

11 challenges with Gen Z

WORKPLACE STRATEGIES TO MAXIMIZE ZOOMERS' POTENTIAL



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Introducing Generation Z: **THE IMMEDIATE FUTURE OF YOUR WORKFORCE**

***Note:** In the first quarter of 2023, we surveyed 3,691 young tech professionals aged 20-30 across a range of companies in the United States, Australia, the United Kingdom, Ireland, Sweden, Spain, France, the Netherlands, and Germany. We looked at their motivations, current experience in the workplace, career plans, attitudes toward the rise of AI, and more. This guide presents some of the key takeaways regarding the Young Generation in Tech (YGIT), who are often regarded as the torchbearers of tomorrow's innovations, unafraid to challenge norms and disrupt established paradigms.*

Two billion **Gen Zers**—those born between the mid-90s and late-00s—are coming of age, and they're ready to take over. In fact, in 2024, they're set to officially surpass the number of Baby Boomers in the workforce. Though despite their competitive nature and impressive drive to succeed, Zoomers are perceived to have a work ethic that's considerably lower than previous generations and are labeled difficult to work with.

According to the most recent **research**, 40 percent of business leaders consider Gen Z graduates unprepared for the workforce and, of those, 94 percent avoid hiring them.

These perceptions aren't entirely unfair. Gen Z is the most likely generation to feel ambivalent about their workplace, with **54 percent** "not engaged" and most Zoomers saying they don't feel connected to their co-workers, managers, or employers. Perhaps that's why **40 percent** intend to leave their jobs within two years, and roughly **another third** would quit without another job to go to.

It's not difficult to see why this takes a heavy toll on businesses, especially when budgets are tight; the time and **resources it takes to offboard an employee**, the resulting lost productivity, and finding and training their replacement typically costs **33 percent** of that person's base pay.

But businesses can't avoid hiring Gen Z forever—they're expected to make up **30 percent** of the workforce by 2030. So, what can modern organizations do to get ahead of the compound challenges of retaining, engaging, and motivating a generation that, according to the data, is disloyal, disengaged, and lacking motivation?

To engage Gen Z successfully in the workplace, improve retention, and keep them happy, it's critical to invest time and resources into three key areas that are very important to them:

 **Clear career growth paths**

 **Alignment** to personal values

 **Building** a sense of community at work

To get to grips with what motivates Gen Z in the workplace, we first need to understand the challenges they're facing and, in some cases, creating. In this guide, we'll address the 11 challenges that modern companies must contend with and how the three goals above are key to aligning your business goals with a people strategy that delivers success from A to Gen Z.



THE **11 CHALLENGES** THAT MAKE **GEN Z A FORCE TO BE RECKONED** WITHIN THE **WORKPLACE**

1 Facetime rather than face-to-face time has changed Gen Z's attitude to workplace etiquette

To understand Gen Z fully, we must remember that they are the unlucky generation who began to enter the workforce as the world was locked down by and emerged from a global pandemic. Therefore, during the formative years of their career, they didn't develop an understanding of the in-person, non-verbal cues on workplace behaviors. The result? **74 percent** of business leaders say they find Gen Z more difficult to work with than any other generation, and 12 percent say they've fired a Gen Z employee within a week of them starting at work.

You don't have to look too far to find **anecdotal evidence** of Gen Z's differing attitudes to workplace behavior flabbergasting and frustrating senior-level colleagues. **Gartner** data suggests their lack of face-to-face time, due to a rise in remote/hybrid working, is likely to blame. For employers, it'll mean more patience and a commitment to 'showing them the ropes.'

2 Gen Z craves in-person communication

You may think of Gen Z as being the most chronically online generation, but **53 percent** prefer in-person communication over instant messaging or email. We'll discuss their working model expectations in more detail later. Still, our Young Generation In Tech (YGIT) **research** shows that Gen Z is not a strictly WFH generation, with 56 percent preferring to be in the office 4+ days a week.

When communicating with them, Gen Z **vastly prefers** a direct, informal, and transparent style of communication. For employers and managers, this all means two things—speak face-to-face and don't dance around your point. They'll appreciate the directness.

3 Gen Z lacks experience with critical technologies

It's easy to assume that because Gen Zers are digital natives, they can glide seamlessly into the tech-heavy world of work. But this isn't the case. According to **Debbie Irish**, Head of Human Resources at Hewlett Packard UK & Ireland, "While young professionals may be more accustomed to digital environments, and certainly social media platforms, this doesn't always carry over to professional tools."

They might not have much experience (if any at all) with platforms like Teams, Slack, or even email, and because it's assumed they're tech-savvy, they may feel too embarrassed to ask for help. It's not just Gen Z either, **27 percent** of workers feel they need more confidence in their digital capabilities.

4 There's a social skills gap, and Gen Z needs mentoring

According to research conducted in 2023, **85 percent** of recent graduates believe that core social skills (like influencing, persuading, and including others) are essential to advancing in their workplace. But they're not being mentored to hone their abilities. 40 percent of them state they received no training, onboarding, or support from their line manager to develop these skills.



5 Gen Z is seeking financial security and opportunities to grow

Where Millennials tend to be more **motivated** by purpose than money, Gen Zers care more about job and financial security, according to the YGIT in Europe report. When asked what they would choose for their ideal company, 29 percent of Gen Z survey respondents said they prefer to join companies that can offer secure compensation packages and career path development.

According to the same HiBob-Eight Roads research, 27 percent of Gen Z said that the number one motivator for joining a company is its “future potential.” This goes far beyond flexible working models or professional education opportunities. 37 percent said a promotion would encourage them to stay with their current company above all else, and 30 percent said a better **compensation package** would do the job.

6 They're true advocates for mental health and wellbeing programs

Zoomers are willing to change jobs for better benefits. Effective health packages and a positive approach to **wellbeing at work** can be decisive factors when choosing between companies.

Lifestyle or health benefits like gym memberships or free access to meditation apps are becoming increasingly desirable for Gen Z. Fundamentally, it'll make them feel like you care. As **Rose Anna Garza** writes in SHRM, “If you don't invest in your people, they will feel like you don't value them.”

7 Gen Z wants a great work-life balance

The overwhelming majority (**74 percent**) of Gen Zers would change jobs in pursuit of a better work-life balance. Gen Z's work ethic and values appear to be in stark contrast to Millennials and Baby Boomers who, according to **LinkedIn**, believe in long hours, loyalty to one's employer, and a "pay your dues" mentality.

When you scratch beneath the surface, however, is this really surprising? Think of the hand that Gen Zers have been dealt when it comes to housing costs and the multiple economic crises they've already lived through (from 2008 to 2020).

For Baby Boomers, the pay-off for working hard was a stable job and a step onto the housing ladder; for Gen Z they're fighting for better working conditions to make up for the things they believe to be unattainable. It's not the case that Gen Z doesn't want to work. They just want a better deal in exchange for their labor.

8 Gen Z wants to get offline and into the real world

Their desire for face-to-face communication and need for feedback in real-time means one thing: Gen Z wants to be in the office at least part of the time. **57 percent** of Zoomers are actively seeking in-person work opportunities, compared to 34 percent of Millennials and Gen X.

They're also a generation that values community very highly. YGIT found that 41 percent of Gen Z feel more engaged and motivated at the office, while 37 percent felt there either weren't enough opportunities to build relationships, that they didn't spend enough time in the office, or both.

9 Gen Z expects transparency from their employers

Gen Z wants to work for companies that believe in **transparent work models** that provide a more holistic work experience. They've grown up "in a world of perfect information" that provided near-instantaneous answers to "most of life's questions at the push of a button." To get the most out of Gen Z professionals, employers must show this young generation exactly where they're going and how they fit into the organization's mission and goals. This applies to everything from the interview process to Gen Z's general career path.

10 Gen Z prefers feedback in real-time

Research has shown that Gen Z's brains have evolved to process information faster. As a result, Gen Zers like constant feedback from their managers. In response, many companies have remodeled the **performance review** to offer more focused, consistent, and impactful feedback.

This generation's desire for feedback is part of their process of moving up the corporate ladder quickly, achieving more and more as they go. That can explain why, when looking at the YGIT data, approximately 50 percent of Gen Zers are already in managerial positions despite their young age.

11 They believe strong DEI&B programs should be a given

Gen Z is the most diverse generation yet, with **48 percent** of Gen Z being a "racial or ethnic" minority compared to 39 percent of Millennials. So, it's no surprise they consider DEI&B programs non-negotiable at the companies they work for—**83 percent** say an employer's commitment to diversity and inclusion is significant when choosing where to work.

However, it's also important to note Gen Z thinks about diversity differently. According to Monster.com, they're "more likely to define diversity as a mix of experiences, identities, ideas, and opinions, rather than more traditional definitions of diversity, such as underrepresented racial, ethnic, and gender demographics." That means companies must create collaborative environments where participation from people with different ideas and perspectives is truly valued.

Generation Z: **THE NUMBERS**

54% of Gen Z feel disengaged at work-
the most of any generation

34% intend to leave their jobs in
the next two years

74% of business leaders find Gen Z to be
the hardest generation to work with

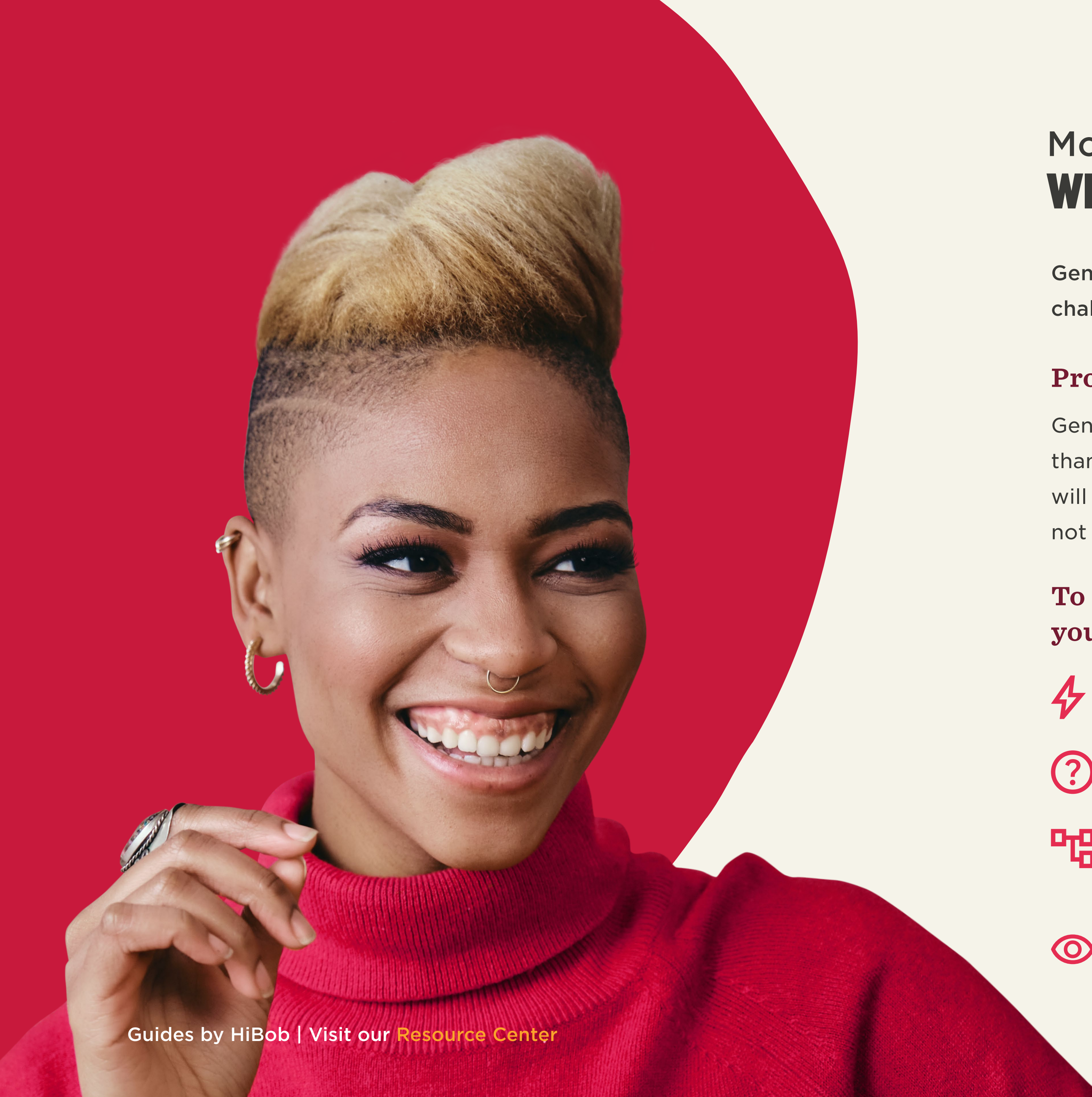
53% of Gen Z prefer in-person
communication

27% of them say “future potential” is
a key motivator to join a company

74% would leave a company in pursuit
of better work-life balance

48% are “racial or ethnic minorities”-the
most diverse generation ever

30% of the global workforce will
be Gen Z by 2030







Motivating Gen Z in the workplace **WHAT CAN YOU DO?**

Gen Z is a unique generation with unique but far from insurmountable challenges. Now, let's look at how you can solve them.

Provide a clear path for professional growth

Gen Z, and the Young Generation in Tech in particular, is looking further than short-term compensation and job security for opportunities that will support their professional growth over the long-term, and they're not afraid to change jobs to get it.

To make sure Gen Zers are happy and engaged at work, you can support their career journeys by:

-  **Empowering managers** with the tools and training they need to act as trusted advisors to their direct reports
-  Creating clear **job descriptions** and leveling, and putting structured **performance management processes** in place
-  Providing structure and guidance for formal mentorship (58 percent of satisfied Gen Zers reported being part of such **programs**)
-  Ensure there is scope for incremental growth at the start of their careers to keep them engaged

ALIGN TO PERSONAL VALUES, DEI&B, AND HOLISTIC WELLBEING

More than any generation that's come before, Gen Z has high expectations for alignment between their personal values and the company's mission and policies. This could mean anything from inclusive hiring practices and the use of **preferred pronouns** to supporting environmentally conscientious programs and broad social change.

Gen Z cares deeply about diversity and inclusion. So make sure your employer brand and your **workplace culture** emphasize your commitments. Invest in missions and policies that make your people and prospective employees proud to be part of the company.

Align to Gen Z's personal values by:



Promoting inclusivity and belonging, including the use of **pronouns**, inclusive hiring practices, and gender-neutral policies and facilities (just doing rainbow social media during Pride doesn't count!)



Promoting **mental wellbeing** with internal training and awareness campaigns, as well as ensuring manageable workloads



Encouraging your people to speak up with consistent **feedback cycles**—and truly listening to what they have to say



Establishing **Employee Resource Groups (ERGs)** and other affinity groups

FOSTER **COMMUNITY** AND **RELATIONSHIP** BUILDING


Gen Zers value a sense of community in their workplaces, so create opportunities for your people to connect with each other in meaningful ways. It's something they feel is missing with the rise of widely distributed and remote workforces, making face-to-face opportunities a crucial time to foster personal and professional relationships.

You could help Gen Z feel more connected by:





- Introducing **ERGs and clubs**
- Organizing meaningful, in-person opportunities for connection and team building
- Providing tools and opportunities for online connections across teams and departments
- Implementing formal peer mentorship programs and social events across departments
- Offering flexible schedules with more opportunities to spend time in the office meeting colleagues face-to-face to build relationships, learn through experience, and engage in mentorship opportunities

You can also help Gen Z professionals feel connected with a powerful **employee value proposition** (EVP) with touchpoints throughout the entire **employee lifecycle** (from recruitment to offboarding) to make them feel aligned with the company's mission, vision, and values.





A workforce that trusts each other is a cornerstone of more holistic connection. Here's how you can integrate **teamwork, trust, and transparency** into your company's culture:

-  Hold regular team meetings
-  Ensure managers hold regular (weekly or bi-weekly) one-on-ones
-  Make sure each one of your people—especially Gen Z—feels that their position and work have an impact on the business
-  Talk openly to your people about the state of the business. This could be around why actions are taken or not taken and encompass everything from benefits, people programs, and even consideration of redundancy due to macroeconomic influences. It all helps your people feel part of something.

HOW TO LEVERAGE HR TECH TO SOLVE GEN Z CHALLENGES IN THE WORKPLACE

The right **HR platform**, while not a silver bullet to all the challenges of engaging with Gen Z, will help you attract, motivate, and retain them—and faster. Here's how:

HR Automation

With a best-in-class **Human Capital Management solution**, you can automate HR activities while delivering personalized employee experiences that are connected to companywide initiatives—helping to create the belonging and community that Gen Z craves.

Performance Tracking

We've discovered that Gen Z need solid and measurable career paths so they know they're on track to meeting their aspirations. Luckily, the right HR tech gives you 360-degree performance reviews for all employees, with clear, actionable goals and growth plans aligned to team, department, and company goals.

Surveys

Take the pulse of your workforce, helping Gen Zers feel engaged and valued across the entire employee lifecycle. You can track different milestones, like time spent at the company, or regularly measure satisfaction to get the data that helps you correct the course of your **HR strategy**.

People Analytics

Help put **DEI&B** at the top of the agenda as a measurable KPI with advanced people analytics. Get the insights you need into the make-up of your workforce, as well as get customized dashboards on headcount, retention, absenteeism, and growth.

Compensation Management

Increase **pay transparency** with compensation bands and ensure fair pay for new hires and current employees. Keep all stakeholders on the same page for a data-driven, fair, and equitable process—just what Gen Z is looking for.

GEN Z: THEY'LL CHANGE EVERYTHING

So now we've run you through nearly everything you need to know from A to Gen Z. To stay engaged, motivated, and loyal, you know Zoomers need transparency, demonstrable career growth, alignment with personal values, mentoring opportunities, and direct, face-to-face conversation.

It's also clear that the right mix of **HR tech**, strategy, and careful, tailored management can get Gen Z to bring more to the workplace. Some leaders have been guilty of giving them a bad rap. But that's because they've not taken the time to understand them. When Gen Z feels seen, heard, and understood, they have the power to be one of the most creative, dynamic, innovative, and driven generations we've ever seen.

That's not just good for your company—that's a force for good that the world needs, too. Why wouldn't you want to unlock it?

**LEARN HOW BOB HELPS
YOU ENGAGE AND
RETAIN YOUR
GEN Z WORKFORCE**

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