



Understanding Gen Z:
**How to Win the
Race for Talent**



Gen Z: typically defined as the 72 million people born between 1997 and 2012.

Gen Z is built differently. And, when you think about it, that's not too surprising. We're talking about the most plugged-in generation in history, the cohort that has lived through everything from the explosion of social media to social distancing.

Their work lives are just as unique as their demographic. Gen Z professionals only know a world where autonomy is the standard. Stepping into the workforce during a pandemic comes with a host of challenges but it also means Gen Z is accustomed to the flexibility of remote work and it's going to take a lot to get them to change their minds.

We surveyed over 600 Gen Z employees to better understand how and where they like to work, what they look for in an employer, and what they hope to gain from their work experience. Before we dive into all the nitty-gritty details, here are our top three takeaways:

- **Hybrid work suits them best** – 33% of Gen Z surveyed that work full time in an office prefer that setup, but 46% wished they were hybrid and 20% would rather be fully remote.
- **Culture and diversity are important** – 88% of Gen Z workers said workplace culture is important to their overall job satisfaction and culture and diversity lead the ranks of what makes a workplace “ideal.”
- **Money won't solve burnout** – 57% of Gen Z are currently experiencing burnout. And while compensation is critical, it won't help combat stress. This group reports that additional time off and mental health resources would help them manage better.

By 2025, Gen Z will make up [about a third of the workforce](#). The data below will help us understand what this group wants from a working experience and how to keep this emerging talent from jumping ship as we navigate The Great Resignation. Read on to learn more.

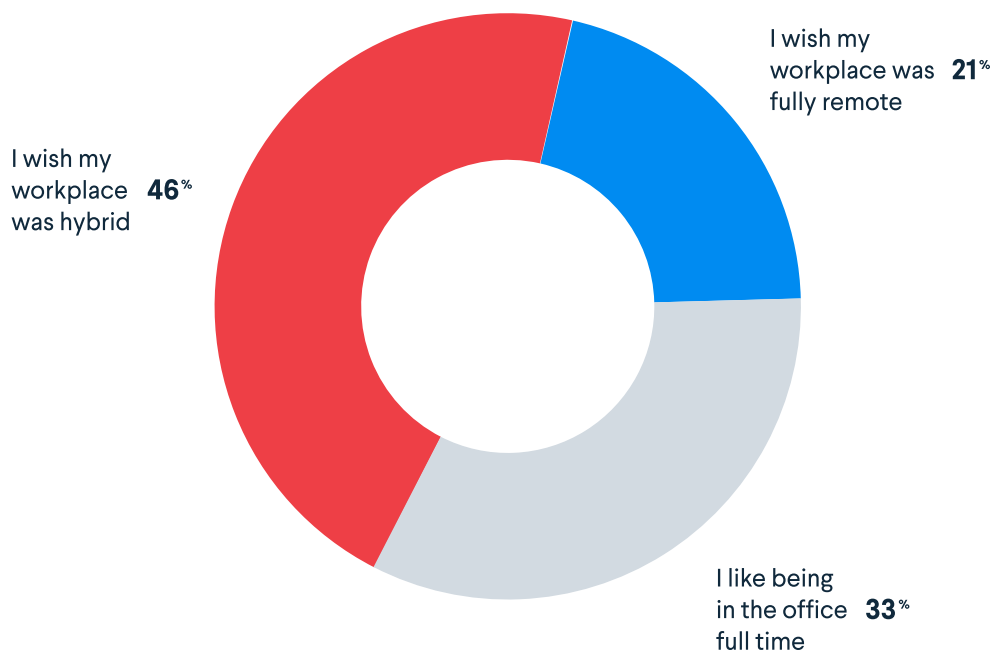
To office or not to office: That is the question

Where does Gen Z typically work? We found that:

- 60% are working in the office, full time
- 23% are working fully remote
- 16% are in a hybrid workplace

When we asked how they liked their current setup, the majority of full-time in-office respondents **wished they were hybrid (46%) or fully remote (20%)**. For remote workers, 73% of Gen Z reported they're happy with their set-up.

Do you wish your workplace was hybrid or fully remote?



After 2 years of lockdowns and restrictions, the preference for remote or hybrid work over full-time office work may seem surprising. Especially as we dig into the “why” – productivity. More than 58% report that their productivity is impacted negatively by working in the office and deem this more of a deterrent than their office commute (25%).

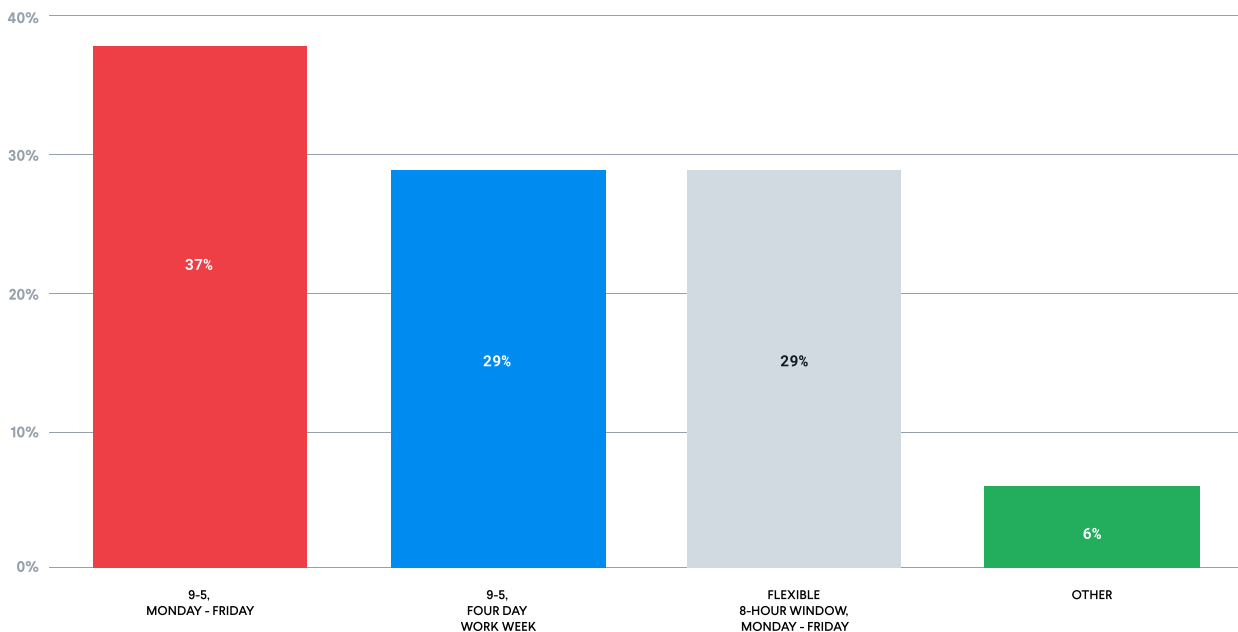
Yet, when you break it down a bit more, the pieces start to fall into place. Imagine you just started your career. You might be used to the relative quiet of a bedroom office. You might have become accustomed to cooking your own lunches, walking outside before big meetings, and throwing in your laundry between calls.



Then, you are asked to step into an office full of new faces, new spaces, and lots of different noises. Home sounds pretty good again, doesn't it? Gen Z may need some warming up before they embrace more in-office time. That's why nearly 50% of Gen Z wants a hybrid model - office time for connection and collaboration, home time for focus, and quiet.

When it comes to when they'd like to work, 36% responded that the traditional 9-5, M-F format works for them. However, a similar number of respondents (28%) would prefer a 4-day work week and 28% would prefer flexible working hours outside of 9-5 within the M-F work week. As Gen Z continues to enter the workforce, flexibility will continue to be the name of the game.

What are your ideal working hours?



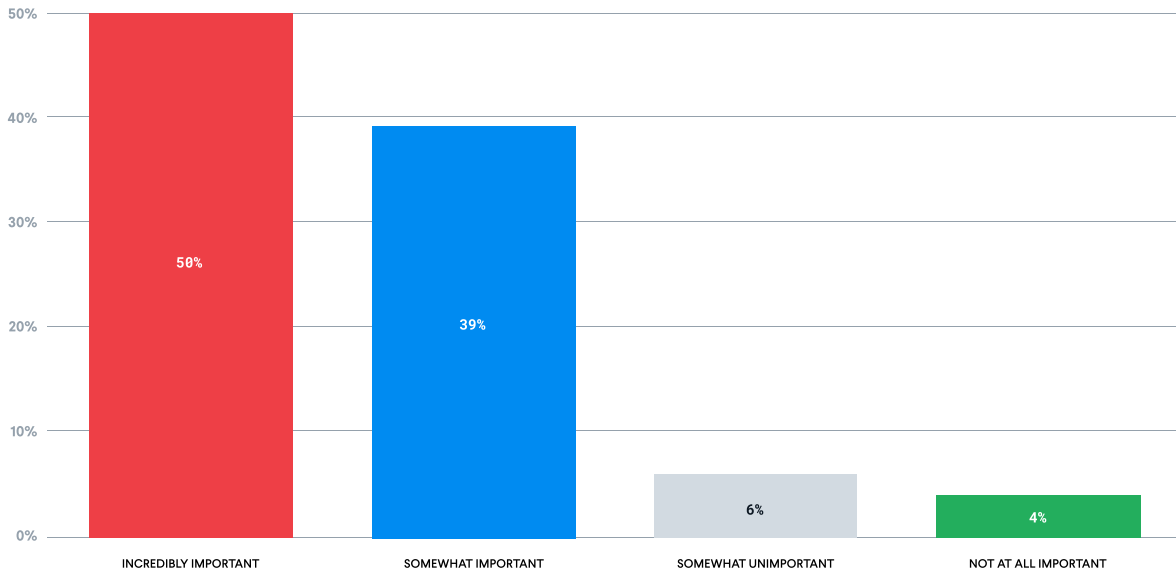


What's in the culture?

Gen Z is known for their value systems. They demand equity in the workplace and they want to work for companies that value culture, inclusion, and diversity.

In fact, 88% of respondents believe culture is somewhat, if not incredibly important, to their overall job satisfaction. When asked what's most important for their "ideal" job, culture ranked number one, followed by inclusion and diversity within the company and at the leadership level.

How important is workplace culture to your overall job satisfaction?



When it comes to office design, most Gen Z workers would like assigned office spaces; walls, not cubicles. This echoes the idea that remote work may have made Gen Z accustomed to different (read: more quiet!) working environments and may need more personal space than in past versions of workplaces.

Future plans for Gen Z may seem like a throwback to traditional values, when asked what they plan to do in the next five years:

49%

REPORTED THAT THEY'D
LIKE TO BUY A HOME

39%

WOULD LIKE TO
START A FAMILY

This is less of a throwback and more of a result of a lifetime of recessions. Gen Z saw the 2008 crash hit their caregivers hard and the COVID pandemic struck down the economy once more. Gen Z is looking for jobs that provide stability and steady income, otherwise, their hopes of homeownership and children are even further out of reach than they previously thought.

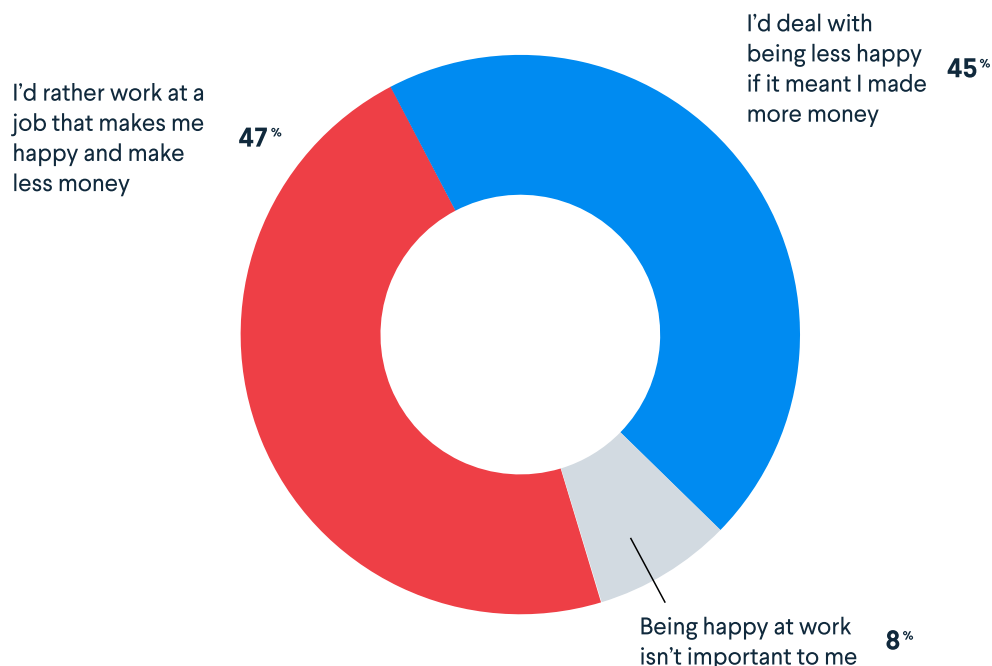
Retain us

Gen Z knows what they want so what can leaders do to retain this talent pool? First, you need to understand what factors of the job are most important to them.

When we asked Gen Z employees how important happiness was to them in their job, a shocking 44% reported that they would stay in a job they weren't happy, provided the salary was satisfying, yet another 47% would choose happiness over money.

The split decisions there support the idea that there is tension with Gen Z between meaningful work and a paycheck. More than any generation before, these young professionals want to see company values and feel attached to their work. But they also want money. Sometimes, the two aren't compatible.

How important is happiness to you when it comes to your work experience?



However, when it comes to burnout, no amount of money is going to convince Gen Z employees to stay. Over 70% of Gen Z employees report feeling burnt out since the pandemic started and 68% plan to leave their current position within the next two years.

Do you currently feel “burnt out”?



Employees aren't sticking around to wait for change, 49% of respondents are ready to leave their positions now (49%). The reasons driving their plans were telling:

- 53% report wanting more money
- 33% cite looking for a better fit
- 30% want a promotion
- 24% are looking for a better workplace culture

When digging a little deeper, we pinpointed the three major causes for burnout among Gen Z:

1

AN OVERWHELMING WORKLOAD (33%)

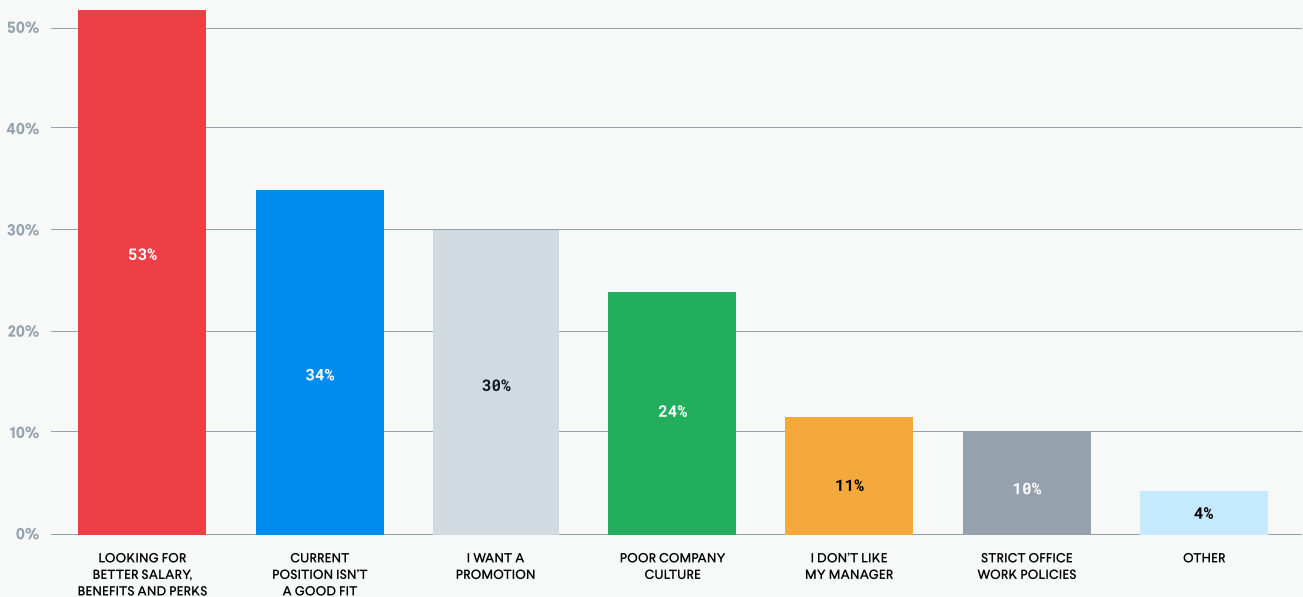
2

A PACE OF WORK THAT IS TOO FAST (25%)

3

EMPLOYER EXPECTATION TO WORK LONGER HOURS, OUTSIDE OF 9-5 (20%).

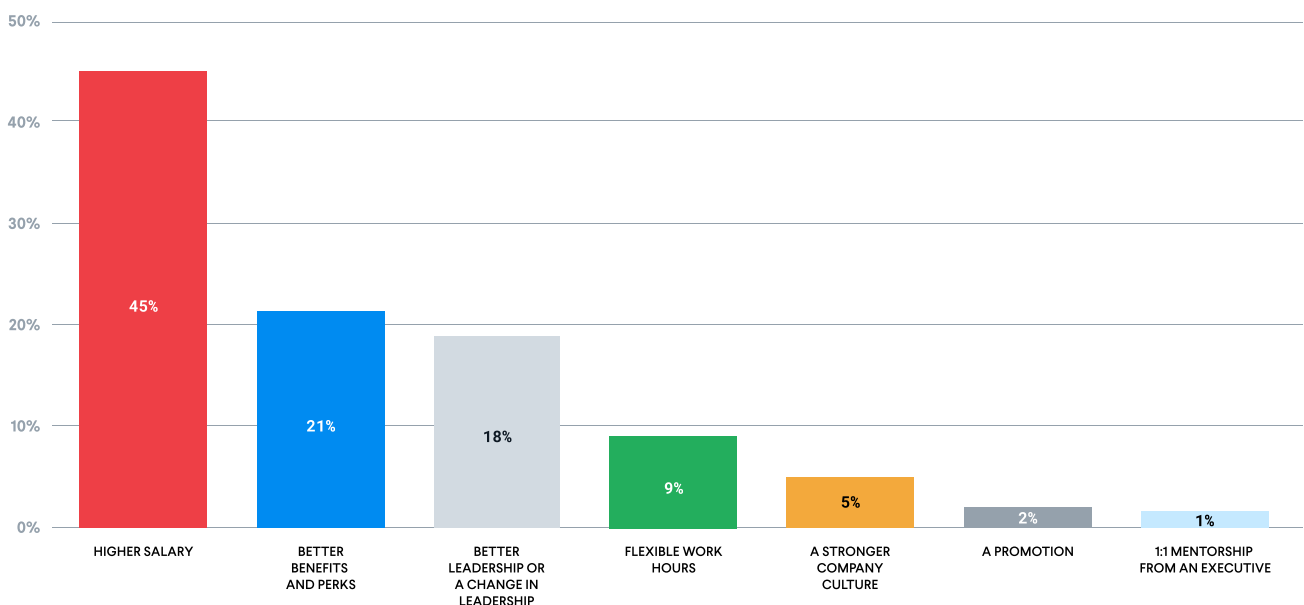
Why are you looking for a new job? (select all that apply)





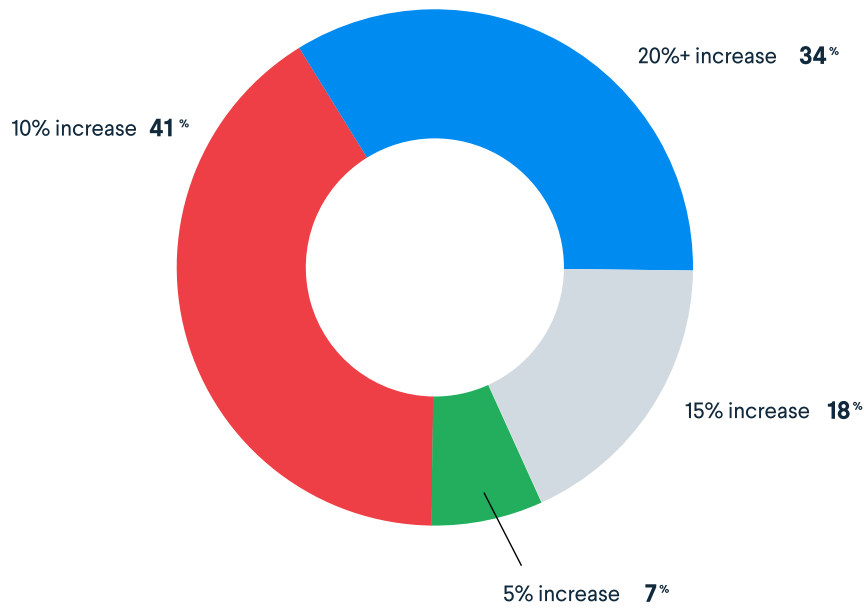
So what would it take to make these potential leavers stay? Our survey found that 44% would stay for more money, 20% would stay for better perks and 17% would stay for better leadership or a change in leadership. While company culture is the number one driver of job satisfaction, strong compensation matters most to Gen Z employees.

What's the one thing it would take for you to stay in your current position and stop looking for a new job?



How much money would do the trick? For a 10% raise, 40% would stay and for a 20% raise, 34% would stay. Given that the majority of those we surveyed make under \$40k, **employers should consider a \$4-8k salary increase to retain Gen Z talent.**

What percentage salary increase would it take for you to stay?

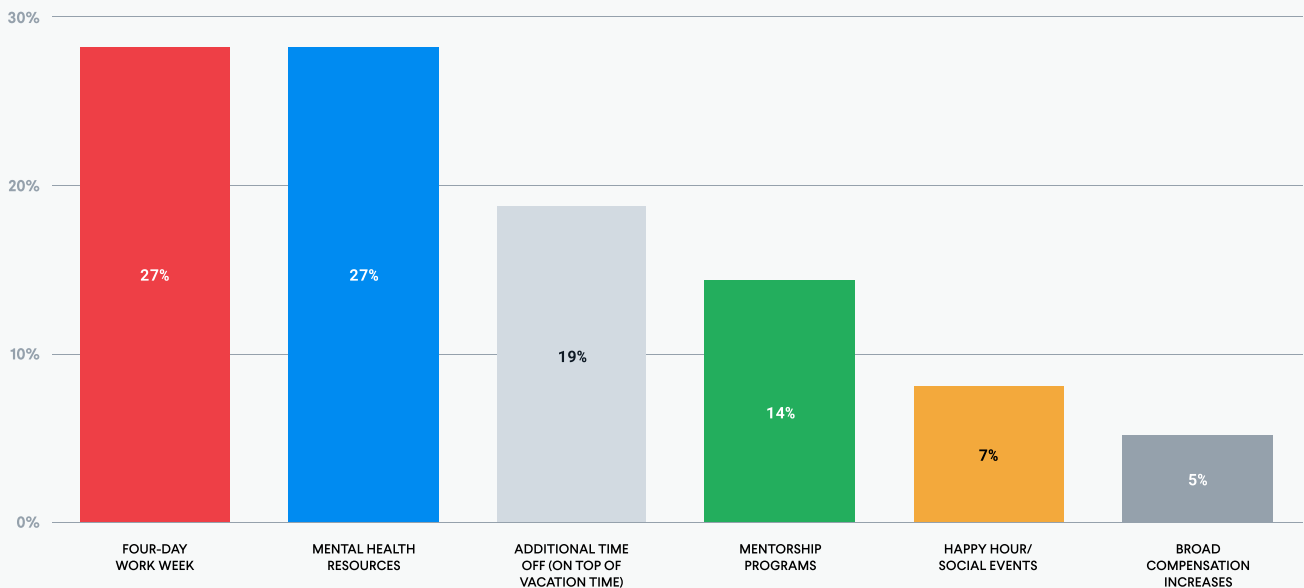


For companies directly addressing the second biggest driver for attrition, burnout, Gen Z employees report that the most effective measures are additional time off (38%) and mental health resources (36%).

When we asked what these employees believe the most effective measures to combat burnout would include, the majority chose a four-day workweek (27%), followed by additional time off (19%) and mental health resources (27%).

The least effective measure in combating burnout? **A higher salary.** A contradiction, sure, but Gen Z is making one thing clear: getting time back for their personal lives is a topic that is on the top of their minds.

What do you believe is the most effective way an employer can manage burnout and stress?



Three takeaways for leading Gen Z

How do you meet the needs of a generation of workers thrown into the proverbial fire?

First, you pay them. Millennials entered the workforce taking unpaid internships to gain experience, but for Gen Z, money talks. Our survey found that not only is the compensation a key driver of employee retention, but nearly half of Gen Z employees would also choose money over happiness when it comes to their job.

Second, you give them a choice. Most Gen Z employees we surveyed prefer remote or hybrid work, citing productivity concerns of working in the office full time. However, 33% of Gen Z employees working in the office report that they enjoy it.

Similarly, many Gen Z employees are happy with the Monday to Friday, 9-5 workweek, but many would rather a four-day workweek, and others would like to choose their own hours. The bottom line is this is not your millennial workforce. They know they can be productive outside of the 9-5 office and forcing them to work in a way they prefer could impact retention.

Third, focus on culture and diversity. Unsurprisingly, this generation cares about alignment with company culture and diversity within the company and at the leadership level. It's important for these matters to be of board-level concern for all companies.

Finally, remember these are largely entry-level employees. Burnout is still prevalent across the board and it's important to help these junior staff navigate things like time management and work-life balance. Invest in mental health resources and encourage time off to recharge.