



THE INFORMATION CENTER

Trend Brief: Generation Z, The Future Workforce

Generation Z: Why They Matter

Generation Z is entering the workforce and will soon account for over a third of the global population.¹ Some estimates say that in a few years they will make up a quarter of the global workforce.² Organizations that understand Gen Z and their drive and motivation will be well-positioned to ensure their successful inclusion within multi-generational workplaces and reap the benefits they bring to the workforce.

Who Is Generation Z?

Born after 1996, Gen Z is the generational cohort following Millennials and has also been called post-Millennials, iGeneration, Gen Edge, and the Sharing Generation.³ As digital natives, they have never lived in a world without the internet and are bringing both their technological experience and their technological expectations to the workplace. They grew up during the Great Recession, have witnessed the widening wealth gap contribute to greater income inequality, and have experienced a sharp increase in higher education tuition rates.⁴ At the same time, their college enrollment rates are surpassing those of previous generations.⁵

Generation Z has less work experience but more education than previous generations.

- There are fewer members of Gen Z and Millennials in the European labor force since more young people are entering the workforce later in pursuit of tertiary education.⁶

Generation Z also expects education to prepare them for the future.

- 36% of Gen Z said educational institutions are responsible for preparing future workers.⁷
- While Gen Z places increasing value on higher education, they have expressed reluctance to take on student loan debt.⁸

Generation Z Defines Diversity Broadly

In the United States, Gen Z, made up of 52% non-Hispanic whites in 2018,⁹ is the most ethnically and racially diverse generation. A majority of Gen Z in the US (62%) say that increased diversity is good for society.¹⁰

In a global survey, Gen Z talked about diversity involving a spectrum of differences. Tolerance, inclusiveness, openness, respect, individuality, and diverse ways of thinking appeared in

definitions of diversity almost as often as more traditional markers such as gender, race, and other demographic distinctions.¹¹

Generation Z Expects Organizations to Embrace Diversity and Inclusion

In one global survey, Gen Z respondents were more likely to stay with organizations they perceived as having a diverse and inclusive workforce.¹² **Diversity of educational background** was the top area Gen Z respondents said organizations need to work on followed by **age**, **ethnicity**, and **gender**.¹³

Impact on the Future Workplace

Social Values and Making a Difference

In a US survey, most Gen Z respondents said it was important for them to work for a company that allowed them to make a difference and aligned with their social values.¹⁴ However, a recent Deloitte study shows that Gen Z believes that businesses are not making the degree of social impact they expect.¹⁵

- **Climate change** and its environmental impacts are among Gen Z's top concerns. Nearly three-quarters (more than 70%) of respondents to a Harvard poll said it is a problem and two-thirds (66%) think it is "a crisis and demands urgent action." They also believe **climate change is a global problem**.¹⁶
- Generation Z takes a **non-binary view of gender**. In the US, more than a third (35%) of Gen Z said they personally know someone who uses gender-neutral pronouns.¹⁷
 - More than half (59%) of Gen Z support creating forms and documents that contain options other than "man" or "woman".¹⁸
- In Brazil, more than half of Gen Z supports **same-sex marriage** (53%) and **same-sex partner adoptions** (60%).¹⁹

Organizational Culture

This large, diverse generational cohort is beginning to impact the organizational cultures of the workplaces they enter. Gen Zers are **likely to be loyal to organizations with a positive workplace culture**.²⁰ To retain talented members of this generation, organizations will need to examine their values and policies, from diversity to manager behavior to sustainability, as key retention tools.

The majority of Gen Z (two-thirds) rated **equal opportunities for pay and promotion** and **learning and career advancement opportunities** as the top two factors that build trust with their employer.²¹ Inclusion and ethical behavior were also important for building trust with their manager. For women, an inclusive manager was more important than for men, but the majority of women and men in the US (83%) cited ethical behavior by their manager as a "very important" factor in building trust.²²

A **positive work culture** is also a top demand of GenZers. When job hunting, over half rated it the most important factor, followed by **compensation, flexibility, and continuous learning opportunities**.²³

The Future at Work

Workplaces must be ready for the priorities of the newest and soon to be largest generational cohort. Catalyst research on the future of work reveals common values and a shared desire on the part of employees, shareholders, and customers to see social issues effectively addressed by organizations and leaders. An organization that is not only diverse but inclusive across all levels of its leadership structure will become key to attracting Gen Z workers.²⁴ Organizations that meaningfully prioritize the gender pay gap, ensure all employees have an equal path to promotion, and take a stand on social concerns such as climate change can expect to have more success at harnessing and retaining Gen Z talent as they enter the workforce.

Note: Catalyst cautions against making comparisons between generations, noting that empirical research has not regularly found support for differences between generational cohorts.²⁵ These comparisons are frequently stated or implied in non-empirical research, but without noting the statistical significance of any between generation comparisons. As such, generational comparisons without valid statistical support can lead to myths, stereotypes, bias, and discrimination between generations at work. Descriptive data used in this piece provide a snapshot of Generation Z only and should not be used to demonstrate differences between Gen Z and other generations.

¹ Karianne Gomez, Tiffany Mawhinney, Kimberly Betts, Kerri Sapp, Ahmed Brown, and Kara Santner, [Welcome To Generation Z](#) (Network of Executive Women and Deloitte, 2019).

² Marcie Merriman, [“Is Your Business Ready for Gen Z?”](#), EY, May 28, 2018; Marcie Merriman, [“Will Tech Addiction Mean the Rise or Demise of the Gen Z Workforce?”](#), Quartz, August 22, 2019.

³ Depending on the source, the names of the Generations and the dates they were born between tends to vary. Michael Dimock, [“Defining Generations: Where Millennials End and Generation Z Begins,”](#) Pew Research Center Fact Tank, January 17, 2019; Jeff Desjardins, [“Generation Z: What to Expect from the Newest Addition to the Workforce,”](#) World Economic Forum/Visual Capitalist, February 19, 2019; Bridgeworks, [Connecting with Three Generational Segments in the Workforce](#) (2017); Trine Sofie Tveen Nielsen, [“Generation Z and Its Implications for Educational Institutions and Employers,”](#) Higher Education Digest, July 12, 2019.

⁴ Karianne Gomez, Tiffany Mawhinney, Kimberly Betts, Kerri Sapp, Ahmed Brown, and Kara Santner, [Welcome To Generation Z](#) (Network of Executive Women and Deloitte, 2019).

⁵ Richard Fry and Kim Parker, [“Early Benchmarks Show ‘Post-Millennials’ on Track to Be Most Diverse, Best-Educated Generation Yet,”](#) Pew Research Center, November 15, 2018.

⁶ Michela Coppola, Steve Hatfield, Richard Coombes, and Christopher Nuerk, [Voice of the Workforce in Europe: Understanding the Expectations of the Labour Force to Keep Abreast of Demographic and Technological Change](#) (Deloitte Insights, 2018).

⁷ Deloitte, [The 2019 Deloitte Millennial Survey](#) (2019).

⁸ Andrew Josuweit, [“5 Reasons Generation Z Will Be ‘Generation Smart’ About College,”](#) Forbes, March 21, 2018.

⁹ Richard Fry and Kim Parker, [“Early Benchmarks Show ‘Post-Millennials’ on Track to Be Most Diverse, Best-Educated Generation Yet,”](#) Pew Research Center, November 15, 2018.

¹⁰ Kim Parker, Nikki Graf, and Ruth Igielnik, [“Generation Z Looks a Lot Like Millennials on Key Social and Political Issues,”](#) Pew Research Center, January 17, 2019.

¹¹ Deloitte, [2018 Deloitte Millennial Survey](#) (2018).

¹² Deloitte, [2018 Deloitte Millennial Survey](#) (2018).

¹³ Deloitte, [2018 Deloitte Millennial Survey](#) (2018).

¹⁴ Bridgeworks, [Connecting with Three Generational Segments in the Workforce](#) (2017).

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- ¹⁵ Deloitte, [The 2019 Deloitte Millennial Survey](#) (2019): p. 11.
- ¹⁶ Otto Barenberg and Sofía Corzo, "[Generation Z Is Not Afraid](#)," *Harvard Political Review*, April 22, 2019.
- ¹⁷ Kim Parker, Nikki Graf, and Ruth Igielnik, "[Generation Z Looks a Lot Like Millennials on Key Social and Political Issues](#)," Pew Research Center, January 17, 2019.
- ¹⁸ Kim Parker, Nikki Graf, and Ruth Igielnik, "[Generation Z Looks a Lot Like Millennials on Key Social and Political Issues](#)," Pew Research Center, January 17, 2019.
- ¹⁹ Tracy Francis and Fernanda Hoefel, "['True Gen': Generation Z and its Implications for Companies](#)" (McKinsey & Company, November 2018).
- ²⁰ Deloitte, [2018 Deloitte Millennial Survey](#) (2018).
- ²¹ Jaime Paldin and Armando Diaz, *Could Trust Cost You a Generation of Talent?* (EY, 2016).
- ²² Jaime Paldin and Armando Diaz, *Could Trust Cost You a Generation of Talent?* (EY, 2016).
- ²³ Deloitte, [2018 Deloitte Millennial Survey](#) (2018).
- ²⁴ Lauren Pasquarella Daley, PhD, [Women and the Future of Work](#) (Catalyst, 2019).
- ²⁵ Emma Parry and Peter Urwin, "The Evidence Base for Generational Difference: Where Do We Go From Here?," *Work, Aging, and Retirement*, vol. 3, no. 2 (2017): p. 140-148.