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Setting up Generation Z for Success

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1. Unlocking Leadership Potential of Gen Z: A Guide for Senior Leaders by Fast Company

From their tech savvy to their commitment to social impact, Gen Z has enormous potential. But their leadership skills and EQ must be developed with intention, these 3 senior leaders say.

Every week, there seems to be another piece bemoaning the "challenges" of Gen Z workers. Many senior leaders feel Gen Zers come across as more frustrating than additive: demanding, questioning, and challenging their managers with nontraditional views of work.

Gen Z's friction-causing approach earns them a lot of flak. But what senior leaders often overlook is their remarkable potential. If we're honest, each of us was overconfident in our views and underskilled in social dynamics when we first entered the workforce. So, in some ways, Gen Z are just like us at their age, and they'll mature—like many of us did.

Here, we inventory Gen Z's special powers as leaders. We also articulate why their strengths will only be fully realized with purposeful support from more tenured leaders, and what that support needs to be.

But some of what annoys us is what also makes them uniquely prepared for success in a transforming global ecosystem. From their technical savvy to their commitment to social impact, these younger workers can be terrific leaders of the future. Says Paul Hastings, CEO of San Francisco biotech company NKarta: "Our Gen Z employees are our greatest asset. But we have a duty to develop them carefully."

Senior leaders must step up to this duty by tapping into Gen Z's strengths, investing in their development, and helping them realize their full potential. That begins with the core skills of effective communication and builds by developing their existing abilities to drive multi-stakeholder models, adapt quickly to changing circumstances, and focus on the bigger picture.
Here are four Gen Z strengths that leaders should lean into:

INFORMED, BUT DEMANDING, DECISION MAKERS
Gen Z has never known a world without the internet. They grew up with instantaneous access to the combined knowledge of humanity. They take for granted having exposure to a diversity of perspectives that previously took a lifetime to experience. They also get angry about what they see as the ethical and environmental failures of older generations. As a result, they expect transparency and accountability on just about everything.

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These impulses are admirable, but they need to be tempered. It may not be helpful to be transparent about a colleague's failings in a group meeting. Accountability can be nuanced and may not rest with one person. The role of more senior executives is to respond to Gen Z's higher expectations but also to coach them on greater EQ, including how to disagree and debate productively.

RESILIENT ADAPTORS

This cohort has come of age in an unprecedented time. They communicate more via devices than face-to-face. Many were hired via Zoom.

According to Jonathan Haidt, author of The Coddling of the American Mind, unsupervised time for children has declined significantly over the past five decades. While many of us were allowed free play as young as 5, the average age that a Gen Zer was allowed to go outside without parental supervision was closer to 11.

Tack onto the social and emotional toll of a global pandemic, and it's not unsurprising that this cohort doesn't approach social interaction in the same way older generations do. Despite this, Gen Z has shown a strong ability to effectively navigate challenges, adversity, and change—a critical capability for tomorrow's workforce.

Ken Banta has observed this in The Vanguard Network's New Leaders programs, where Gen Z high potentials work on leadership challenges in peer settings. Says Ken: "The degree to which they share personal challenges such as mental health issues and ask for constructive feedback is remarkable—and inspiring."

The ability to adapt will drive organizational success: a recent EY report estimates more than 375 million people will need to reskill by 2030. Leaders should nurture this capability to adapt and supplement Gen Z's natural adaptability with formal training on how to apply their capabilities at work.

SOCIAL CHAMPIONS

Gen Z is leading a sea change in workplace dynamics and social impact action.
According to the most recent Edelman Trust at Work report, 93% of employees have been influenced by Gen Z to change their minds about work-life boundaries, fair pay, and their employer's involvement in societal issues. Nearly two-thirds of respondents said that Gen Z coworkers had increased their willingness to pressure their employers to change things they don't approve of. "Gen Z's gravitational pull over colleagues of all ages is actually reshaping the meaning of work and the role work plays in shaping our identity," says Cydney Roach, global chair of Edelman's Employee Experience advisory practice.

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On issues of sustainability, DEI, and hybrid work, Gen Z are in the lead. They aren't just asking for moral and meaningful work—they are demanding it, and winning it.

But senior leaders are often frustrated by Gen Z's impulse to call out issues publicly instead of trying first to resolve them internally. This can be counterproductive.

As leaders, we can show Gen Z how to drive long-term change effectively by building consensus and partnering with internal stakeholders. At the same time, we have to create the space for change and support their initiatives even if they rock the boat.

DIGITAL PRODIGIES

AI is coming for us all. There isn't a job or an industry that won't be transformed in the next few years. By the time most of us master prompt crafting, the AI interface will be fully conversational. Adaptability will define success in the future of work.

In this area, Gen Z truly shines. They are not just keeping up; they are leading the charge. As the rate of change accelerates, their ability to adopt new technologies at speed will be a critical asset. One example: At a leading New York law firm, the CFO has put his earlier-career team members into important roles in developing AI practices and policies. "They know more than I do about this," he says.

So on AI and other new technologies, we need to recognize that Gen Z should take the lead on key dimensions and bring the rest of us along.

But Gen Zs don't know what they don't know, especially fresh to their jobs and unaccustomed to working relationships. For them to truly reach their awesome potential, it will take intentional investment from senior leaders. A focus on mentorship and professional development, especially during the time they are in the office, will be critical to their success.

Debevoise's Craig Fields offers a valuable model. He and his leadership team create detailed schedules for each day that early career colleagues are in the office, focused on collaborative working, shadowing more senior colleagues, and team problem-solving. "We aim to keep these younger colleagues off their email and off their screens when they are in the office," Craig says. With our help investing in developing their strengths and addressing their challenges, Gen Z will become the leaders of the future that we hope for.

2. The Deloitte Global 2024 Gen Z and Millennial Survey (2024)

- The cost of living is Gen Zs' and millennials' top societal concern, but green shoots of optimism for the economy and their personal finances are emerging
- Nearly nine in 10 Gen Zs and millennials say purpose is important to their job satisfaction and they are increasingly likely to turn down work or employers that don't align with their values
- As anxiety about climate change increases, many are actively seeking to align their careers and consumer behaviors with their environmental values
- GenAI is creating uncertainty and influencing career decisions, but positive perceptions of GenAI largely increase with frequent use
- Work/life balance is a top priority, as long working hours drive stress
- Return-to-office policies are yielding mixed results with some reporting benefits like improved engagement and collaboration while others are experiencing increased stress and decreased productivity

New York, NY, USA 15 May 2024—Now in its 13th year, Deloitte's 2024 Gen Z and Millennial Survey connected with nearly 23,000 respondents across 44 countries, examining the evolving circumstances shaping the workplace and the societal experiences of these generations globally.

"This year's survey spotlights two generations who are grappling with financial insecurity, high stress levels, and mounting climate anxiety. They are also considering how rapidly evolving technology, like GenAI, will impact their jobs and their longer-term career decisions," says Elizabeth Faber, Deloitte Global Chief People & Purpose Officer. "But they see reasons for optimism in the year ahead and they continue to push for the changes they want to see, in the workplace and society more broadly."

Economic optimism on the rise despite continued financial concerns
For the third year in a row, the cost of living is Gen Zs' and millennials' top concern. Roughly six in 10 Gen Zs (56%) and millennials (55%) live paycheck-to-paycheck—up five points for Gen Zs and three points for millennials since last year. And around three in 10 say they do not feel financially secure.

Yet, there is cautious optimism that circumstances may improve. Just under a third of Gen Zs and millennials believe the economic situation in their countries will improve over the next year—the highest percentage since the 2020 Millennial Survey, fielded just before the onset of the COVID-19 pandemic. And, nearly half of Gen Zs (48%) and four in 10 millennials (40%) expect their personal financial situations to improve over the next year.

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Purpose is key to job satisfaction
Purpose is key to workplace satisfaction and well-being, according to nearly nine in 10 Gen Zs (86%) and millennials (89%). And increasingly, these generations are willing to turn down assignments and employers based on their personal ethics or beliefs—half of Gen Zs (50%) and just over four in 10 millennials (43%) have rejected assignments. Nearly as many (44% of Gen Zs and 40% of millennials) said they have rejected employers. Reasons for rejecting an employer or an assignment include factors such as having a negative environmental impact, or contributing to inequality through non-inclusive practices, and more personal factors such as a lack of support for employees' mental well-being and work/life balance.

Businesses have an opportunity and the necessary influence to drive climate action
Protecting the environment is the societal challenge where Gen Zs and millennials feel businesses have the most opportunity and necessary influence to drive change. And, as roughly six in 10 Gen Zs (62%) and millennials (59%) report feeling anxious or worried about climate change in the past month, Gen Zs and millennials are using their career decisions and consumer behavior to push for action.

Around half of Gen Zs (54%) and millennials (48%) say they and their colleagues are putting pressure on their employers to take action on climate change, a trend that has increased steadily in recent years. And two in 10 Gen Zs (20%) and millennials (19%) have already changed jobs or industry due to environmental concerns, with another quarter planning to in the future.
As consumers, about two-thirds of Gen Zs (64%) and millennials (63%) are willing to pay more to purchase environmentally sustainable products or services. And many are taking personal actions, or plan to in the future, such as avoiding fast fashion, reducing air travel, eating a vegetarian or vegan diet, or purchasing electric vehicles.

Gen Zs and millennials are uncertain about GenAI, but positive perceptions largely increase with frequent use
Gen Zs and millennials believe GenAI will have a significant impact on their career paths and the way in which they work. Nearly six in 10 Gen Zs (59%) and just over half of millennials (52%) believe the prevalence of GenAI will make them look for job opportunities that are less vulnerable to automation, such as skilled trades or manual labor.

Uncertainty is the top emotion Gen Zs and millennials report feeling when they think about GenAI. The survey also finds that women in particular express greater uncertainty about GenAI than men do and are less likely to feel comfortable working alongside it. A lack of familiarity may accentuate feelings of uncertainty. Gen Zs and millennials who use GenAI at work all or most of the time are more likely to feel trust and excitement than uncertainty. They are also more likely to believe GenAI will free up their time, improve the way they work, and improve their work/life balance.

But, conversely, frequent users of GenAI are also even more likely to have certain concerns, such as believing that GenAI-driven automation will eliminate jobs and make it harder for young people to enter the workforce.

In response to these types of concerns, both generations are focused on reskilling and training. However, only about half of Gen Zs (51%) and millennials (45%) say their employer is sufficiently training them on the capabilities, benefits, and value of GenAI.

Work/life balance is a top priority
Work/life balance remains the top priority for both Gen Zs and millennials when choosing an employer. The ability to maintain a positive work/life balance is also the top thing they admire in their peers, well above other traditional markers of success like job titles and material possessions. Yet many are not achieving the balance they seek. Around a third of respondents who regularly feel anxious or stressed say their job and work/life balance contribute a lot to their stress levels, fueled significantly by long working hours (51% of both generations), and a lack of control over how or where they work (44%).

The last year has seen a continued shift towards more on-site work, with nearly two-thirds of respondents saying their employers have recently implemented a return-to-office mandate, either bringing people back fully on-site or moving to a hybrid model. These mandates have yielded mixed results, with some reporting benefits like improved engagement, connection and collaboration, while others are experiencing increased stress and decreased productivity.

Despite a dip this year, stress and workplace mental health stigma remain
Stress levels and mental health continue to be a concern, although there are some signs of improvement this year. Only about half of respondents rate their mental health as good or extremely good. And up to four in 10 Gen Zs (40%) and millennials (35%) say they feel stressed all or most of the time (down from 46% and 39% in 2023). While work is a big driver of this uneasiness, respondents emphasize their finances and the health and welfare of their family as the top stress drivers.

Employers are making some progress when it comes to better workplace mental health, but there is still much room for improvement when it comes to speaking openly about mental health. Nearly three in 10 Gen Zs and millennials worry their manager would discriminate against them if they raised stress or other mental health concerns, and roughly three in 10 don't believe senior leaders are prioritizing mental health in the workplace.

"Gen Zs and millennials expect a lot from their employers, and from business more broadly. But what they are asking for is what most employees in the workforce, regardless of age, likely want: meaningful work within purpose-driven organizations, the flexibility to balance work and personal priorities, supportive workplaces which foster better mental health, and opportunities to learn and grow in their careers," adds Elizabeth Faber. "Employers who work to get these things right will have a more satisfied, productive, engaged, and agile workforce who are better prepared to adapt to a rapidly transforming world."

3. The Power of Gen Z in the Workplace

- Gen Z employees are influencing other generations of workers in demanding more from their employers.
- Employees are re-examining what work means to them by first considering their personal priorities.
- Organizations must leverage the power of Gen Z in the workplace.

With high levels of trust placed in employers come equally stratospheric expectations from employees. The 2023 Edelman Trust Barometer Special Report: Trust at Work reveals insights on how sweeping these expectations are across geographies and demographics. Gen Z is a catalyst for all generations of workers demanding more from their employers.

In Edelman's seminal 2021 Power of Gen Z brand report, we learned that this generation wields an outsized influence on other consumers of all generations. So in this year's Trust at Work research, we wanted to see if Gen Z also has that "gravitational pull" on colleagues of all generations. Indeed, they do.

Ninety-three percent of employees told us that their 20-something coworkers influence how they think about topics such as work-life boundaries, self-advocacy, fair pay, and work as identity. In other words, Gen Z is helping all generations in the workplace redefine the meaning of work.

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It's fascinating to observe how Gen Z's influence is the convergence point of other findings in this survey. Not only are they demanding more influence at work, but they are also pushing for more meaning at work and serving as change agents in these areas:

Labor union issues. Gen Z and Millennial employees believe that if a large group of employees exert strong pressure, they can get the organization to change almost anything about itself.

This is why you now see an organization's youngest employees initiating labor petitions – not only among deskless worker populations, such as in retail and quick-serve restaurants, but in new sectors of white-collar employees. Older generation workers say that coworkers in their 20s are making them open to unions or labor organizations.

Social issues. Gen Z and Millennial employees engage in conversations about important societal issues with their coworkers more frequently than other generations in the organization. In that way, they are bringing the outside world into the workplace.

Organizational issues. They are also a significant channel, broadcasting about their companies to the outside world. Gen Z employees tell us they're sharing news coverage about their employers on social media at least once a week, and what's more, they're also posting their own content about their company at the same clip. Gen Z workers are leading the way in demanding a workplace reset for all generations. In fact, 72 percent of all employees say it is more important than ever that employers rethink what work really means to employees today. Why this existential question? Employees say, "Because of everything that has happened in the world over the past few years, I am reevaluating how I spend my time." Behavioral scientists say that after a Black Swan event, such as a 9/11 or Covid-19, it is human nature to go back to our "first principles" – this can mean values, beliefs, or priorities. Employees are looking through the lens of their personal priorities to re-examine what work means to them. It's critical that employers tap into that employee sentiment to understand how to create an employee value proposition that resonates in the world today.

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These are some of the ways that employees are indicating they want more impact from their roles and guidance on how employers can make it happen:
- On average, 80 percent of employees want more personal empowerment at work. They are demanding more influence within the organization. They want their knowledge and sentiment around strategy, operations, planning, and culture to not only be heard but to be actioned. Guidance: Build the infrastructure to operationalize worker insights and let their influence be felt at governance levels.

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- When considering a job, 74 percent of employees want their work to help shape the future in a meaningful way. On average, 71 percent of workers want their work to reflect their values, provide a sense of purpose and have social impact. In fact, they say these expectations are so important that they could be a deal breaker when considering a job. Guidance: Build opportunities to connect your people to purpose and social impact via their jobs.
- On average, 83 percent of employees say career advancement – competitive wages, work experience, learning and development, and career opportunities – are extremely important. Guidance: Re-examine your employee value proposition and employer brand to ensure they address these issues that are so critical to attracting and retaining the people who ensure your talent strategy helps drive business performance.

It's clear that employees need to feel like they're making an impact, so show them how the organization is doing that. And don't underestimate younger employees' ability to help you drive actions that build trust. Leverage the power of Gen Z.

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ANY QUESTIONS? WE'RE HERE TO HELP

We exist to support leaders to upgrade their mindset, upskill their leadership, and uplift their teams, to create psychologically safe and high performing teams!

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