



# ADAPTING TRAVEL PROGRAMS TO TODAY'S MULTIGENERATIONAL WORKFORCE

In “a pivotal moment of cultural change that U.S. companies cannot ignore,” Gen Z in 2024 will outnumber Baby Boomers in the full-time workforce for the first time. Glassdoor describes the change in its [2024 Workplace Trends](#) report. An increase in the number of younger employees in the U.S. workforce is prompting organizations to rethink everything in managed travel programs, from policy adherence to orientation and communication to supplier selection.

“Understanding what motivates Boomers, Gen Xers, Millennials and Gen Zers can help leaders managing multigenerational teams recruit new talent and better support their people, so valued employees are more likely to stay put,” according to the “[Examining the Multigenerational Workforce](#)” research study from Robert Half Talent Solutions. “Knowing more about what makes each generation tick can also help managers better their own performance—and boost their careers.”



**Travel leaders are taking heed, identifying their own traveler demographics and:**

- updating policies and programs to meet the needs and expectations of all travelers;
- communicating policies in different ways;
- expanding preferred suppliers to meet new traveler needs.

In this white paper, learn more about the newest generation at work, and how companies are adapting managed travel.

**The Changing Workforce**

Gen Z is not the only generation whose perspective and worldview travel managers are striving to address in business travel programs. Four—and sometimes even five—distinct generations are now active in the workforce, a historical first according to a [report by Workday](#). Understanding the current and future demographic profiles is critical for travel managers to best manage programs.

[Pew Research Center](#) cautions that generational labels can lead to stereotypes and oversimplification. While events and historical advances can shape perspectives, mindsets, opportunities and ways of living, Pew notes that “All Millennials or Baby Boomers are not the same.” Most generational studies agree that the two youngest generations are the most diverse and concerned about

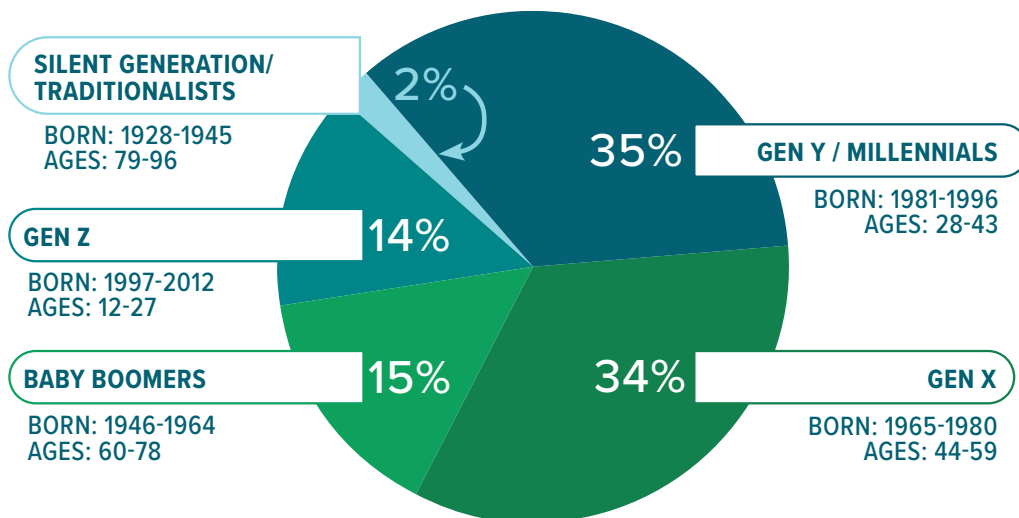
work-life balance, sustainability, mental health and wellbeing. These digital natives are also more vocal about company policies and transparency than older workers.

**Generations in the Workforce Today**

Millennials dominate the U.S. workforce and will for many years to come. By the end of 2025, some estimate that Gen Z could represent 25% of the workforce.

Conversely, the share of workers over 55 has steadily increased over the last 20 years, from 14% in 2002 to 23% in 2022, according to the [U.S. Bureau of Labor Statistics](#). Pew Research reported in December 2023 that nearly one in five Americans over 65 was employed in 2023; quadruple the figure in the mid-1980s. In the Workday report, Diane Belcher, senior director of product management at Harvard Business Publishing, said the “primary challenge to engaging this multigenerational workforce is that these groups often differ in how they approach work/life balance, career growth, loyalty and authority.” Those issues are of particular importance in managed travel as travelers decide whether to accept or reject business trips that some deem critical to their career growth, according to SAP Concur [studies](#). Researchers also note generational variances in communication styles, sustainability priorities and technology use.

**U.S. FULL-TIME WORKERS AS OF SEPTEMBER 2023**



Data Sources: Pew Research Center generation definitions, Glassdoor analysis of Census Bureau data



In a [2024 trends report from Hilton](#), Jason Dorsey, president and lead researcher for The Center for Generational Kinetics, noted, “This mix of generations, life stages and experiences are fostering a diverse and inspiring mix of travel expectations.” Based on a survey of more than 10,000 travelers from nine countries, Hilton found that half of both Millennial and Gen Z employees expect to travel for business in 2024 versus just a quarter of Baby Boomers and 38% of Gen Xers. More than one-third of Gen Z and Millennial business travelers plan to combine business and leisure in 2024. Globally, one-quarter expect to bring a friend or family member on a business trip; 29% of Millennials, 27% of Gen Z, 18% of Gen Xers and 13% of Baby Boomers expect to bring family or a friend.

That diverse mix of expectations is beginning to reshape managed business travel programs.

“There’s a growing recognition that a one-size-fits-all approach is no longer effective, prompting companies to adopt more flexible and personalized travel frameworks,” said DeAnne Dale, senior vice president of global strategy and consulting with Reed & Mackay. “This may involve revising reimbursement policies, expanding supplier networks to cater to diverse preferences, and investing in innovative travel technologies that enhance the overall travel experience.”

### Searching for Options Outside the OBT

When it comes to travel tech tools, younger travelers have more specific expectations than older travelers.

**“Younger workers are used to shopping online for their own personal travel and are much more likely to check for options beyond what an online booking tool offers ... That chips away at the integrity of the managed travel program.”**

- Louise Miller, Results Plus Consulting

A [report by Deem](#) notes that Gen Z workers grew up with technology that did not exist when their Baby Boomer colleagues were entering the workforce. “The consumer-friendly, cloud-based platforms some people have now incorporated into their daily lives are an expectation for Gen Z and many Millennials,” according to the report. If corporate online booking tools don’t live up to their expectations, Gen Z is more likely to book elsewhere and ask for forgiveness later.

“Younger workers are used to shopping online for their own personal travel and are much more likely to check for options beyond what an online booking tool offers,” said Louise Miller, CEO of Results Plus Consulting. “That causes quite a problem, because it chips away at the integrity of the managed travel program.” That trend is causing a lot of friction at the point of booking and has generated conversations that are reaching the level of chief procurement officers at larger companies.

## NEW PERSPECTIVES AND TRAVELER EXPECTATIONS

As the number of Gen Zs in the workforce continues to grow, it is useful to understand some general characteristics of this newest work cohort.

“A typical Gen Zer is a self-driver who deeply cares about others, strives for a diverse community, is highly collaborative and social, values flexibility, relevance, authenticity and non-hierarchical leadership,” according to Stanford Gen Z researcher Roberta Katz. Her findings are based on a [multiyear Stanford University research project](#). Pew Research found that members of Gen Z are more racially and ethnically diverse than any previous generation and are on track to be the most well-educated generation.

In terms of business travel, [research by SAP Concur](#) found that 97% of Gen Z business travelers expect their companies to allow them to make travel choices that are outside of company policies. The reasons they give are to feel safe when traveling in certain areas of the world (53%), to support their ability to maintain a healthy work-life balance (51%), and ideological or lifestyle differences with their travel destination (37%).

SAP Concur research also found that 96% of Gen Z business travelers would decline a business trip that doesn’t align with their expectations. The report notes that, “As Gen Z continues to enter the workforce—and eventually becomes the predominant generation in the workplace—aligning travel policies to their expectations will be crucial.”



### A Shift in Policy and Program Adherence

Travel managers are responding to the shifting expectations of younger travelers by re-examining travel policies and programs. In its 2023 [research report on travel managers](#), SAP Concur found that nearly all travel managers (98%) anticipate company travel policy changes in the coming months, with the most common reasons focused on the travelers they support.

Small and midsize organizations are already loosening travel policy to accommodate younger travelers' needs. "Companies are not officially changing policy, but I have definitely seen some change in the unwritten interpretation of policy, even if it's not in writing yet," Miller said.

That's exactly what happened at a Silicon Valley technology company whose workforce includes 20% Gen X, 60% Millennial and 20% Gen Z employees. According to the company's travel procurement manager, policy is now more focused on adhering to policy principles rather than specifics.

Miller said that companies like defense contractors and

financial services firms that mandate pre-trip approval and have rigid procedures in place are sticking with their managed travel policies and preferred suppliers for now. But she points out, those companies comprise just 10% or 20% of the market and, "The other 80% are reimbursing travelers when they go outside policy or the booking tool."

Rosemary Maloney, manager of global travel, expense and card with Altrex, where most employees are Millennials and Gen X, said younger employees want to know the reasons behind policy and procedures as well as technology and preferred supplier choices. "We have a very vocal community that is not shy about telling us what they think we should be doing," she said. Her solution: "Always explain the why."

Maloney puts that strategy into action by conducting regular Q&A sessions with employees, to answer questions in real time. As questions are submitted electronically, links to answers and information housed in the company's intranet site are forwarded to the inquiring employee, and the travel FAQ is updated.

## FIVE TIPS TO KEEP PACE

DeAnne Dale, senior vice president of global strategy and consulting with Reed & Mackay, offered five recommendations to travel managers trying to keep pace with demographic changes in the workforce.

1

### Embrace Flexibility:

Adopt agile policies and procedures that accommodate the diverse needs and preferences of travelers.

2

### Foster Collaboration:

Establish open channels of communication with travelers and solicit regular feedback to ensure their voices are heard and valued.

3

### Leverage Technology:

Invest in cutting-edge travel management platforms and mobile apps that enhance convenience, accessibility and efficiency for travelers.

4

### Stay Informed:

Keep abreast of emerging trends and best practices in travel management and be proactive in adapting your strategies accordingly.

5

### Cultivate Empathy:

Develop a deep understanding of the unique challenges and motivations of travelers from different generations and strive to empathize with their perspectives.



## The Future of Travel Management

"The role of managing travel is undeniably evolving in response to changing traveler demographics," said Dale. "Travel managers are increasingly being called upon to serve as strategic partners, collaborating closely with HR departments and other stakeholders to align travel policies with the expectations of different generations."

In an [SAP Concur white paper](#) on how younger generations will change business travel, thought-leader Ralph Colunga noted 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," said Colunga, who retired from SAP in 2023 after a 40-year career managing travel programs.

Maloney agrees, and she advises colleagues to be aware of the changing model of travel management and evolve with it.

"So often we get stuck with blinders on, and we decide because it's the way something has always worked, we're not going to listen to what new people are saying. That's the way organizations die," Maloney said. "Any time that new technology, new travelers, or new travel managers are coming in with new ideas and new ways of doing something, we owe it to our industry to be open to innovation." ●

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