GENERATION Z

An Employer's Primer

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THE GROWTH GROUP
Consultants to Management

"History is Dependent on the New Generation to Write a New Chapter."

~ LaMelo Ball ~

Table of Contents

GENERATION Z: An Employer's Primer

A workplace is a complex ecosystem. It is made of different people, with different talents, working together to provide a service or product for their customers. Many factors influence the workplace environment and the work achieved there.

Crucial to ensuring a synergetic and productive workplace is understanding the most valuable resource any organization has: its employees.

Each generation of workers has its defining characteristics. Among these are cultural values, expectations of the workplace, work ethics, and attitudes. These characteristics play a critical role in the overall environment and function of a workplace. It is crucial, therefore, to learn and understand the commonalities that define a generation of workers.

INTRODUCTION

Every generation is unique, molded by its society, its experiences, its place in history, and those generations that precede it. So it is with the up-and-coming Generation Z (Gen Z).

Born into a rapidly evolving society, surrounded by immensely diverse cultures, and growing up in the center of one of history's most dynamic eras of technology advancement, this up-and-coming generation already demonstrates characteristics that differentiate it from generations immediately preceding it.

GENERATION Z DEFINED

Who are Gen Zs?

Gen Z represents the portion of the population born between the years of 1997 and 2012. According to a recent *Gallup* poll, they are the largest generation to exist in U.S. history.[1] Gen Z is also the most racially diverse generation in U.S. history: 48% of the generation's population are racial minorities, with 1 in 4 Gen Zs being hispanic.[2]

Born in the height of a technology boom, Gen Zs are *digital natives*, with the majority of the generation never knowing life without smartphones, for instance. They are a generation that celebrates diversity and inclusivity and has a strong devotion to political and social activism.

GENERATION Z DEFINED - CONT'D.

Motivators

What motivates Gen Zs to action is much different than that of preceding generations. According to a recent *Time* survey, 60% of Gen Zs want to have an impact on the world, especially with their jobs, compared to only 39% of Generation Y (Millennials).[3] In fact, Gen Zs are very involved in political and social activism and are motivated by the fight against climate change, systemic racism, and exclusivity in culture.

Gen Zs are also far more driven by service and volunteerism than their predecessors, with 77% of Gen Zs polled claiming they are extremely or very interested in volunteering.[4] Their desire to serve others and society as a whole is a very strong motivator behind many actions of Gen Z members.

Community

Members of the Gen Z population are far more driven than past generations to better themselves and the world around them. A recent poll conducted on a number of Gen Zs showed 89% would rather spend their free time in activities they consider productive and creative rather than simply "hanging out" with friends or at home.[4] They also expect the same from the people surrounding them, choosing for friends those who are as serious about and committed to bettering themselves and the world around them.

EDUCATION

Educational Drivers

Gen Zs tend to take education, in general, and post-high school education, specifically, very seriously. In fact, they are more likely than previous generations to live with a parent or parents who attended college (43%), as compared to 32% of Millennials.[5] This factor is believed to be a key driver behind Gen Z's pursuit of advanced educational degrees.

EDUCATION - CONT'D

Types of Education Pursued

A recent *Pew Research* benchmark found that 59% of the Gen Z population is actively pursuing or intending to pursue college – already outpacing Millennials by 6%, notwithstanding the oldest Gen Zs are only just out of high school.[5]

Degrees Obtained

Despite the drive to attend university, *Time* recently discovered that 64% of Gen Zs consider earning an advanced degree as one of their life goal.[3] Compared to past generations, Gen Zs are already outpacing them in terms of education, with 50% of Gen Z's predicted to be university-educated as compared to 33% of Millennials and 25% of Gen X.[4] According to recent *College Advisor* research, Gen Zs are mostly pursuing degrees in the fields of Business Administration, Nursing, or Engineering and Computer Science.[6]

GENERATIONAL DIFFERENCES

Compared to Generation Y (Millennials), Gen Zs are motivated more by service to community and social/political activism. They also are more interested in inclusivity and diversity in the workplace.[7] Though Millennials are technology-centric, Gen Zs are even more so, as the majority of Gen Zs have been born and raised in one of the largest technology booms in history. Also, more Gen Zs are intent on pursuing higher education, and earning advanced degrees.

WORKPLACE

Workplace Demographics

Though only the oldest of Gen Zs are out of college and launching careers, this generation will soon make up the majority of the workforce. Gen Zs and Millennials together already make up nearly half (46%) of the full-time workforce in the U.S.[5] It is, therefore, of the utmost importance that employers understand this unique generation and its priorities, values, and workplace expectations.

Driving Factors

Let's first examine the factors that drive members of Gen Z to work at a particular place.

According to a [_Deloitte Global_ survey](#) conducted on Gen Y and Gen Zs, nearly half (49%) of the respondents said they have made choices about prospective employers based on an organization's values and ethics.[7] As a result of the Millennials' groundbreaking approach and expectations in the workplace, Gen Zs now value flexibility, teamwork, empowerment, and community involvement in social justice more than any other factor in an employer or career field.

Workplace Priorities

Certain factors, such as pay, work environment, and potential for growth, have long determined what career path or place of employment members of the workforce choose. Though these factors are all important to the new Gen Z workforce, the ranking of these factors has shifted slightly for Gen Zs.

Work environment and an employer's stance on employee wellbeing are the most important factors for employment among Generation Z. [This _Gallup_ study](#) detailed the top 3 workplace priorities among Gen Zs, Millennials, Generation X, and the "Boomer" generation. The attributes were placed in order of what each generation found as most important.[8]

Researchers discovered the following workplace priorities for each generation:

Gen Z/Young Millenials	Older Millennials	Generation X	Boomers
1. The organization cares about employees' wellbeing.	1. The organization cares about employees' wellbeing.	1. The organization's leadership is ethical.	1. The organization's leadership is ethical.
2. The organization's leadership is ethical.	2. The organization's leadership is ethical.	2. The organization cares about employees' wellbeing.	2. The organization cares about employees' wellbeing.
3. The organization is diverse and inclusive of all people.	3. The organization's leadership is open and transparent.	3. The organization's financial stability.	3. The organization's financial stability.

WORKPLACE - CONT'D

Paul Walters, a notable Workplace Consultant at *Gallup*, also [delved into the differences between Generation Z and Generation Y in the workplace](). He discovered that Gen Zs are actively moving away from prioritizing net pay and pay increases, and are instead becoming more interested in a job that serves a purpose.[9] Problem solving and purpose, Walters claims, are top themes among Gen Z work priorities and are what make this generation unique. Overall, Gen Zs seem to prioritize the quality of the workplace and the work *over* traditional priorities such as pay and growth.

Workplace Expectations

Though only a small portion of Generation Z is currently out in the workforce, we are already seeing certain expectations that Gen Zs have for careers and work environments. As the most diverse generation in history, a diverse and inclusive workplace is not only of great importance to Generation Z, but is expected. [According to a *Deloitte Global* study on Gen Z attitudes]() in the workplace, Gen Zs are the people most likely to call out racism and sexism and to shun companies and employers whose actions conflict with their personal values.[7] They expect companies they work for and support to uphold initiatives that actively combat racism and sexism in the workplace.

Another workplace expectation Gen Zs tend to harbor is the expectation of employers valuing their employees' mental health. [The *Deloitte* study]() also found that 35% of Gen Zs they surveyed admitted to taking time off work due to stress and anxiety, especially during and after the Covid-19 pandemic.[10] Gen Zs now expect more leniency in regards to paid time off, especially for mental health.

Trends

Though only a small percent of Gen Zs are currently in the workforce, certain workplace trends are on the rise throughout younger Millennials and older Gen Zs. The 40-hour, 9-to-5 work schedule and 40-hour week are no longer appealing to most Gen Z workers; they prefer an atmosphere that allows them to pursue personal and professional fulfillment on their own terms, according to a [recent *Forbes* study]().[11] In fact, [*Wonolo* recently published data]() that shows many Gen Zs are transitioning toward gig (or freelance) work, as the flexibility allows them to focus on their own entrepreneurial endeavors while simultaneously paying for necessities and student loans.[11]

Also, with regard to student loans, a very recent trend sees some [employers assisting employees with student loans directly](#), going so far as providing employees with access to financial planners to help with loan consolidation.[11]

Another trend on the rise in predominantly Millenial- and Gen Z-occupied workplaces are that of lifestyle benefits. These include offering employees gym memberships, subscriptions, or subsidies. Now, in the post-Covid era, the topic of mental health has taken center stage, and many employers have begun offering their employees access to meditation apps and paid time off for mental health days.

Surprisingly, sabbaticals are making a comeback. Companies including Cloudflare, Dropbox, Uber, and Bank of America are [reportedly allowing employee sabbaticals](#).[13] Some companies are offering a month's paid time off (outside of typical paid time off) as a reward for staying with the company for a certain amount of time.

One new trend seen in companies including GrubHub, Roku, and GE is the option for [unlimited paid time off](#).[14] This approach ensures employees assume responsibility for getting their work requirements done, while also allowing unlimited vacation time. Companies offering unlimited paid time off (PTO) believe that their employees are responsible enough to decide when and how vacations are taken. This groundbreaking initiative is enabled by remote work capabilities.

Hiring

45% of Gen Zs polled in [this survey](#) believe that they will have potential challenges working with baby boomers, compared to 17% who anticipate difficulties with Gen X and 5% with Millennials.[4] Many believe this anticipation of difficulties begins for Gen Zs during the hiring process, when they are first introduced to the atmosphere of a workplace. Gone are the days of one-way interviews, as Gen Zs now expect not only to be evaluated during a job interview, but also to evaluate their future employer. Gen Zs expect to be able to ask questions to acquire a firm grasp of what is expected of them in a particular job.

[According to one survey](#), 54% of Gen Zs polled admitted they won't even apply to a job if they feel recruitment is too dated, that is, paper-based, no online application, or long waits.[15] 82% of the Gen Zs surveyed also said they expect the hiring process to be fairly quick in nature–taking only about two weeks. Transparency during the hiring process is key, as Gen Zs do not want to be left guessing whether or not they have been selected for a job.

WORKPLACE - CONT'D

Predictions

With only a small portion of the Gen Z population currently involved in or entering the workplace, it is likely that, as more Gen Zs enter the workforce, trends are likely to evolve, as will predictions about the future of Gen Zs in the workplace.

We do know, however, that the younger end of the Gen Z population, in general, holds a more conservative outlook than their older Gen Zs peers in the working world. This factor is likely to influence the workplace environment of the future and the expectations Gen Zs bring to it.

CONCLUSION

Every generation has its own defining characteristics. This principle is, of course, no different for Generation Z. The characteristics of this up-and-coming generation have already influenced our culture and its workplaces. Although we can observe trends and make predictions about the future of the Gen Z workforce, we must also remember that only a small portion of the Gen Z population is currently in or entering the workforce. The observations and predictions we make now may not be reflective of future Gen Z workers.

One thing is also true: Gen Zs are the future leaders of our workplaces, our communities, and our government. The organizations that invest now in understanding how this generation is unique in its attitudes, behaviors, and expectations and take action to nurture work cultures that acknowledge these unique qualities will likely be positioned well for more harmonious and productive workplaces. Those that do not, however, might experience an internal generational dissonance that undermines productivity and the ability to compete effectively in the marketplace.

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