Are You Ready for Gen Z in the Workplace?

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SUMMARY

Gen Z (1997-2013) is just now entering the labor market and employers need to be prepared for their arrival. While Gen Zers share many traits with the Millennial Generation, they also bring in new patterns of behavior. Managers today not only have to understand how to best manage youthful, inexperienced employees, but also the unique characteristics of the generation shaped by their experiences. Every generation has its doubts about the younger generation’s culture and technologies. Understanding their behavior and the distinct needs that they have in the workplace will lead to better integration of the new employees and mutual success.

KEYWORDS: human capital, human resource management, improving performance, leadership development, management, management communication, management development, management skills, organizational behavior, leadership

The Post-Millennial Generation also known as Gen Z (1997-2013)¹ is just now entering the labor market and employers need to be prepared for its arrival. Generational or cohort differences in traits occur because the pervasive cultural values and practices change over time.² While Gen Z shares many traits with the Millennial Generation, it also brings in new patterns of behavior. Managers today not only have to understand how to best manage youthful, inexperienced employees, but also the unique characteristics of the generation shaped by their experiences. Every generation has its doubts about the younger generation’s culture and technologies. Approaching generational differences with a blame mentality, which was prevalent with the Millennial Generation, only fosters complaints and derision toward the group instead of focusing on growth-oriented solutions. In addition, every generation is narcissistic, but narcissism is more associated with youth than cultural value differences and diminishes over time with exposure to more life experiences.³ Gen Z has been found to be the most achievement-oriented of the generations.⁴ In addition, Gen Zers have greater economic well-being, are more highly educated, and are more ethnically and racially diverse than any other generation.⁵ However, they are also the least likely to have worked when they

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were young\(^6\) and most likely to suffer from depression and anxiety.\(^7\) To appreciate Gen Z, it is important to understand the formative events that are unique to this generation and how it has shaped them as learners and future employees. The most prominent of these include lack of work experience,\(^8\) the advent of the smartphone and social media,\(^9\) social justice movements,\(^10\) and growing up in a culture of safety.\(^11\) Understanding their behavior and the distinct needs that they have in the workplace, whether a factor of youth or generational difference, will lead to better integration of the new employees and mutual success.

**Lack of Work Experience**

In 1979, 60% of teens held a job, while in 2015, 34% of teens held a job and it is expected to drop to 25% in 2024.\(^12\) Post-Millennials are entering adulthood with less experience in the labor market than prior generations. Roughly one in five 15- to 17-year-olds in 2018 (19\%) report having worked at all during the prior calendar year, compared with 30\% of Millennial 15- to 17-year-olds in 2002.\(^13\) There are several factors that may be contributing to this. First, some measures of economic well-being indicate Gen Zers are growing up in more affluent circumstances than previous generations did. They live in households with higher median household incomes than older generations did when young, so they may not have to work to help the family.\(^14\) Another reason may be greater competition to get into top higher education institutions, so the summer is filled with extracurricular activities and summer enrichment classes.\(^15\) Many lower level jobs are also being filled by unemployed graduates or older workers.\(^16\) Work, especially entry-level jobs, helps teens learn what is expected in the workplace and how to interact effectively with others. Without this early work experience new entrants can often have unrealistic expectations of work, which in turn fosters lower levels of commitment and higher turnover.\(^17\)

**Managing Expectations: A Realistic Job Preview**

Giving new employees a realistic job preview increases motivation and decreases turnover because employees have realistic expectations of both the positive aspects and challenges of the job.\(^18\) This makes them mentally ready to tackle any obstacles that they may encounter. The realistic job preview can help to improve applicants’ decision about job fit. Typical topics that should be presented in the realistic job preview include the following:

- Essential job responsibilities
- Expectations for hours worked, travel, and working conditions
- Top positive and negative aspects associated with performing the job
- Top positive and negative aspects of working for the organization
- The top positive and negative aspects of working for the manager
- Culture, growth, and career path
Managing expectations are crucial as Gen Z employees often have an idealistic picture that the work will be interesting and meaningful, that their managers will want to hear and implement their ideas, that they will have flexibility in the schedule, and that they will enjoy everyone they work with. Many students do have some internship experience, but more frequently than not, they report that their experience was nothing like their “real job” and they are quickly disillusioned wanting to quit within three months. A Gen Z employee of a company I recently worked with admitted that she is in her third job within the year and has realized that her “expectations about work were unrealistic” and that she now has to “buckle down and start putting in the effort needed to work her way up to something better.”

**Managing Expectations: The Psychological Contract**

Complicating matters of organizational entry, new employees have an unwritten set of expectations about the employment relationship that greatly impacts their attitudes, feelings, and behaviors. This is called a psychological contract, and it is what management expects from workers and vice versa. For example, management is expected to pay commensurate with performance; give opportunities for training, development, and promotion; give feedback on performance; and treat employees respectfully. Employees are expected to work hard, develop new skills, follow directions, and be courteous to the boss, clients, and colleagues. Violations of the psychological contract can lead to poor performance, low satisfaction, high turnover, and theft. The psychological contract is unique to each employee-employer relationship because it is based on the two party’s individual perceptions and cognitions shaped by past interactions. As a result, it is important to talk to each new employee to understand that person’s expectations about the work relationship and to manage these expectations. For example, when asked what they want most from their boss in the workplace, Gen Z cited positive attitude (42%) and clear targets (37%), while Millennials stated open communication and feedback (42%) followed by clear targets (38%). Although their Gen X bosses did indicate that they were most likely to offer open communication (42%), they were less likely to offer a positive attitude (33%) and set clear targets (31%).

This will improve the employee’s performance, satisfaction, and commitment while reducing the likelihood of turnover. A meta-analysis of data from 30 case studies over 15 years found that for workers earning less than $75,000 annually, the costs of turnover is 20% of salary. The cost is consistent across jobs at different pay levels, except the highest paying jobs where the cost of turnover is even greater.

**Managing Expectations: Onboarding**

Another important organizational entry tool for companies and managers of new employees is the concept of onboarding. Onboarding can be defined as “all formal and informal practices, programs, and policies enacted or engaged in by an organization or its agents to facilitate newcomer adjustment.” There are
many positive outcomes resulting from effective onboarding practices for both new employees and organizations. These include better performance, retention, satisfaction, commitment, and self-efficacy. Onboarding practices help to reduce the inevitable uncertainty and anxiety newcomers experience, bring greater clarity and understanding to their new role, and help them make sense of their new environment. It also provides them with the necessary tangible (e.g., explicit knowledge) and intangible (e.g., relationships) resources to become fully functioning organizational members effective in their new role. Gen Z’s higher level of fear and uncertainty about the workplace increases the necessity of good onboarding practices. Top companies begin the onboarding process when the offer is accepted and continue to track and report the process of new hires. Only 12% of new employees say their company does a good job onboarding them and 87% say they do not have the optimum level of knowledge and tools necessary to do their job. Gen Zers report that they could have performed closer to their bosses’ expectations if they were given more clear instructions and training on the job. Lack of proper onboarding is cited as the reason that 25% of new employees report that they want to quit their jobs within the first six months.

Some best practices for onboarding new entry-level employees advocated by practitioners and supported by research data include the following:

• **Providing a checklist:** Include a specific timeline, goals, responsibilities, and resources/support available for the first day, first week, first month, and three months. This includes any information, materials, and experiences to help them learn what they need to know to be successful in their new roles and in the organization. Make sure that the manager sets aside time to welcome the new employee and to go over the checklist. Higher education institutions train students to work off a syllabus, checklist, and rubric. Understanding this, managers can present new employees from higher education institutions with a checklist initially. Managers and employees can then have a shared expectation to have employees actively work toward going beyond what is required in the checklist and thinking for themselves.

• **Facilitate communication:** Have Q&A sessions with senior leaders, HR, key staff, and coworkers with whom they will be interacting and are integral to their success in the company. Use technology such as videos and a variety of communication media to introduce information about the company and demonstrate any communication (e.g., Slack) or social networking tools used to facilitate internal interactions. The top learning method for 59% of Gen Z’s is YouTube. Have an orientation program with other new hires to facilitate socialization and get to know coworkers.

• **Reinforce existing culture and sense of purpose:** Explain the significance of their new role and how their presence makes a difference for the team. Reaffirm their decision to join the company. Reinforce the existing culture using success stories, especially stories that communicate effort and persistence, learning from mistakes, and growth and achievement. The more personalized an example the better.
• **Provide feedback channels:** As a manager, set aside a block of uninterrupted time to spend with the newcomer to answer questions and address concerns. Make sure feedback goes in both directions.

My undergraduate students tell me that they are much more likely to be motivated to work hard on an assignment if their manager explains why it is important, especially to their future growth and achievement. Gen Zers, characterized as very achievement-oriented, desire ongoing professional development and opportunities for promotion in their company (77% in the United States, 63% worldwide). Younger Millennials and Gen Zers say a top benefit they want from their employer (#1 and #2, respectively) is to have their ideas valued while older Millennials ranked this as #4 behind health insurance (also important to Gen Z), work-life balance, and vacation. The undergraduate students say they will not respect their manager if they feel disrespected. Disrespect to them is not listening to their ideas or being dismissive of their ideas. They also will consider employment decisions unfair if they do not fully understand the process and procedures used to make those decisions, such as project assignments and promotions. This is not novel to Gen Z as research in the field of procedural justice indicates that the perceived fairness of procedures and how one is treated greatly affects a person’s workplace satisfaction, performance, commitment and trust, as well as self-esteem.

**Diversity, Equity, and Inclusion**

The notion of equality is important to Gen Z, with 91% believing that everyone is equal and should be treated that way. Issues surrounding diversity, equity, and inclusion are more salient than in any other generation. Gen Z is also the most racially and ethnically diverse generation, as a slight majority of 6- to 21-year-olds (52%) are non-Hispanic whites. Although Gen Z feel passionately about issues of social justice, they are more likely than any other generation to support free speech restrictions and, on campuses, to disinvite speakers who do not support their point of view. The shift in government guidelines in 2013 broadened the definition of sexual discrimination harassment, suggesting that harassment does not have to be “objectively offensive” to warrant complaints. It demands colleges take action against alleged aggressors even before judicial hearings are held. The result of the policy is that Gen Z has to rely on their own subjective feelings of justice to decide whether a comment is unwelcome and grounds for a harassment claim. Organizations and managers are now tasked with clarifying what speech and behavior is acceptable in the workplace. The controversy at Google over the internal memo on gender equity and subsequent firing of the memo’s author is a good example of the challenges ahead for companies with regard to free speech and protecting against perceived and real bias.
Managing a Diverse and Inclusive Workforce

Antiprejudice campaigns that exert strong pressure on people to be nonprejudiced appear to backfire, yielding heightened levels of prejudice.53 Unconscious or implicit bias training programs, promoted at Google and popular in higher education institutions, may lower the threshold for what is offensive. This results in employees perceiving subtle signals of prejudice where there are none.54 Such training can lead to an increase in tension among employees and false claims.55 It can also cause an increase in anxiety and depression.56 A female employee had said to me she used to like her job, but after implicit bias training she is “hypervigilant and sensitive to the smallest potential slights” so she cannot help but feel slighted every day and is thinking of quitting. Instead, introducing expectations of positive behaviors in the workplace and reinforcing those behaviors will lead to more effective interactions and discussion among diverse groups rather than suggesting that everyone is biased and therefore biased in their interactions.57 Workshops can encourage personal valuing of diversity and equality by examining the benefits to both the individual as well as the organization of having a diverse and fair workplace.58 Programs that promote procedural justice also increase positive feelings toward the company, job satisfaction, organizational commitment,59 and self-esteem.60 In addition, training in negotiation and conflict resolution skills teaches participants how to manage emotions, engage in a positive dialogue, build trust, develop relationships, and manage conflict in order to create value and work toward mutually satisfying agreements.61

Anxiety and Depression

Gen Z is significantly more likely to report their mental health as fair or poor as compared with all other generations.62 They have the highest rate of diagnosed depression followed by anxiety.63 Only half feel they do enough to manage their stress while 25% say they do not feel they do enough.64 Sixty-seven percent of Gen Z in the United States and 85% worldwide say that stress prevents them from taking on leadership responsibilities.65 Considering these statistics, companies may consider putting more resources into their health and wellness programs. Support groups and some interventions that focus on teaching general psychosocial skills have been found to increase overall well-being66; 73% of Gen Zers feel that they could have used more emotional support in the past year.67

Fostering Autonomy

Gen Z is unique in growing up with a culture of safety where overprotective parenting inadvertently took away their opportunity to learn life skills.68 This interfered with their social, emotional, and intellectual development, making it difficult for them to become autonomous adults, able to navigate the challenges of life, let alone the workplace. Becoming autonomous involves learning how to make responsible decisions and take actions in ambiguous and uncertain situations. Parents can foster autonomy in their children by loosening control,
having them make choices, and allowing them to take on more responsibility while not shielding them from unpleasant facts or outcomes. Autonomy is also facilitated by role modeling of parents who convey stable and consistent values demonstrating a congruence between beliefs and actions. Similarly, in the workplace, autonomy can be fostered by managers showing trust and support for new employees to make decisions, allowing them to take eventual ownership over projects and have greater control over their time management and how they complete tasks. There should be a shifting ownership in the process and accountability for the outcome from the manager to the employee, where the manager models what good processes look like and gives the tools and resources as needed to the employee to succeed.

**Fostering a Growth Mindset**

Parents are raising kids to stay kids longer, a “slow life strategy,” because there is less of a need for modern teens to become adults. Growing up more slowly combined with protection from life’s adversity detrimentally impacts this generations’ development and ability to cope. In her more than 20 years of research on mindsets, Carol Dweck has definitive evidence that protecting children from failure, removing obstacles for them, and only giving positive feedback can have lasting effects on their ability to cope in the workplace and life. Furthermore, overprotecting children can lead them to having a fixed mindset, where they have a desire to look smart and are fearful of showing they are not competent because they see intelligence and abilities as fixed traits. In the workplace, employees with a fixed mindset are unwilling to take on more challenging work. They hide or blame others for mistakes and avoid asking questions so as not to appear unknowledgeable. They ignore useful feedback and become defensive when given constructive advice, which they see as unfair criticism and are threatened by others’ success, seeking allies to complain about the boss and/or company to shore up their self-esteem. Those with a growth mindset believe intelligence and abilities can be developed and have a desire to learn. This leads them to embrace challenges, persist despite obstacles, see effort as a path to mastery, and learn from criticism. They are inspired by others’ success. Those with a growth mindset are also much more engaged employees.

Gen Z cites the fear of failing in a leadership role (34%) and a lack of confidence required to lead (33%) as the main reasons they would not take on more leadership responsibility in their roles. The concern for new managers is to recognize and then develop those who have a fixed mind set to have a growth mindset. According to Dweck, mindsets can be changed but it requires coaching. So what can you do to help your new employees develop a growth mindset? Dweck’s research suggests the following:

- Present skills as being learnable and that everyone is learning on the job.
- Convey on multiple occasions that the organization values learning, effort, and perseverance, and that mistakes are inevitable but can and should be learned from. Remember to praise for effort and initiative and not just results.
• Create a culture where feedback is seen as valuable. Acting on feedback is seen as helping them to achieve their goals and will be met with greater opportunities to move up in the company. Coach employees to seek both positive and constructive feedback, not just from their managers but from their peers.

• As their manager, present yourself as a resource and coach for learning—share your own mistakes and what you have learned from them.

Some companies have promoted a culture of experimentation which includes “safe to fail” challenges, helping them exercise their strategic thinking and risk taking in a safe environment. In addition, my students indicate they are more willing to take on challenges and ask their manager for help if the managers tell their personal stories of overcoming a failure and how that has helped them to grow professionally and achieve success. Just listening, understanding, sharing stories and then setting some developmental goals together can make a big difference not only in the quality of the relationship but in effort, attitude, and quality of work performed. Forty-two percent of Gen Z say they want their boss to have a positive attitude and 33% want open communication; 35% of Gen Z also say they expect “motivating behavior” from their manager, but only 25% of Gen X managers say they offer this. Closing the gap may reduce conflict and increase employee success.

**Workplace Coaching**

More and more is being expected of modern managers. Workplace coaching is a one-on-one, custom-tailored learning and development process that uses a collaborative, reflective, goal-focused relationship to achieve professional outcomes that are valued by the coachee. It is gaining widespread acceptance in the workplace as many organizations realize that technical expertise is no longer enough. Managers are now expected to relate to their team members in a way that maximizes their engagement, well-being, and performance, while also facilitating personal change. Coaching has been found to provide emotional support and to reduce stress of employees. It helps in goal attainment as well as increased psychological and workplace well-being. Gen Zers say they prefer collaborative learning rather than a “telling” approach. Consultative coaching helps employees explore alternatives and challenges the employee’s thinking by asking the employee questions rather than telling them what to do.

The coaching process typically facilitates goal attainment by helping employees:

• Identify desired outcomes
• Establish specific goals
• Enhance motivation by identifying strengths and building self-efficacy
• Identify resources and formulate action plans
• Monitor and evaluate progress
• Modify action plans where necessary

Coaching may be a short “hallway” conversation or more lengthy formal session. Coaching can focus on developing a specific skill set to improve performance or enhancing emotional competencies to increase engagement and well-being.

**Communication Skills**

Companies are seeking employees who have the ability to communicate and interact effectively with others. Communication skills include both what is said during a social interaction and how it is said. This includes choice of words and phrases, appropriate facial expressions, tone of voice, body language, and eye contact. Employees’ social effectiveness depends on their ability to read, understand, and control social interactions, and it is related to job performance. The advent of the smart phone has had a significant impact on social interaction among this generation. The introduction of smart phones has been shown to reduce the amount of face-to-face interactions that teens have with each other. Technology plays a central role in Gen Zers’ lives, from socializing to schoolwork, entertainment to exercise, relaxation to reference. This can impair their ability to effectively communicate and interact with others, including the older generation, in the workplace. When asked on a typical day whether they communicate more in person or digitally, Gen Z and Millennials reported they communicate 74% digitally and 26% in person. Face-to-face communication fosters the development of interpersonal synchrony and rapport, leading to more trusting, cooperative behavior. By relying on text messaging primarily for their interaction, Gen Zers have missed out on learning some vital rules of conversation. This includes how to listen, ask questions, interject in a way that is seen as respectful to others, build relationships, problem solve in real time, and resolve conflicts. For example, when a message is complex or when there is conflict involved, it is best to use face-to-face interaction. However, Gen Zers are more comfortable using technology to communicate, even when the use of technology is not appropriate.

**Fostering Communication Effectiveness**

Smartphone-related patterns of communication will continue into the workplace unless the manager helps the new employee adapt to different modes of workplace communication and understand why relying on e-communication is not the most effective. Managers would be wise to address when and how to use each of the different communication mediums. They need to explain the level of formality in language expected with different constituents. For example, is slang permitted and if so, when? What about the use of emojis? Companies
rate communication skills, critical thinking, and ability to apply knowledge to the real world as the most important skills for recent graduates, yet find a serious lack of preparedness in these areas.\textsuperscript{100} Evidence suggests that the development of social skills increases an employee’s self-esteem, autonomy, and more importantly for Gen Z, their ability to cope with stress while also reducing anxiety, depression, and frustration.\textsuperscript{101}

\section*{Moving Forward}

Managers face special challenges with the new generation of employees because Gen Z is not as prepared for the realities of the workplace as past generations. It is important for managers to understand the factors that have influenced Gen Zers to think and behave as they do. These factors include a lack of work experience, the advent of the smartphone and popularity of social media, social justice movements, and growing up in a culture of safety. Understanding their behavior and the distinct needs that they have will help managers to better integrate the new employees into the workplace for mutual success. Managers can best prepare the Gen Z employees for the workplace by taking time to help manage their expectations. This can be done by providing them with a realistic job preview during the job interview process so they understand both the positive aspects and challenges of the job. This helps them decide whether the job would be a good fit and allows them to mentally prepare for any obstacles they may encounter in the workplace. Upon arrival into the company, the manager and employee should engage in a psychological contract, which is a more detailed agreement of mutual expectations for the manager-employee relationship. In addition, employees will perform closer to their managers’ expectations if they are properly on-boarded, provided checklists of performance goals and resources as well as an orientation program to facilitate internal communications. To reduce anxiety in the workplace, managers can help new employees gain a sense of autonomy by allowing them to take greater ownership of projects and make more of their own decisions over time. Furthermore, managers can foster a growth mindset in their employees by emphasizing learning on the job and creating a culture where feedback is valued and acted upon. Ultimately, a manager acting as a coach to guide the employee and provide emotional support reduces stress and anxiety of employees while helping them in their development. By employing these strategies, managers can successfully integrate their new employees into the workplace, increasing workplace satisfaction and productivity, while reducing costly turnover. While some companies were caught off-guard by the arrival of the Millennials, it is not too late to prepare for Gen Z.

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Notes

1. Michael Dimock, “Defining Generations: Where Millennials End and Generation Z Begins,” Pew Research Center, January 17, 2018, http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where-millennials-end-and-post-millennials-begin/. Pew Research Center decided to use 1996 as the last birth year for Millennials. Anyone born from 1997 onward is part of a new generation. The generational cutoff points are not an exact science but the boundaries are also not arbitrary. There is no agreed upon formula for how long that span should be. The 16 years selected is the equivalent span of Millennial and Generation X, with Baby Boomers being slightly longer at 19 years; 1996 is considered meaningful by the Pew Research Center because research has shown the launch of the smart phone in 2007 has led to dramatic shifts in behaviors, attitudes, and lifestyles.


3. Ibid. According to the Pew Research Center, generational cohorts help researchers understand how different formative experiences—such as technological, economic, and social shifts—interact with the life cycle and aging process to shape people’s views of the world. There is longitudinal data for only a subset of the issues the paper addresses because researchers are just beginning to study the new generation.


6. Ibid.


8. Fry and Parker, op. cit.


11. Lukianoff and Haidt, op. cit.


13. Fry and Parker, op. cit.

14. Ibid.

15. Twenge, op. cit.


20. Ibid.


32. Bresman and Rao, op. cit.


35. Schroth, op. cit.


40. Bresman and Rao, op. cit.


47. Twenge, op. cit.

48. Fry and Parker, op. cit.

49. Ibid.
51. Lukianoff and Haidt, op. cit.
56. Lukianoff and Haidt, op. cit.
57. Ibid.
60. See https://executive.berkeley.edu/programs/negotiation-and-influence.
62. Ibid.
63. American Psychological Association, op. cit.
64. Bresman and Rao, op. cit.
67. Lukianoff and Haidt, op. cit.
69. Ibid.
73. Dweck, op. cit.
74. Ibid.
76. Bresman and Rao, op. cit.
77. Ibid.
86. Barnes & Noble College Insights, op. cit.
90. Deming, op. cit.
91. Twenge, op. cit.
92. Ibid.
95. Ibid.