Jobs for the Future

Turning Challenge Into Opportunity:

A Corporate Blueprint for Navigating the Gen Z Workforce Transition

AT A GLANCE

Unlock success in the evolving workplace with Turning Challenge Into Opportunity: A Corporate Blueprint for Navigating the Gen Z Workforce Transition—a practical guide for corporate leaders to seamlessly integrate Generation Z talent into their workplaces. Gain actionable insights, boost productivity, and strengthen your employer brand for sustained success in the dynamic business landscape.

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About JFF

Jobs for the Future (JFF) drives transformation of the U.S. education and workforce systems to achieve equitable economic advancement for all. www.jff.org

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Introduction

The workplace as we once knew it is gone. Reshaped by expansive digital technology and unprecedented global events, businesses across the United States have revolutionized and redefined their operations this decade. The velocity of work increased dramatically. A new "gig" economy emerged where freelance and temporary work arrangements proliferate. Millions of people in the United States adjusted to a new remote-work normal, attempting to balance the demands of work, the complexities of everyday life, and their individual well-being. Meanwhile, automation and artificial intelligence seem determined to make good on the promise to upend standard work practices and transform job roles across the U.S. economy, driving us all toward a future we can't fully imagine yet.

These profound changes will likely only accelerate as we go forward, fueled by a structural labor shortage as a result of large numbers of Baby Boomers entering retirement.[1] Meanwhile, Generation Z workers—also known as Zoomers—are projected to make up nearly 30% of the U.S. workforce by 2030.[2]

As this shift ripples across U.S. workplaces, both today and over the years to come, companies will face a crucial decision: seek to assimilate Gen Z into existing work norms or agilely embrace and adapt to change.

Embracing the rise of Gen Z will present a deceptively complex set of challenges for companies. Displaying distinct interests, career priorities, social beliefs, and working styles compared with previous generations, Zoomers require employers to adopt new attitudes, build new competencies, and rethink much of their workplace operations, all while balancing the needs of their other workers and stakeholders, including customers and shareholders.

Drawing insights from the Jobs for the Future (JFF) network of over 300 Impact Employers, this blueprint will provide corporate executives and human resources (HR) leaders with practical insights and strategies. It aims to help them navigate the challenges and opportunities presented by the influx of Generation Z employees into Fortune 1000 corporations. Special attention will be given to how employers can support and advance an increasingly diverse workforce. It is designed to be an actionable and honest guide for committed employers, helping address a growing sense of exasperation among managerial ranks while finding ways to include Gen Z without sacrificing other employee groups or the business overall.

Embracing these strategies will help you unlock your workforce's potential, increase overall productivity and morale, enhance your employer brand, and ready yourself to meet today and tomorrow's business challenges.

Understanding Gen Z in Today's Economic Context

As employees, Gen Z workers (born roughly between the mid-1990s and early 2010s) tend to seek purpose and social impact in their professional endeavors, value diversity, and place a premium on work-life balance.[3] Gen Z exhibited these traits before joining the workplace, and they became even more defined as these workers came of age during global crises like climate change and the COVID-19 pandemic and experienced technological, social, or other developments with sweeping implications.

Gen Z's firsthand experience of this unique time in history will likely influence its economic and civic behavior for years to come. It understands—perhaps better than any generation prior—that its future is uncertain. As a result, Gen Zers—entrepreneurial in spirit—are earnestly exploring new models for how we work, communicate, and define success.

DATA SNAPSHOT

Gen Z by the Numbers

68.6 million Gen Zers live in the United States, roughly 20% of the population.[4]

One in four members of Gen Z are Latine, and 48% identify as Latine, Black, Asian, or other people of color.[5]

57% of Gen Z adults are enrolled in two or four-year college.

30% of the workforce will be Gen Z by 2030.[6]

46% say they live paycheck-to-paycheck.[7]

34% of Gen Z employees say they are **very satisfied with their work/life balance**, as opposed to just 21% in 2019.[8]

Early Insights Into Gen Z Employment Trends

Shaping the Corporate Culture They Want:

According to a 2022 Glassdoor survey, Gen Z professionals strongly prefer roles allowing them to influence company culture directly.

GEN Z'S TOP-RATED JOBS:

- → Corporate recruiter
- → Marketing manager
- → Social media manager

Despite Sector Turbulence, Technology Jobs Win: In the wake of widespread layoffs across the industry in 2022 and 2023, tech continues to be an industry of focus for Gen Z—second only to media and entertainment—with industry giants like Google, Amazon, and Microsoft winning the day.

Some of Gen Z's most desired workplaces following the pandemic include:[9]

- → IBM
- → Microsoft
- → Google
- → Amazon
- → Oracle
- → Deloitte
- → NBCUniversal
- → Lockheed Martin

Mid-Sized, Affordable, and Impactful Cities Are In:

Whether they are skeptical of big-city living, burnt out on "work hustle" culture often embraced in large cities, or simply can't afford metropolitan prices, Gen Z workers are choosing smaller, more affordable cities where they can make an impact.

Examples of top living and working locations for Gen Z:[10]

- → Scottsdale, Arizona
- → Arlington, Virginia
- → Boise, Idaho

Culture Clash

Given the unique characteristics of Gen Z workers, it's no surprise many workplaces are already seeing a significant culture clash between Zoomers and their Gen X or millennial managers. According to Deloitte, the main areas of conflict between Gen Z workers and their supervisors tend to revolve around three key areas:[11]

Empathy: While Gen Z workers prioritize empathy from their superiors, viewing it as essential for workplace engagement, their bosses are often unlikely to agree. As a result, Zoomers may perceive their bosses as harsh and uncaring, while older workers often stereotype Zoomers as overly sensitive.[12]

Mental health: Gen Z employees often express dissatisfaction with the mental health support provided in their workplaces, asserting that their perceptions of how work affects and interacts with mental well-being differ from their superiors' perspectives.

Role of work in personal identity:
Gen Z workers and their superiors often hold disparate beliefs regarding the significance of work in shaping personal identities. Only 49% of working Gen Zers view work as a significant part of their identity, compared with 62% of the preceding generation (Millennials).[13]

This has already created significant challenges for companies. According to a 2023 survey of managers, three in four—or 74%—of managers say Gen Z is the most difficult generation to work with.[14]

More than half of the managers who find the new generation difficult to work with have fired a Gen Zer, and 12% have done so within a week of the worker's start date. The survey found top reasons for firing Gen Zers are lack of motivation, effort, and productivity.[15] The reality is, like any generation, Gen Z has unique values and attitudes toward work, honed by their experiences in the world. Employers who fail to understand these characteristics will continue seeing mismatches in expectations, communication styles, and more in the workplace, leaving them vulnerable to disruption and talent loss.

The Dilemma: Assimilate, Adapt, or Both?

Unfortunately, much of the guidance to date for employers—and the public discourse overall—surrounding Gen Z workers has struggled to push past superficial, unrealistic, and, at times, even counterproductive ways of approaching the problem.

For example, survey data indicates that managers persistently believe Gen Z workers have failed to develop a sufficient "work ethic" and must be taught workplace discipline to succeed.[16] By this logic, the role of the employer is to teach Zoomers the value of hard work, setting clearer expectations and strict accountability measures while championing a consistent campaign of "tough love."

Others believe Gen Z workers have failed to develop the interpersonal skills necessary to succeed at work and therefore need intensive professional development focused on communications, networking, and conflict resolution.[17]

While these explanations may feel validating to older employees who have spent their careers climbing the traditional corporate hierarchy,

they fail to account for how attitudes, skills, and perspectives of Gen Z workers could help reinvigorate American companies, especially those wanting to attract Gen Z consumers. Moreover, they fail to acknowledge the rapidly shifting talent landscape—global economic disruption, an increasingly tight labor market, and festering social challenges have all prompted employers to realize that yesterday's talent practices are inadequate for today's business needs, let alone tomorrow's. This truth is especially relevant—and personal—to the new generation.

Today's employers must embrace a new "adaptive approach"—one that successfully balances organizational stability with a clear-eyed understanding of the agility needed to face the practical realities of today's environment. The simple truth is day-to-day management practices must help companies grow their capabilities without overwhelming managers or discouraging their Gen Z workers.

If businesses are going to succeed, they will need to find new ways to unlock the power of Gen Z workers.[18]

What Companies Can Do

Adapting to the growing influx of Gen Z workers while continuing to meet the daily needs of the business is no small feat. Indeed, fostering the near-term capabilities of frontline Gen Z workers while investing in their long-term growth will require a thorough rethinking of all aspects of the employee journey. This will require the adoption of fresh management practices, improved HR processes that are both inclusive and flexible, and the implementation of more human-centric technology.

Management Practices

For many leaders, the "tried and true" set of management practices—practices that have often been honed over decades—will no longer effectively guide, encourage, and engage employees as they have in the past. Unlike previous generations' expectations about work habits, the role of employers, work-life balance, and the use of workplace technology, Generation Z will require a different set of strategies from its managers.

The most successful companies with Zoomer employees will proactively undertake all or some of the following efforts:

Provide and require inclusive leadership development: Today's Gen Z workers are less likely than previous generations to ignore perceived slights, disparagements, and microaggressions. As a result, managers must be more aware, inclusive, and empathetic. By adjusting their management hiring profiles to focus on "human" skills such as empathy and inclusivity, companies can ensure future leaders are better attuned to the needs and expectations of Gen Z workers.[19] For current managers, however, companies must provide and require training on both unconscious bias and building empathy.

Invest in mentorships and reverse mentorships: Gen Z workers focus on career development, appreciate learning from more seasoned employees, and value the opportunity to influence company culture and direction. For this reason, companies with ambitions to attract and engage Gen Z workers should consider implementing mentorships and reverse mentorships.[20] These types of programs have proven highly effective with Gen Z workers.[21]

Require managers to develop their employees: Employee development is no longer a "nice to have" for companies aspiring to hire and engage Gen Z workers. To succeed with this cohort of employees, companies will have to update and organize their learning opportunities, ensure employees have access to these programs, and hold managers accountable for discussing and recommending suitable professional development for their employees.

Increase opportunities for personal connection and belonging: Given Gen Z's relatively low overall trust in large U.S. institutions, many companies would be wise to look for opportunities to increase personal connection and belonging at work. While there are an infinite number of ways to build connections and belonging, Great Places to Work suggests these strategies:[22]

- Avoid favoritism by leadership
- Involve employees in business decisions
- Provide equal and transparent access to information
- Institute fair promotion practices
- Recognize employees for their hard work
- Make employees feel welcome
- Embrace the "whole employee"

Rather than trying to implement all seven strategies at once, most companies will be best served by choosing to drive two or three "belonging" initiatives in 2024.

Process

Employers wishing to engage Gen Z workers can also do so by reducing bureaucracy and instituting more human-centered HR processes. Some suggestions include:

Revamp onboarding programs: Employee onboarding plays an outsized role in shaping employee expectations, so companies hoping to hire and engage Gen Z workers should ensure onboarding programs are fun, flexible, and individualized to employee priorities. Consider reimagining employee onboarding as an opportunity to build trust and belonging while engaging each employee in the development necessary to progress their careers over the coming months and years.

Incorporate more frequent career development touchpoints: Employees and their managers will likely require structure and process to support the additional focus on employee development. Much of this can be accomplished by requiring more frequent career development touchpoints and providing managers with enhanced resources, such as conversation guides, aptitude assessments, and more robust development opportunities.

Balance flexibility and belonging when designing work arrangements: According to Deloitte, most Gen Z workers prefer "hybrid" working arrangements over fully on-site or fully remote work schedules. Most notably, Gen Z employees further expressed to Deloitte a preference for having "full choice" in determining the appropriate working arrangements.[23] These perspectives, however, create a challenge for most companies. Facing the logistical difficulties of scheduling at-work training and development experiences, companies also have an interest in building a sense of camaraderie and belonging among their employees, particularly younger employees beginning their careers. Companies focusing on Gen Z employees will have to balance this sense of employee "choice" against the need to create some degree of uniformity, predictability, and equity for their employees.

Technology

As the first truly "digital native" generation, Gen Z workers expect companies to make smart and comprehensive use of technology. However, Gen Z's own digital fluency hasn't necessarily translated to greater competence with the types of technology most prevalent in work environments. Yet Gen Z workers want to learn skills in their workplace, including tech skills, and may even accept lower compensation for skill development opportunities. Employers have an opportunity to turn tech skill gaps into benefits for both the worker and themselves.

While many companies struggle with large, cross-functional technology projects, a new generation of "out-of-the-box" workplace productivity tools that are easy to implement and use are shrinking the adoption curve for both employers and their Gen Z employees. Companies interested in catering to Gen Z workers should consider finding technology solutions to support:
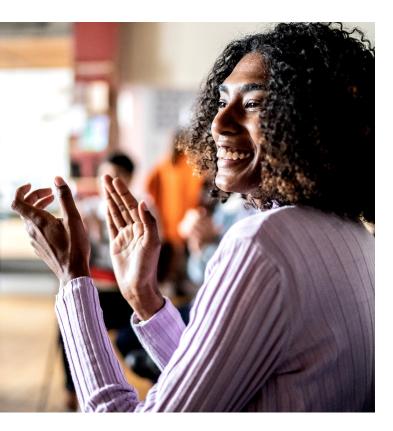
Knowledge transfer: Workplace knowledge transfer technology can improve productivity and reduce silos, and implementing systems such as Google Workspace, Salesforce Knowledge, Knowmax, and Confluence can help engage younger workers who have less-developed workplace networks.

Employee feedback: Gen Z workers value shaping the culture and direction of their companies. They can do so efficiently and effectively through online employee feedback tools, such as Culture Amp, SurveySparrow, and 15Five. Employers should gather this feedback, disaggregate the data, and tell employees what they heard and any intended next steps.

Employee connection: Digital spaces like Slack, Google Drive, Microsoft Teams, Workvivo, and Viva Engage can provide lightweight, flexible formats for employees to connect on, in addition to facilitating necessary day-to-day collaboration. Consider using technology to expand Gen Z participation in formal programs like employee resource groups as well as unstructured social events that create opportunities for authentic connection.

Employee development: Employers can reduce waste and increase engagement around professional development activities by implementing one of many microlearning platforms. Among the many excellent offerings, Uplimit, Modal, Hone, and Section stand out.

Key Costs, Risks, and Benefits

Implementing any of these initiatives will take time, effort, and financial resources but also—like any well-managed project—and could create some risks for companies to be aware of. Despite the potential "cons," however, if now's the right time to take a different tack in your early talent approach, then your company stands to reap significant benefits. Use this inexhaustive list to kickstart discussions with your team and cross-functional collaborators.

Key Benefits

Talent attraction and retention: Updating practices, processes, and technology enhances an organization's reputation, making job opportunities more attractive to Gen Z workers and increasing the likelihood that high-potential talent will stick around.

Enhanced employee experience: Implementing some or all of these initiatives to better integrate and engage Gen Z can contribute to a better employee experience for everyone, increasing job satisfaction, easing managerial relationships, improving performance, and improving employee retention.

Improved customer centricity: Gen Z employees' insights are critical to connecting with Gen Z customers as their share of U.S. purchasing power continues to grow. Companies fostering an environment that works for younger workers will find it easier to develop and market products and services that appeal to their younger customers, too.

Key Costs

Financial investment: HR initiatives of even limited scale often require significant financial resources for technology, training, and infrastructure.

Time and productivity: Implementation can disrupt normal workflow, leading to potential downtime and decreased productivity during transition periods.

Training expenses: Providing training resources to employees on new systems or processes can add time and resource costs.

Key Risks and Mitigation Strategies

Resistance to change: Employees may resist significant changes—even changes focused on improving the employee experience. This resistance can lead to work disruption, lower morale, and even decreased productivity.

Technical implementation challenges: Any efforts involving technology implementation risk integration issues and unforeseen technical glitches, which can cost time and money.

Data security concerns: The introduction of new HR technologies always carries an increased risk of data breaches and privacy concerns.

According to research by Deloitte, companies that prioritize preferences and needs of Gen Z employees are expected to experience enhancements in the overall well-being and morale of their workforce, fostering a positive workplace culture and potentially improving organizational performance.[24]

To mitigate these risks, project champions should pursue:

Communication and transparency: Clearly communicate the reasons for the change, intended benefits, and impacts, as well as employees' role in the initiative. Address concerns transparently and encourage open dialogue.

Employee involvement: Involve employees in the decision-making process and implementation planning wherever appropriate and relevant. Doing so fosters a sense of ownership, reduces resistance, and builds a culture of shared accountability necessary for successful implementation.
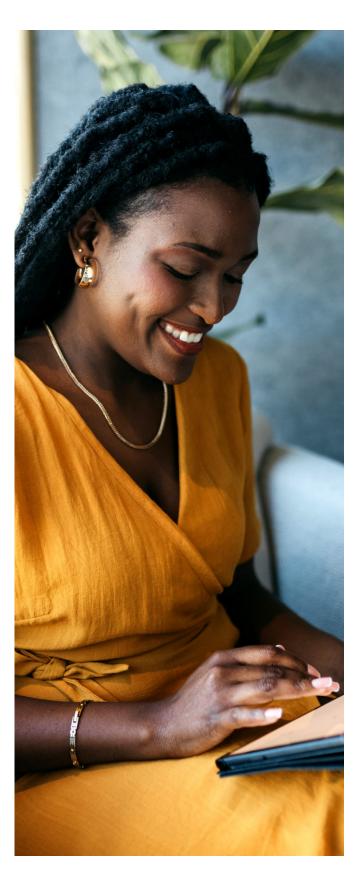
Training and support: Provide adequate training and support to help employees adapt to the changes. This includes offering workshops, documentation, and ongoing assistance.

Thorough testing and pilot programs: Conduct thorough testing of new procedures and systems. Identify and address potential glitches before full-scale rollout of new processes or technologies, including by implementing changes first on a smaller scale through pilot programs.

Security measures, audits, and updates: Conduct regular audits of security measures and update them to address evolving threats. Stay informed about the latest security standards and technologies and share this information with your employees as needed.

Conclusion

As Gen Z steps into the professional arena, organizations will grapple with the challenges posed by this generation's distinct values, work styles, expectations, and abilities. To navigate this evolving demographic landscape—and unlock the potential of their early talent—companies must adopt an adaptive approach, balancing stability with agility. This will necessitate improving management practices, adjusting HR processes, and implementing new technology. Despite the associated costs and risks, these efforts produce substantial benefits. Embracing the needs of Gen Z is not just about adaptation; it's a strategic imperative for organizational success in the dynamic future of work.

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