

RESEARCH BRIEF



# The Unlock: Leading Gen Z in the Workforce

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Monthly Report



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# Introduction

As of this year, Gen Z outnumbers Baby Boomers in the workforce, and by 2025, this group will represent 30% of the global workforce. **While no generation of workers is truly monolithic, considering the context in which Gen Z has come of age is essential to understanding what motivates, frustrates, and inspires this emerging group of workers and leaders who are, and will continue to be, critical to workforce productivity.**

In idealis' recent podcast, The Unlock, Sumona De Graaf, Founder and CEO of idealis, spoke with Tony Buffum, Vice President of HR Client Strategy at Upwork, about Gen Z employees and their adoption of a "gig worker mindset." Gen Z has exposure to a far wider variety of career options and ways of working than past generations, who pursued more traditional paths of employment. Partly as a result of this changing workplace landscape, this group of emerging talent often feels less connected to their employers than their older colleagues.

This detachment fuels disengagement, driving "The Great Disconnection," where employees quietly quit by disengaging without leaving their roles.

Lack of engagement is costly - to productivity, performance and culture. Studies have shown that disengaged employees can cost companies up to 18% of their annual salaries. Globally, employee disengagement translates to a staggering \$8 trillion loss in productivity. Companies cannot afford this, particularly in resource constrained environments. Most companies rely on new, emerging and junior talent to get critical tasks and activities done, and to be trained to fill the future bench of leaders.

This generation's fresh perspectives and digital fluency have the potential to reshape industries. However, to leverage this potential, leaders need to address what is missing in their experience. In a recent conversation at the Coqual 2024 summit with over a hundred talent executives, a provocative question was posed by a leader: "Is Gen Z not ready for the workforce, or, is the workplace not ready for Gen Z?"

# Getting to know Gen Z

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**Gen Z typically refers to the generation born between the mid-1990s and the early 2000s, although in this research brief, we will focus on those born between 2000 and 2006 (18-24 year-olds). The most notable and obvious thing that this generation has in common, and which is truly distinct from previous generations, is that they are the first true “digital natives”, having come of age in a world with the internet, social media networks, and, now, unprecedented AI technology.**

Although research on what drives Gen Z remains limited, and cannot be said to represent all Gen Z individuals, a few key findings have emerged - some of which are unique to Gen Z in the workplace, and some of which they share in common with their predecessors entering the workplace. We hear leaders make the argument about whether generational differences are truly about generations or about age and maturity. We think the answer is: it's both. Some of Gen Z's perspective is tied to their current lack of experience given their age. However, Gen Z also offers a unique outlook, which has been shaped by societal forces which they have been exposed to throughout their lives - which are, indeed, unique to each generation.

Thanks partly to their digital connectivity, Gen Z is deeply aware and plugged into what is happening in the world around them. They care more about ethical consumption, desire meaningful work, and are driven by the opportunity for further skill development.

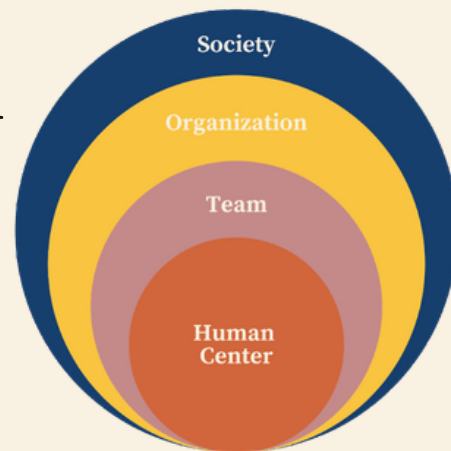
A Pew Research Center report from January 2024 highlights that Gen Z is the most racially and ethnically diverse generation in U.S. history and also boasts the highest (44%) enrollment rate in higher education. This likely shapes their value for social consciousness, equity and inclusion.

Gen Z is coming of age in a post-pandemic world, where workers of all generations are struggling to find their ideal work-life balance in a hybrid work world; for these workers, completing their education and transition into the workplace over Zoom may have come at the cost of developing some of the human skills which are essential in the workplace. They are trying to make long-term career and financial decisions in the middle of a climate crisis that is threatening the structures of society as we know it. And they have been a part of, driven, and led incredible social movements, which have reaffirmed their commitment to social justice initiatives.

Tech-savvy, idealistic, and purpose-driven, Gen Z has entered the workforce in a world transformed by the pandemic and experiencing rapid change and disruption at unprecedented rates. The norms of work have changed, and so have the expectations of this new generation. Despite companies' initial efforts to adapt to Gen Z's values, many struggle to attract and meet the expectations of these young workers—leading to talent gaps, disengagement and attrition.

## Keeping Gen Z Engaged

Gen Z's fluency in technology, desire for meaningful work, and demand for flexibility and inclusivity can be **powerful assets for companies**. When their needs are met, these workers can thrive, driving innovation and growth. Conversely, a lack of engagement leads to lost **productivity, missed opportunities for value creation, and high turnover**. Considering the dollars spent on hiring early career talent in most companies, losing this talent creates a spin cycle of attracting, recruiting, onboarding, and offboarding talent, which adds significant cost to organizations. Leaders who understand what drives Gen Z will not only create a work environment where this generation's potential flourishes, but also retain, engage, and educate top performers early in their careers. The potential benefits for both workers and their companies are manifold, and they will only increase in the long term.



**idealis' human-centered leadership model**

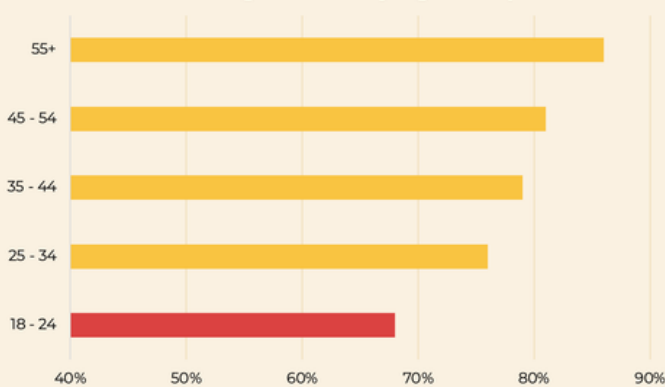
The Pulse of the U.S. Workforce offers leaders a lens into the mindsets of Gen Z. It measures 12 drivers of workplace satisfaction, spanning from individual well-being ("the human center") to broader societal trends ("society"). This comprehensive approach helps leaders pinpoint where and how to support their Gen Z talent.

# What Gen Z Workers Are Saying

Our latest data reveals specific areas where employees ages 18-24 feel dissatisfied with their work experience:

- **Skill Development:** One-third of U.S. workers aged 18-24 report a lack of skill development opportunities.
- **Manager Relationships:** 40% of 18-24-year-olds feel their managers don't care about them as individuals.
- **Meaningful Work:** One in three say their work does not feel personally meaningful.
- **Job Satisfaction:** 35% have reported feeling unhappy in their current roles.
- **Leadership Inspiration:** 44% would not want to emulate their managers' leadership style.
- **Job Security Concerns:** Two-thirds express worry about their current job situation.

Meaningful Work by Age Group



# What Leaders Can Do: Targeted Solutions

To address these concerns, senior leaders must prioritize actionable strategies that align with the needs of Gen Z workers. Here's how:

- Prioritize Direct Engagement:** In hybrid and remote settings, young employees often feel isolated from their managers. Leaders can implement structured touch-points, such as regular one-on-ones or small group discussions, to remedy this disconnect. If in-person, prioritize manager presence on-site when possible. For remote teams, **establish clear communication channels and consistent virtual check-ins.**
- Strengthen Social Impact Initiatives:** Gen Z is drawn to organizations that have a clear societal mission. Make your company's social contributions **visible and meaningful.** Engage Gen Z workers in these initiatives directly, whether through volunteer opportunities, community partnerships, or internal discussions about social impact. Most importantly, **make it personal.** Sponsoring global and national causes is important, but so is raising support for a co-worker who lost everything in a natural disaster. **This ethos in action** will build loyalty and drive engagement and social connection with purpose.
- Create Purposeful Flexibility:** While hybrid work is becoming a standard expectation in today's workplace, it's crucial to balance flexibility with structure. Establish routines for remote or hybrid environments that include opportunities for team interaction and development. Ensure that flexibility doesn't mean a lack of connection, but rather an opportunity for autonomy within **a well-defined framework.** Expectations need to be clear around this from the outset and consistent accountability for these across the entire team is crucial. Our latest *Back to Center* newsletter explores the topic **"How We Work"**, diving into current discussions about workplace modality; whether working from home, hybrid, or fully in person fosters more productivity and engagement. This conversation is especially relevant to the younger workforce. Check it out to learn more about creating purposeful flexibility for your workforce.
- Prioritize Inclusion Efforts:** Gen Z has been vocal about the need for diverse and inclusive workspaces. **Go beyond surface-level commitments**—invest in programs that drive true cultural change. This could include mentorship programs that connect Gen Z employees with leaders from diverse backgrounds or transparent reporting on diversity metrics and progress. Most important to this generation of employees - **do not be performative in your commitment to DEI.** If you don't walk the walk, your workers will quickly question organizational integrity and mission.
- Leverage Gen Z's Digital Expertise:** This generation brings a wealth of knowledge in digital communication and innovation. Create forums where Gen Z employees can share their insights on emerging technologies or social media trends. These perspectives can be invaluable in **refining your company's digital strategy and keeping it competitive.** That said, don't solely rely on them as the token "digital experts", but also take steps to demonstrate that the company as a whole is embracing new ways of using technology.
- Invest in Career Pathways and Upskilling:** Address the gap in skill development by offering tailored learning and development opportunities. Implement structured mentorship programs, career coaching, or online learning platforms to help younger workers acquire the skills they value. Leaders should communicate a **clear path for growth within the organization,** showing how developing specific skills can lead to greater responsibility.
- Cultivate a Real-Time Feedback Culture:** Create a feedback-rich environment where Gen Z employees can receive frequent and constructive feedback from their managers. Consider leveraging digital tools for pulse surveys, allowing employees to voice their concerns and aspirations regularly. This helps leaders stay connected to the sentiments of their teams and adjust strategies swiftly. Most importantly, **if you ask for their input or feedback, close the loop** by sharing back important insights gained or action steps based on the feedback.
- Personalize Recognition Programs:** Gen Z appreciates being recognized for their contributions, but generic recognition programs often miss the mark. Develop **tailored recognition programs that reflect the individual strengths and interests of young workers.** This could be as simple as public acknowledgment of achievements or customized rewards that align with their values and interests.
- Offer Mental Health and Well-being Support:** This generation places a strong emphasis on mental health and wellness. Beyond offering standard benefits like Employee Assistance Programs (EAPs), consider implementing mindfulness sessions, stress management workshops, or wellness stipends. **Encourage leaders to model a culture of well-being by taking breaks and setting boundaries around work hours, which can help normalize these practices across the organization.**
- Ensure Clear Purpose Alignment:** Integrate company mission and purpose into daily operations to make day-to-day work feel more meaningful and connected to a larger purpose. **Use internal communications, town halls, or team meetings to consistently reinforce how the work contributes to the larger goals of the organization and the broader impact on society.**

“The norms of work have changed, and so have the expectations of this new generation.”

## Conclusion: Empowering Gen Z for Long-Term Success

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To attract, engage, and retain Gen Z workers, organizations must align with their evolving values. This generation is not just looking for a paycheck; they seek purpose, connection, and a workplace that cares for their well-being and societal impact. By fostering a culture of transparency, flexibility, and inclusion, and by investing in their development, companies can unlock the potential of Gen Z and drive sustainable success. Organizations will see this investment pay off over the next few decades of these individuals' careers. Furthermore, the techniques and cultural shifts that can motivate Gen Z can also lead to a more positive, societally mindful, technologically agile, and flexible workplace for workers of all generations and ages.

By reflecting upon the unique values and motivations of this emerging workplace generation, companies can make strategic investments in their up-and-coming leaders and foster transformative organizational changes that elevate the workplace experience for employees across generations.

### About the Pulse of the US Workforce

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At idealis, we know that employee experience is closely tied to business outcomes. Yet, while financial metrics are often tracked rigorously, the workplace experience is less often measured with the same precision. Our Pulse of the U.S. Workforce, in partnership with Civic Science, captures real-time insights from over 3,000 U.S. workers each month. This data gives leaders a reliable and actionable view into how their employees feel, empowering them to make informed decisions that foster engagement and growth. To explore the insights and opportunities the Pulse can provide, visit our Pulse website.

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# About the Authors

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## **Dr. Sumona De Graaf**

An organizational psychologist specializing in motivation and what drives people. She has worked with founder-led businesses, family offices, venture capital and private equity companies, and boards and management teams across the public and private sector. Her work across clients has one commonality:

Sumona is called upon by Boards and C-level executives to help them navigate their most challenging human issues. As a social scientist, she uses data to draw insights, and as a career practitioner, guides her clients to redesign habits, processes and practices to create lasting impact.

Sumona is the founder and CEO of idealis. She spends her time helping clients navigate their most pressing leadership challenges, amplifying the stories of human-centered leaders, and most importantly, creating the conditions for her team of exceptional humans to thrive.

## **Dr. Abbey Salvas**

An industrial-organizational psychologist who has been driven throughout their educational and professional career by the mission of making workplaces better for everyone.

At idealis, Abbey serves as a research lead and data expert, providing analytical support to the team to help answer our clients' most nuanced and challenging questions using best-in-class data tools and solutions. They apply human insight to hard data, answering the critical question of how to create human-centered environments that benefit everyone.

## **Allison Williams**

An accomplished senior leader in higher education with 20+ years of strategic leadership and management responsibilities, Allison has implemented cutting edge individual and organizational leadership development initiatives with boards, executive leaders and complex organizations. She has built dynamic tools designed to ignite the leadership potential of individuals and teams to drive positive change at every level. She also teaches organizational leadership development at the graduate level and is a certified facilitator and trainer through the International Institute of Restorative Practices.

At idealis, Allison serves as our Chief Learning Officer and is guiding our growing higher education practice focused on developing current and future leaders of our world. With a deep passion for guiding others to repair culture, align vision and values, and bring forth the best in people, she couples theory and practice to offer new ways of thinking about today's most complex leadership challenges.

## **Francesca Vaneri**

With a strong commitment to collaboration and content excellence, Francesca is dedicated to helping leaders articulate their vision and values through writing and inspire others to lead with authenticity and empathy.

At idealis, Francesca plays a role in content creation, research, and strategic communication, contributing to the firm's mission of fostering human-centered leadership.



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