on supplier websites (37%), such as airlines and hotels.

- Ninety-eight percent of Gen Z respondents planned to take steps to reduce their environmental impact while traveling for business over the next 12 months, and 22% of Gen Z respondents said they would consider declining a business trip if it required using non-sustainable travel options.

Gen Alpha (Born 2013 – Today)

It is [estimated](#) that by 2025, Gen Alpha will reach a population of more than 2 billion worldwide, becoming the largest demographic in world history. This generation is still in its infancy, so it has yet to be seen exactly what characteristics will be common among them. However, we can begin to consider how the circumstances of their environment will shape them.

For instance, Gen Alpha is [expected](#) to be the most technologically infused demographic to date. Starting at a very early age, their world is filled with modern technology innovations—mobile devices, artificial intelligence (AI), machine learning, social media, connected experiences, robotics. It is [estimated](#) that by the age of 10, their technology skills will surpass those of their (largely millennial) parents.

[According](#) to social researcher and co-author of "Generation Alpha" Ashley Fell, Gen Alpha may feel empowered to act on what they believe in, because technology will enable them to do so. Given their access to information, it is [expected](#) that Gen Alpha will surpass Gen Z as the most educated generation to date. Gen Alpha may also, in effect, mature faster than previous generations due to factors including their heightened awareness.

Although sweeping, these characteristics are important to acknowledge and understand, as they will inform and shape how T&E leaders approach their programs in the very near future.

Potential Characteristics of Gen Z and Gen Alpha May Include:

Gen Z	Gen Alpha
Self-driver who deeply cares about others	Prioritizes technology
Strives for a diverse community	Uses social media regularly
Highly collaborative and social	Values social acceptance
Values flexibility and authenticity	Expects personalization
Prefers non-hierarchical leadership	Well-versed in digital learning
Pragmatic	Potential mega-multitasker

Why Are These Distinctions Important?

In business, and as leaders, we must learn from and about each generation, including their expectations, to best find the middle ground and set up our organization for success. However, while we should always approach T&E management—as a service-providing function of an organization—with that mindset, this is often not the case.

Rather, as Deloitte's Oren Geshuri rightly concluded in a presentation during the 2019 Global Business Travel Association (GBTA) Convention, "The bottom line is most corporate travel programs are geared towards the prior generations of travelers, with most companies hanging on to policies and processes that were borne from a pre-digital time."

This is a huge mistake for any T&E program. While the core fundamentals of T&E management may not change much over time, approach and methodology should. They should be grounded, at least in part, on generational needs—otherwise, the organization runs the risk of having a dissatisfied workforce. "As millennials and Gen Z rise to executive leadership positions, companies will inevitably have to evolve their programs to accommodate the more laissez-faire approach to travel of the growing younger generations," according to Geshuri.

As a travel manager, I personally experienced and learned over time that my role was not to be the program or policy police. Instead, I needed to serve as a trusted advisor of the lines of business and focus my attention on removing T&E program friction points.

Here are a couple ways that could play out within an organization's T&E program, based on the previously defined characteristics of the Gen Z and Gen Alpha workforce.

Technology Preferences

Technology is accelerating faster than many would have thought possible, in subtle and not so subtle ways. AI is here, and it's impacting, influencing, and enriching our lives, even when we may not realize it. Automation is changing roles and responsibilities in the workplace. And the proliferation of devices, technology innovation, and data have, in turn, accelerated demand for improved security to protect our personal information and clarity in how it's accessed and used.

As addressed previously, Gen Z and Gen Alpha are growing up fully immersed in this landscape, and it's shaping their technology preferences and expectations. According to a **survey** commissioned by LivePerson, 65% of Gen Z respondents preferred to communicate with others digitally rather than in person. Also, a **survey** by the IBM Institute for Business Value found that 75% of Gen Z prefers mobile as their device of choice.

Technology is also likely to shape Gen Z's expectations of personalization, including how their company and leaders approach development opportunities and career pathing. According to **Deloitte**, "Employers will need to understand the behaviors and tendencies of a generation that expects much more personalization in how they are treated by their employer."

As we consider Gen Alpha, it admittedly may be difficult to predict their technology preferences, as the technology they will use when they graduate high school and college may very well differ from what is available today. However, if millennials and Gen Z are any indication, we should assume that today's technologies and how they begin to evolve will impact Gen Alpha's future expectations of the workplace as well. Keeping a finger on the pulse of technology will be key for us to meet the expectations of younger generations.

Communication Styles

One of the most striking differences of incoming generations, Gen Z and Gen Alpha, will be their preferred methods of communication.

As a T&E leader, I learned the value of matching message and vehicle to the intended recipient. I wrongly assumed that everyone would prefer email. Instead, my millennial business travelers pushed me to transition to an internal social platform for communications, then eventually messaging and collaboration applications like Skype, Slack, and Microsoft® Teams.

What has worked for millennials won't necessarily work as effectively for Gen Z. In turn, what works for Gen Z may prove to not work best for Gen Alpha. However, we can assume that growing up with lightning-fast internet and upload speeds, smartphones, and mobile applications will likely shape Gen Z and Gen Alpha expectations for workplace communications in some way. Also, in my experience, each generation and its preferred communication methods have led to shorter, more frequent, and more direct contact between employees. Gen Z and Gen Alpha are likely to continue this trend, considering their methods and devices of choice.

In fact, **according** to bestselling author and Workplace Intelligence Managing Partner Dan Schawbel, communications with Gen Z need to be concise and visual: "We tell our advertising partners that if they don't communicate in five words and a big picture, they will not reach this generation."

Additionally, McCrindle's **research** suggests, "[Gen Alpha doesn't] need the same authority structures, hierarchies, or traditional power approaches, because we're in more collaborative times. Being the most digitally savvy generation ever, and as we move to a world with more robotics, interpersonal skills will become more important than ever for [Gen Alpha]."

Sustainability Expectations

In its **research**, Deloitte found that 77% of Gen Z respondents say it's important that their company's values align with their own. According to the firm, "To win the hearts of Gen Z, companies and employers will need to highlight their efforts to be good global citizens." This complements the findings of the **2022 SAP Concur Global Business Travel Survey**. As noted previously, a remarkable 98% of Gen Z respondents said they planned to take steps to reduce their environmental impact during business travel in the next 12 months.

As many countries rapidly approach their committed deadlines to reduce greenhouse gas emissions in alignment with the Paris Agreement, sustainability must remain a top priority for businesses. And to give credit where it's due, millennials, Gen Z, and Gen Alpha are taking significant steps—including increasing pressure on the private sector—to drive these efforts forward.

While we've discussed it for much of my career, in just several years' time, sustainability has become an essential component of the brand and mission of many companies. I personally can say—and many of my industry peers are continuing to witness—that this is no longer about purchasing carbon offsets or creating company catch phrases. Rather, sustainability has moved to an operational imperative. Companies are establishing realistic and targeted goals, taking tangible and measurable actions, and driving quantifiable results to minimize their environmental impact.

Businesses are acknowledging this chief value shared among younger generations, and they are finding the opportunity in the challenge. Doing good for the planet can absolutely be good for business. This will only continue, likely with greater emphasis, as Gen Z and Gen Alpha enter the workforce.

How Will This Change T&E?

How will the changes brought about by Gen Z and Gen Alpha—including the impacts of their technology preferences, communication styles, and sustainability expectations—shape our T&E best practices going forward? That's the big question.

While they may seem tactical at first glance, adopting the latest technologies or establishing measurable sustainability goals can have a direct impact on talent attraction and retention. Imagine that you just started work with a large enterprise organization, and on day one, you learned that they use a fax machine to communicate between offices instead of email—you probably wouldn't stick around for long. Companies and their T&E programs will be best served by getting ahead of these shifts as soon as possible.

The impact of Gen Z and Gen Alpha on the workplace will vary, depending on what technology the company has in place, how colleagues currently communicate with each other, and how far it is on its sustainability journey. As a next step, we as T&E leaders should start discussions with our business operations partners, office management, and other company leadership to level-set on where things stand and how T&E operations may need to change going forward.

During these conversations, we should align on what practical changes the organization can start to make with regards to T&E technology and sustainability efforts, and how budget can be allocated, to start addressing younger generations' needs. Additionally, it will be important to underscore that these changes will have an impact on employees as well as business performance.
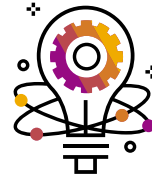
It may help to consider and discuss the following:

How do current T&E policies and the company governance model measure up to future employee expectations?

How can our T&E policies and processes better align with increased business traveler demand for flexibility and control? (**Consider this resource** for building and updating your T&E policy.)

What T&E technologies do we have in place, and what might we need to adopt or integrate to better address future needs and expectations (e.g., mobile applications, blockchain, AI, machine learning, biometrics)?

Have we adequately prepared for security risks and the increasing need for data privacy?
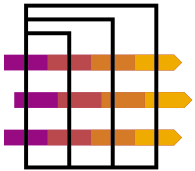
How can technology adoption build on or improve the employee experience (e.g., modernizing expense report platform or processes)?

How can T&E ladder up to broader organizational sustainability goals (e.g., eliminating paper receipts, prioritizing sustainable travel methods whenever possible, providing sustainability information for travel options while booking, limiting greenhouse gas emissions to set targets)?

How can personalization become a core element of our T&E policies and processes (e.g., accommodating supplier direct bookings, accepting multiple booking channels based on employee preference)?

In the past, I found that my organization greatly benefitted from this approach, and it helped me personally to refine my leadership skills. Senior management applauded the fact that our travel organization was perceived as collaborative, and they trusted that we were not making decisions with employee impact in a vacuum.

Of note, although current economic uncertainty may pose some limitations, we should counsel with a dose of realistic urgency. Gen Z and Gen Alpha will enter the workforce in short order. They will bring unique perspectives with expectations to match. As a T&E leader during the Great Recession, I learned firsthand that these conversations and subsequent changes can't necessarily wait till the uncertainty passes. In addition, today's business landscape is further complicated by widening skills gaps and persistent talent acquisition and retention challenges—driving further urgency to address the expectations of younger generations in the workforce. Companies need to change—and soon—to align.

Conclusion

The increase in Gen Z and Gen Alpha representation in the workforce is a key moment of change for organizations—so seize it!

While the fundamental pillars of T&E programs—compliance, spend governance, employee experience, process optimization—will remain consistent, this paradigm shift will require modernization of the T&E management mindset and end-to-end processes. I know, from first-hand experience, that changing can be difficult, but I also believe that changing for the right reasons is always the right course.

To best serve younger generations in the workplace, and enable continued success for our companies in turn, it's important that we embrace learning, understanding, and engaging. Then, we should boldly lead with an eye toward innovation as we redefine our T&E programs by adjusting policies, simplifying and automating processes, eliminating friction points, and making a positive difference.

Doing so will set up our T&E programs—and our broader organizations—for resilience and adaptability in the years to come.

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