



GEN Z INSIGHTS

HX SIGNATURE ISSUE

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Deloitte.

Gen Z Research OVERVIEW AND PROCESS

WHAT

GOAL

To understand Gen Z's values and experiences with workplace leadership in order to define key areas for improvement and support

SCOPE

Areas of Inquiry

- How does Gen Z relate to leadership?
- How does Gen Z like to receive appreciation, validation, and recognition? What trade-offs would they be willing to make?
- How can companies support Gen Z's well-being through structured workplace efforts?
- How available is strong leadership and mentorship for Gen Z?
- What considerations exist in designing the "new normal" so that it will meet Gen Z's needs?

HOW

We are taking a two-phase research approach with a round of qualitative research informing both the final publication and the subsequent quantitative round

PHASE 1: FRIENDS & FAMILY (QUALITATIVE)

Target Populations

- 15 Gen Zers (1996-2001); with a mix of students, interns, part-time, full-time and roles (e.g. blue collar, white collar)

Research Methods

- Virtual interviews

PHASE 2: IN-MARKET SURVEY (QUANTITATIVE)

Target Populations

- 2000 Gen Zers; 60% currently employees, 240 of which (20%) being employed at firms with 1000+ employees
- 600 leaders of Gen Zers; of each gen (Boomers, Gen X, Millennials), at least 50 to be Manager Level and above

Research Methods

- 2x 15-minute surveys (one for each group)
- Prioritized 4 demographic-specific insight groups (women, LGBTQ+, racially/ethnically diverse, blue collar)

Why we're interested in this space

1 in 3

Gen Zers **expect leaders to make changes** to accommodate them but **do not believe leaders will do so**

Only 1 in 4

bosses believe it is easy to deliver on and recognize the needs of Gen Z in the workplace

What we found: Key Gen Z values in the workplace



1

Empathy

2

Psychological Safety

3

Agency

4

Wellbeing

5

Recognition

EMPATHY: Feeling **seen and valued** as their **truest selves**

What did we see?

- To Gen Z, **empathy is the 2nd most important characteristics that bosses must demonstrate** in order to effectively connect with them ...
- ... Yet **empathy doesn't make the top 3 characteristics on bosses' radars**
- Looking beyond the individual, Gen Zers **expect DE&I to be more than aspirational** at this point; they expect **strongly-integrated, visible policies**, with diverse leadership representation

Top values for relating

Gen Zers:

1. Patience
2. **Empathy**
3. Availability

VS

Bosses:

1. Patience
2. Transparency
3. Availability

only 35%

of Gen Zers feel their boss
is empathetic

“ *I **care more** about how [companies] **treat their employees** ... instead of 'corporate' social issues. [e.g., ESG]* ”

EMPATHY: How am I seen and valued as my truest self?

Looking to connect with leaders at a human level

Gen Zers noted the importance of being able to form genuine connections with peers and leaders in order to freely navigate their workplace and their jobs with confidence.

Inclusivity as an integrated practice

Growing up with intersectionality and identity as commonplace generational conversation topics, Gen Zers expect DEI to be equally lived in their organization's culture and their experience showing up as their truest selves in the workplace.

What's different about Gen Z?

Gen Zers expect to see representation in leadership as this translates to understanding and solidarity through shared lived experiences

35%

of Gen Zers said they would describe their boss as empathetic

Gen Z Survey, Question 4a

What do their bosses think?

~45%

Of bosses surveyed were reluctant or unwilling to change the way they lead their employees based on new Gen Z demands

Boss Survey, Question 8

Building Relationships

Gen Zers:

1. **Patience**
2. **Empathy**
3. **Availability**

Gen Zers' most valued characteristics when trying to relate to bosses

Gen Z Survey, Question 21

VS

Bosses:

1. **Patience**
2. **Transparency**
3. **Availability**

Bosses' most valued characteristics when trying to relate to Gen Z employees

Boss Survey, Question 12

PSYCHOLOGICAL SAFETY: Being able to **fail and learn** without fear of falling behind

What did we see?

- The **normalization of mental health discourse** among Gen Z creates **new expectations for a psychologically-secure** environment
- In this context, Gen Zers seek a culture and pace of work that **accepts failures as part of success** – in practice, not just theory ...
- ... Yet many bosses **perceive Gen Z as lazy or lacking direction, creating pressure to prove otherwise** that may constrain room for growth and honest exploration

The #1

way Gen Zers believe their boss could **improve their mental health** is by establishing psychological safety around **expecting mistakes and encouraging risks**

“ I am **most anxious about doing things correctly**. I often get conflicting messages from my boss... which **leaves me worried about doing things properly** in ways that everyone is happy with.

Some bosses described Gen Zers as...

LAZY

ENTITLED

**LACKING
DIRECTION**

STRESSED

PSYCHOLOGICAL SAFETY: How can I fail forward and learn without fear of falling behind?

Boundaries as the new conditions for success

Gen Zers are mostly at a point where this is their first full-time job. The pace of work is overwhelming and the expectations are high so in order to step up to the challenge they need room to grow and learn without

Encouraging risks while expecting mistakes

Gen Zers expect their leaders to create a culture centered around the psychological safety that failure is part of success and allowing it in praxis, not just in theory.

What's different about Gen Z?

Gen Zers normalization of mental health discourse creates new expectations and needs for experiential learning in a secure psychological environment

#1

Way Gen Zers believe their boss could improve their mental health is by establishing psychological safety around expecting mistakes and encouraging risks

Gen Z Survey, Question 29

“I am most anxious about doing things correctly. I often get conflicting messages from my boss...which leaves me worried about doing things properly in ways that everyone is happy with.”

Gen Z Survey, Question 22

What do their bosses think?

When asked for words to describe Gen Zers some leaders replied with:

LAZY, ENTITLED, STRESSED, and LACKING DIRECTION

Boss Survey, Question 3

AGENCY: Establishing control over their work

What did we see?

- **Gen Zers are action-biased**; many prefer being encouraged to give something a shot first and come with questions only as needed
- They seek **autonomy to manage their own time and prioritization**, without imposed instruction or structure on how to work
- However, most bosses are **ignorant to how important** agency is to Gen Zers

60%

of Gen Zers like the level of **autonomy** they have and **wish they had more**

“ There [are] a lot of people involved who are telling me how to do my job when **they don't even know half of it.** ”

Only
1 in 10

bosses **recognize that agency is a top priority** to Gen Zers

The **#1**

way bosses say they are trying to **improve performance of Gen Z employees is by** finding ways to get them to **take on more responsibility at work**

AGENCY: how do I strike balance in leading my own work while also learning from my leaders?

Looking to achieve goals by taking ownership of schedules

Gen Zers view work as a task to be done; they are honed-in on managing their time and prioritizing their tasks. They collectively seek to prove their capabilities but need room to do so.

Establishing control over support systems

Rather than an assigned mentor, Gen Zers would like to grow into a mentorship relationship with someone they trust; their sense of guidance is perhaps more in line with hands-off mentorship rather than a guided, hand-holding approach to success.

What's different about Gen Z?

Fueled by an entrepreneurial motivation, Gen Zers seek to excel by being self-directed while growing through educational “moments that matter”

60%

Of Gen Zers surveyed like the level of autonomy they have and wish they had more

Gen Z Survey, Question 6a

>50%

Of Gen Zers surveyed ranked flexible working hours as more important to them than a 4-day work week (35%)

Gen Z Survey, Question 27

What do their bosses think?

“The workplace in America is greatly in need of changes. I think they will help bring that change because they are pretty adamant about what they want and what they won't put up with.”

Boss Survey, Question 3

#1

way leaders say they are trying to improve performance of Gen Z employees is by finding ways to get them to take on more responsibility at work

Boss Survey, Question 14

WELLBEING: Prioritizing employee needs while still being seen as a dedicated employee

What did we see?

- As Gen Zers enter the workforce in a world impacted by COVID, they **expect commitment to wellbeing**, often manifested by **flexibility**
- They also look for work cultures and leaders that **visibly respond and adapt to workforce needs** based on employee feedback
- However, the level of **wellbeing bosses think they're creating** doesn't match what **Gen Zers are experiencing**

>60%

Of bosses try to improve their employees' wellbeing by **helping them maintain a healthy schedule**

VS

<50%

Of Gen Zers say their **boss helps them maintain a healthy work schedule**

“What I learned through my experiences with banking is that **sometimes a job is not a job, but becomes your lifestyle** – and you have to watch out for this.

WELLBEING: how can I build ways of working that support my wellbeing and still be seen as a dedicated employee?

Adapting to demanding schedules

In order to perform well, Gen Zers expect organizations to approach various aspects of their work experience with flexibility in mind—like managing time off, hybrid and remote modalities—as the future remains uncertain.

Flexibility as the ability to separate work and personal life

Given the rise of remote working, Gen Zers look for workplaces that allow them to balance their personal and professional lives, opting for lower salaries and jobs outside their career paths instead of high prestige organizations with demanding workloads.

What's different about Gen Z?

As Gen Zers enter the workforce in a world impacted by COVID, their expectation is for an organization to see a commitment to flexibility as synonymous with a commitment to wellbeing.

>60%

Of Gen Zers surveyed want to create a clear separation between their personal identity and who they are at work.

Gen Z Survey, Question 4a

"My school schedule felt more flexible than my work schedule. Overtime is required every week which I would like them to make it optional."

Gen Z Survey, Question 16

What do their bosses think?

<50%

Of Gen Zers surveyed say their boss helps them maintain a healthy work schedule.

Boss Survey, Question 9a

>60%

VS

Of bosses show they care for their employees' wellbeing by trying to help them maintain a healthy schedule.

Boss Survey, Question 21

RECOGNITION: Receiving tangible appreciation to communicate value

What did we see?

- **Feeling recognized is crucial** to Gen Zers, **not just for end results, but for the effort involved** – a particular challenge in virtual settings where the act of work is often invisible
- Importantly, it is currently **nowhere near the top of bosses' radars**
- For Gen Zers, however, public recognition holds relatively little value; **most important are material rewards**, whether in the form of time or money

“ I want my manager to actually “know” ... all the effort I put into it.... It's like he **doesn't see the change I am making.... All that progress is lost.**

78%

Of Gen Zers said it's **important that their boss show they appreciate** them

The **#1**

way Gen Zers wished their boss awarded / recognized them for hard work is **time off**

When ranking 12 actions important to do for their employees, **bosses were least likely to choose individual recognition as a top priority**

RECOGNITION: how can I ensure my impact is appreciated in tangible ways that make me feel valued?

Public acknowledgments falling short for Gen Zers

Gen Zers look for effective systems of appreciation that truly matter to them through optionality of rewards; bonuses and additional time off might be weighed differently depending on the life happenings of the employee.

Changing the culture behind recognition

Gen Zers expect their leaders to visibly improve culture around recognition, so it reflects commitment to employee satisfaction by responding to and adjusting their working conditions and employee concerns.

What's different about Gen Z?

Gen Zers expect recognition in different ways beyond public acknowledgment and increased responsibility—time is as valuable as money to Gen Zers.

#1

Way Gen Zers would like their boss to recognize them for their hard work is by awarding them time off

Gen Z Survey, Question 26

~60%

Gen Zers believe that a boss who appreciates them and shows care for well-being would drive them stay longer

Gen Z Survey, Question 28

What do their bosses think?

[On empowering Gen Z] "by maybe giving these employees better work loads, a 4-day work week, and more incentives would lead to better work progress?"

Boss Survey, Question 16

When ranking what they think is the most important thing to do for their employees on a list of 12 things, individual recognition is not one of the top three

Boss Survey, Question 13