Generation Z

What They Want from Work (2022)

talentsmoothie



What you need to know to attract and retain Gen Z talent

Our latest intel* on Gen Z, with insights both pre- and post-pandemic

The questions we're going to answer...

What organisations will Gen Z work for?

What Employee Experience will motivate Gen Z?

What are Gen Z's work-life preferences?

Why it's important to understand Gen Z's preferences now



Gen Z is the generation shaping the workplaces of the future and is already close to accounting for a fifth of our global workforce¹. Gen Z's adoption of new ways of working rubs off on and influences the attitudes of older generations². Gen Z is reportedly the generation most impacted by the pandemic³, and impact makes changes in preferences more likely.

1. We believe the generational global split of the workforce is approximately 35% Gen X, 35% Gen Y, with only 6% Boomers (possibly 10% if we add in the Silent Generation) in early 2022. So already, Gen Zs are close to accounting for up to 20% of our workplace. The World Economic Forum predicts that Gen Z will make up about 27% of the global workforce by 2025. 2. We've found that Xers' and Boomers' preferences gravitate towards those of the younger generation, as they adapt and mould to the changing world around them. This makes understanding Gen Z's preferences highly relevant because they help shape everyone's. 3. AP-NORC Center for Public Affairs Research. (December 2021). "Gen Z and the Toll of the Pandemic" https://apnorc.org/projects/gen-z-and-the-toll-of-the-pandemic/

Who will Gen Z work for?

What kind of organisation will Gen Z choose?

In the era of the Great Resignation, we are experiencing an extreme demand for talent. Gen Z do not prioritise working for a "well known brand", but they have clear views on the kind of organisation they will work for. The front runners are:



An organisation with a GREAT ETHICAL RECORD

80% of respondents said it's important (Important and Very Important) that the organisation STANDS FOR SOMETHING and cares about the same things as they do. We've seen this become increasingly true over the last year as employees expect their organisations to stand up and support what they believe is right. For example, some organisations experienced this for the first time in 2020 with the global rise in awareness of the Black Lives Matter movement. "The company would need to have a good moral compass, so wouldn't be doing anything that would support or help unethical practices or organisations. They would need to be, as a minimum, using green and renewable energy sources, and it would be great if they were actively doing something about the climate crisis."

More Gen Zs than Gen Ys (43% compared with 30%, Gen Y What They Want from Work talentsmoothie 2008) said there is an industry they won't work for, with oil and gas, finance and retail, military and tobacco at the top of their lists.



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Arms, weapons, oil and gas, tobacco – when I work, I am motivated by knowing that I am doing something good for the world. I don't think these industries are making the world a better place to live.





An organisation that is INNOVATIVE and FUTURE FOCUSED

79% said it's important that the organisation is future focused and innovative. This is good news for businesses, because they themselves are looking for similar qualities in their employees – to have curiosity, to challenge the status quo and to always look for new and better ways of doing things.

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I feel I will have a successful career with an organisation that can keep up with and exceed their competitors. It will allow me to have access to up-to-date information so that I can excel in my role.





It's a tie between ALIGNED VALUES and GOOD PAY

Gen Z want to work for an organisation whose values align with theirs. Not surprisingly, this is an area that companies are focusing on defining or re-defining post-pandemic, with many businesses seeking to better align Values with company Purpose, Mission and Strategy.

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[The business] would need to have societal value, so rather than being a company just to make money and make the CEO richer, it should be helping people and actually contributing to society.

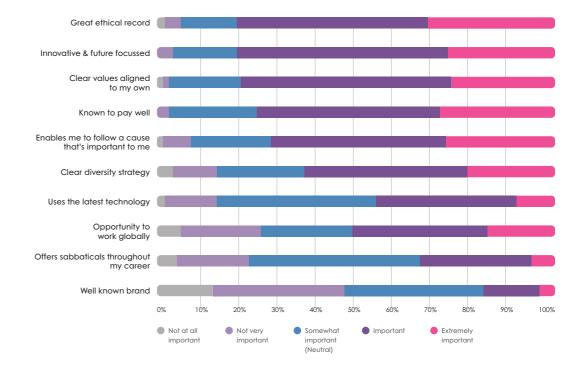
Money, however, is also high on Gen Z's list of priorities when assessing employers; they want to work for an organisation that is "known to pay well". In addition, and worth noting, our research shows that following the pandemic, Gen Zs are more concerned about working for an employer who CARES about employees and also has a clear DIVERSITY strategy.

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I would need them to be a diverse and accepting company that adapts to individuals' needs and focuses on the growth of the individuals in the company, rather than just being bothered about the overall company.

What do Gen Zs look for when choosing an employer?

How important are each of the following to you in choosing your employer? Please rate the following from 1 – not at all important to 5 – extremely important

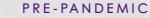


What size of organisation will Gen Z prefer?

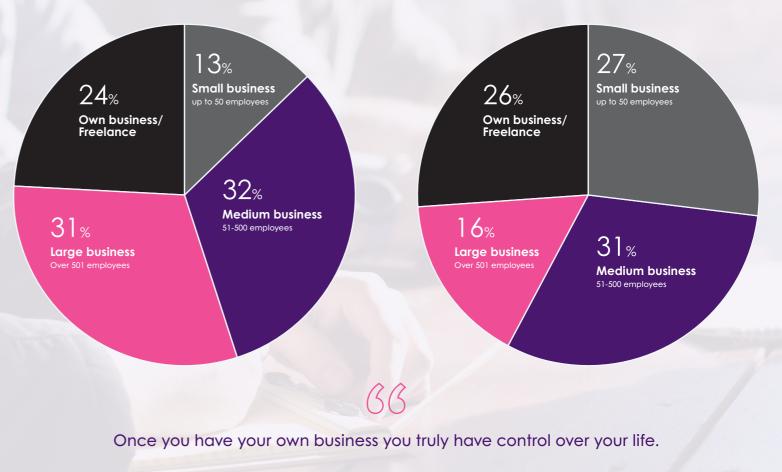
The desire to work for an ethical business could be driving Gen Z preference away from larger organisations towards medium and smaller businesses. Pre-pandemic, the top preference for size of business was a close tie between medium (32%) and large (31%). Post-pandemic, this has shifted significantly – there is still a preference for medium businesses, but there's been a switch away from large (down from 31% to 16%) to small (up from 13% to 27%) or their own business/freelance (up from 24% to 26%). This means over 50% now say they'd prefer to choose a small business or work for themselves. Larger organisations will need to adjust their value propositions and attraction strategies for Gen Z.

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Independence, pride in accomplishment, and ability to build wealth and income [are important to me]. I have ambitious goals and while it wouldn't be impossible to achieve them working for someone else, I'd rather do it with something I built.



POST-PANDEMIC



How can organisations influence Gen Z's career choices?

The top influencer on career choice for Gen Z is **WORK EXPERIENCE**, closely followed by **ACADEMICS/TEACHERS** and **PARENTS**. Lower on the list are social media, friends and peers, and careers advisers.

The social media result is perhaps a surprise, given the investment some organisations make in this area, and it's a shame that careers advisers aren't seen as a valued source... what more could they be doing, and how could businesses be better connecting with them to help? Certainly, if your organisation has critical needs for certain skills, it's important to look at how you could directly influence the situation by better communicating the benefits of your careers, at grass-roots level – in schools, universities or with more work-experience placements.





What Employee Experience will motivate Gen Z?

What matters most to Gen Z in the workplace?

Pre-pandemic, Gen Z's top five preferences were:

Doing work that they love

2

Having access to development/learning opportunities

3 👘

Working for a great manager

<mark>4</mark> Å

Having a clearly defined career path

5

Autonomy to make decisions

Post-pandemic, in addition to these five, Gen Zs now value increased **FLEXIBILITY** on where and when they work. (We know this is true for all the other generations, too. Flexibility is no longer a nice to have but is a 'must' for many. And, it will become increasingly expected, with institutions such as the CIPD calling for employers to offer flexibility from day one of employment.) It's important to realise, however, that Gen Zs really value face-to-face interactions and want to spend time in the office with colleagues.

A second pandemic-related change is that Gen Z are now looking for greater focus on wellbeing and **CARE** for employees. Again, this reflects the more general picture; there has been a seismic shift in the importance of 'whole health and wellbeing', and not just at an organisational level – for example, whole countries (UAE introduced a 4.5-day week from January 2022, for federal employees, to "boost productivity and improve work life balance") are reviewing their laws on working hours. Regardless of the pandemic's impact, Gen Z's number one workplace motivator remains **DOING WORK I LOVE**. Although, in an ideal world, perhaps everyone would like to find a job they love, we know that for Gen Z this is more crucial. They are less willing than generations before them to continue doing work that is unfulfilling. How can organisations help upskill the career influencers, such as academics/teachers, parents and the careers advisers mentioned earlier, to help young people think more about their natural strengths and passions, and how they can be applied to the world of work? This is important because successful retention of Gen Zs in any workplace is going to depend on them enjoying and feeling inspired by the work they do.

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I look at reviews from previous/current employees to see if the company cares about staff.

What management qualities do Gen Z value?

We know that, for everyone, the relationship we have with our managers, and how well we are supported by them, very much influences how we feel about our work and our employer. Even though some of the Gen Zs we surveyed aren't in the workplace yet, they highlighted how important they already perceive a good manager to be. For Gen Z, a good manager means:

- Being trusted
- Being supported to develop their career
- Support for wellbeing
- Listening to them and their ideas

Post-pandemic, Gen Zs continue to identify these, but also highlight their desire for different kinds of support, and flexibility. In a sense, this feels like they are seeking a more 'human' touch. Into the mix, they add:

- Cares about wellbeing
- Flexible in terms of listening to ideas and also how/where I work
- Feedback and reassurance

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[My ideal manager] would be flexible around working hours and times, as long as the job gets done. They would need to see me as potential; no matter how much experience I have, I want to learn more. They would support me in my day-to-day job as well as enabling me to grow into a well-rounded person and to grow in knowledge and experience in my chosen career path.

How, and how well, you deliver on these needs reflects the culture of your organisation, and we've already seen that Gen Z want to work for an organisation whose values align with theirs. Start by being clear on the behaviours you want to recruit, develop and measure against. Be explicit about what good practice looks like for managers, then support and guide them to deliver it consistently, to create the environment and culture you aspire to. Then trust your managers and give them the latitude to make individual decisions on how best to support their teams.

What communications and learning styles do Gen Z prefer?

It's a bit of a myth that Gen Z's communication preference is to use messaging apps. Yes, of course, they like them – they spend three hours a day on social media, according to recent GWI research. However, their top preferred method of communication is face to face – just like the other generations: Y, X and Boomers. We asked Gen Z, "How do you like to communicate most?": Face to face (47%)
Messaging app (37%)*
Text (24%)
Phone (11%)
Video chat (5%)
Email (3%)

*The Discord app was quoted as a place they use.

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When communicating with people at work I can't really use any means of communication other than email, face to face or Teams, but if it's someone I know at work then it's best face to face, and if it were a friend then it would be face to face, video call or Discord.

It's clear that any new world-of-work strategies need to take into account that face-to-face communication remains important to Gen Z. This preference is supported by their responses to "How do you learn best?" where we asked them to choose up to three methods that worked best for them:

- Traditional classroom-style learning (19%)
- Mentoring and coaching (18%)
- Using online resources (16%)
- From my boss/teacher (15%)

Build face-to-face interactions into your Learning & Development strategy for Gen Zs, along with opportunities for them to observe and learn in the workplace. This is especially important when thinking about how a post-pandemic hybrid-working model might work for your organisation. One way to counterbalance reduced face-to-face office time for your less experienced, younger workers could be to support them through mentoring and coaching.

What are Gen Z's work-life preferences?

It's more important than ever for organisations to understand the work-life preferences of employees and potential employees because:

1

We are living longer, and typically wanting to work longer, so we are thinking a lot more about how we want to work.

2

The pandemic has brought to the fore what's important to people – more are realising they want to create a better balance, with greater flexibility, and that it's achievable, because many have been doing it through the pandemic.

3

There's a shift towards portfolio careers – people are less afraid to move employers, start their own businesses, work freelance or change careers altogether. The typical number of employers in a working life has been increasing for each generation: the Silent Generation typically had 1-2, Boomers 3-4, Xers 7-8, Ys as many as 15. So, what does that mean for Gen Z?

How many employers do Gen Z expect to have?

The upwards trend could be in reverse. 49% of our Gen Zs expect to have between two and four employers in their lifetime, and 53% between one and four. Only 8% envisage having more than nine:

- Only 1 (4%)
- 2-4 employers (49%)
- 5-8 employers (39%)
- 9 or more (8%)

In addition, 70% plan to stay three years or less with the same employer – although this isn't the sentiment of all Gen Zs, as 30% expect to stay four years or longer, and 11% indefinitely.

- No more than a year (12%)
- Up to 2 years (25%)
- Up to 3 years (33%)
- 4-5 years (12%)
- 6-10 years (7%)
- Intend to stay indefinitely (11%)

The 'three-year itch' is not a new phenomenon. 73% of Gen Ys also intended to stay three years or less with their employer (Gen Y What They Want from Work talentsmoothie 2008). Indeed, many of our clients tell us it can be a struggle to retain people at three to four years into their careers. So, what should you be doing to mitigate the risk of this attrition, especially for Gen Z?

- Create internal mobility, to give Gen Z talent a different perspective, enhanced skills and networks that might satisfy their desire for something different.
- Play to their strengths. Understand what roles give them real energy and satisfaction. Support them into roles that are more aligned to their strengths and less to the things that sap their energy. We know that being able to "do work that you love" is the perfect scenario for Gen Z.
- Make sure you are listening to them, asking for feedback and actioning on that feedback. Show you care.
- If, after active management, your Gen Zs still want to leave – think of it more as a taking time out – put a strong alumni strategy in place and encourage them back in the future. Who can resist the attention of being missed and sought after, after all?

What working pattern most appeals to Gen Z?

We've already seen that Gen Zs value flexibility, but how does that apply to their working hours preferences? Prepandemic, Gen Z's top preference was for a standard "8 hours (9-5)", closely followed by "as long as it takes, no more no less". Post-pandemic, this has shifted towards increased flexibility, with 33% of respondents preferring 8-hour days but choosing their own hours, compared to 22% preferring a standard "8 hours (9-5)".

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I believe that there are a lot of things that go on in life outside of work that sometimes are not easy to adapt around work, for example, being at home for a delivery or going to the doctors. I strongly believe that work should be able to be flexible around this through flexible hours and working from home, as long as this isn't abused and that tasks that are completed where necessary. This, for me, would reduce the stress.

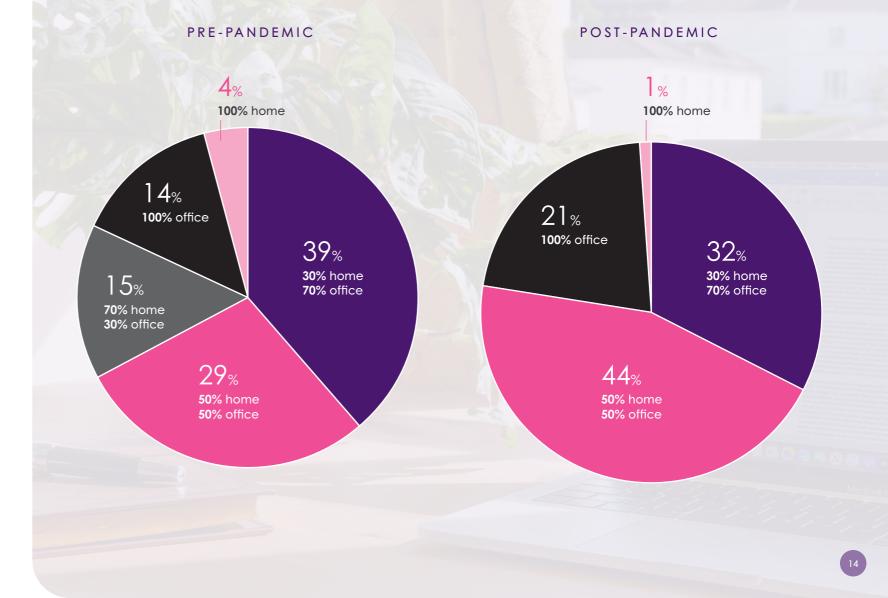
What working model is ideal for Gen Z?

Gen Zs want to **SPEND TIME IN THE OFFICE**. Pre-pandemic, 68% preferred to be in the office either 50% or 70% of the time. Post-pandemic, that preference has **increased to** 76%, with a slight shift in preference for this being a 50:50 split.

Interestingly, Gen Zs now have a very low preference to be 100% at home: just 1%, compared with 21% preferring to be 100% in the office. Their main reasons stated for being in the office make total sense. Gen Zs need to learn, build networks, and understand cultural norms and expectations; they learn by watching and listening, and also, logistically, some just don't have a home environment conducive to long periods of home working.



What's your ideal mix of location for work?



Gen Z: what should organisations focus on?

Our What We Want from Work table (right) shows the core elements or components that we know create a great Employee Experience for all generations.

It can help you think about what you offer and assess how well your organisation is delivering on these things for any segment of your workforce. Review it for Gen Z. Focus on their preferences and how you are responding (and can better respond) to them by considering these **six questions**:

- How do you STAND FOR SOMETHING as an organisation?
- How do you stay FUTURE FOCUSED and INNOVATIVE?
- How do you drive a culture based on VALUES?
- How do you put CARE at the centre of your people strategy?
- How do you create a truly INCLUSIVE environment?
- How do you attract and select people that LOVE to do the job?

When you have clarity in these areas and demonstrate it through your Employee Value Proposition and your Employee Experience, you'll increase your capacity to attract, motivate and inspire Gen Z.

What we want from work

The components of a great Employee Experience for all generations

ORGANISATIONAL CONNECTION	CULTURE	TEAMWORK In this together, positive relationships and collaboration	PERSONAL GROWTH Able to fulfil potential, develop and use natural strengths	FULFILLING WORK	ENVIRONMENT Positive work environment and impact on others / society / planet
Relate to organisation's purpose, mission, vision and values	Trust – foundation for great results and relationships	Great communication with colleagues, leaders and stakeholders	Career development in line with aspirations	Interesting work with clear goals and stretch opportunity	Promotes and cares for 'the whole person' – health, wellbeing and flexibility
Organisation is ethical and positive	Integrity – highest honesty and morality standards	Collaboration and networking – silo working discouraged	Learn new skills (training / coaching / mentoring)	Work with and learn from inspiring colleagues and leaders	People are 'living the values'
Inspired by organisation's future, e.g. forward looking / creative / innovative	Authenticity – people encouraged to 'be themselves' and valued for who they are	Celebrate – and learn from mistakes – together	Encouraged to develop strengths	Empowered – right levels of autonomy and responsibility	Responsible use of resources (within and outside the organisation)
Pride in the organisation and products / services	Openness and transparency in dealings with others	Included / inclusive (whatever people's background, experience or perspective)	Rewarded and recognised for great work	Able to get things done (good level of support, tools and resources)	Sustainability in organisation's products and processes

Gen Z preferences

Talentsmoothie is well known for understanding generational preferences and how they contribute to workplace culture and team dynamics.

We've been sharing this lens on the workforce since we formed in 2007. Alongside our client work – helping organisations to create inclusive work environments where people from all generations thrive – we undertake longitudinal studies on what generations want from work, and share practical people insights and spot trends, to help businesses remain future focused. Our intention is not to highlight any one generation as more important than another, but to share trends that affect all generations and provide observations and recommendations that are beneficial to everyone.

Want to know more? Contact us, we LOVE talking about this stuff.

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