

# HR Leaders Monthly

August 2020

## In This Issue

### **Supporting Millennial Employees During and After the COVID-19 Pandemic**

Page 4

### **How Midcareer Retirement Will Influence Workforce Planning**

Page 10

### **Gen Z's Expectations Are Already Shaping the Future of Work**

Page 14

### **Inclusion, Belonging and Generational Diversity in the Workplace**

Page 18

### **Fostering Empowerment Leadership With Frances Frei**

Page 21

### **Attract Top Talent by Leveraging Cultural Strengths**

Page 24

### **Quant Corner: Generational Differences in Impact of Well-Being Programs**

Page 29

### **Understanding Gen Z's Skills and Development Needs**

Page 30



**Gartner**<sup>®</sup>

# HR Leaders Monthly

## Contents

Editor's Note	3
Supporting Millennial Employees During and After the COVID-19 Pandemic	4
How Midcareer Retirement Will Influence Workforce Planning	10
Gen Z's Expectations Are Already Shaping the Future of Work	14
Inclusion, Belonging and Generational Diversity in the Workplace	18
Fostering Empowerment Leadership With Frances Frei	21
Attract Top Talent by Leveraging Cultural Strengths	24
Quant Corner: Generational Differences in Impact of Well-Being Programs	29
Understanding Gen Z's Skills and Development Needs	30

## Legal Caveat

© 2020 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates. This publication may not be reproduced or distributed in any form without Gartner's prior written permission. It consists of the opinions of Gartner's research organization, which should not be construed as statements of fact. While the information contained in this publication has been obtained from sources believed to be reliable, Gartner disclaims all warranties as to the accuracy, completeness or adequacy of such information. Although Gartner research may address legal and financial issues, Gartner does not provide legal or investment advice and its research should not be construed or used as such. Your access and use of this publication are governed by Gartner's Usage Policy. Gartner prides itself on its reputation for independence and objectivity. Its research is produced independently by its research organization without input or influence from any third party. For further information, see "Guiding Principles on Independence and Objectivity."

Any third-party link herein is provided for your convenience and is not an endorsement by Gartner. We have no control over third-party content and are not responsible for these websites, their content or their availability. By clicking on any third-party link herein, you acknowledge that you have read and understand this disclaimer.

## Authors

Hailey Bebel	Nikita Ojha
Carolina Engels	Alex Pavel
Jamie Kohn	Lauren Romansky
Brian Kropp	Jonah Shepp
Stessy Mezeu	Emily Strother
Emilie Siegler Morton	Ben Szuhaaj
Ashley O'Brien	

## Creative

Brittany Fritz  
Eden Nguyen

## Editor

Aaron Bynum



# Editor's Note

By Brian Kropp and  
Lauren Romansky

During the 2010s, the workforce underwent significant generational shifts. The baby-boom generation began reaching retirement age, with some exiting the workforce and others choosing to work on into their 70s. Generation Xers grew into leadership roles as retiring baby boomers vacated them, and millennials became the largest age cohort in the workforce as the youngest members of that generation grew up and began working. Toward the end of the decade, Generation Z — an even larger, more diverse and better educated generation than millennials — began to enter the workforce, bringing new perspectives and dynamics into a remarkably age-diverse work environment.

The decade to come also promises to be a time of great change. By 2030, Gen Xers will have started thinking about retirement, millennials will be middle-aged and taking on senior leadership roles, and Gen Zers will supplant them as the largest cohort. The new decade begins in a time of crisis and uncertainty, with a pandemic destabilizing the global economy, massive protests over racial injustice, and social tensions and political polarization affecting the world's leading economies. One question keeping many HR leaders up at night is, "How do I manage a multigenerational workforce of unprecedented diversity through such difficult times?"

This issue of Gartner HR Leaders Monthly attempts to answer this question from the perspective of generations. We explore how to attract, recruit and engage employees of different ages and life stages, the effects of this year's momentous events on different generations of employees and how the definition of retirement might change in the next decade. With an eye to the future, we have devoted special attention to Gen Zers and millennials, who are facing the current crises at pivotal moments in their working lives.

Today's multigenerational workforce drives the urgency of many key HR priorities, such as differentiating recruiting strategies, personalizing the employee experience, aligning total rewards to real employee needs and designing learning programs employees will actually use. The data, ideas and insights in this journal can help HR leaders advance their efforts to create truly inclusive workplaces that enable high performance for employees of all ages.



# Supporting Millennial Employees During and After the COVID-19 Pandemic

By Carolina Engels

Millennials, the largest generational cohort in the workforce, are already facing the second global economic crisis of their careers. HR leaders should focus on retaining and engaging members of this generation to support them through this disruption and successfully prepare them for leadership positions.

This year, Millennials who came into the workforce during the Great Recession are facing a second global recession because of the COVID-19 pandemic. Many millennials began their careers with historically low starting salaries and high levels of student debt, while over the past decade, their compensation has not kept pace with inflation and rising costs of living. A 2018 study by the St. Louis Federal Reserve

found that by 2016, the median income of millennials was 10% lower than in 2007, while the median wealth of millennial-headed households was 34% lower than historical models projected.<sup>1</sup>

The pandemic has arrived at an important inflection point in millennials' lives and careers. For many, plans to start a family or buy a house have been put on hold, as promotions, raises and bonuses have been delayed or canceled. As a result, motivation is wavering. At the same time, many who were already struggling with high rents and limited access to health care have been laid off or furloughed. Millennials are disproportionately represented in the industries hit hardest by COVID-19, such as hospitality, health care, professional services and retail.<sup>2</sup> An April report by Data for Progress found that 52% of people under the age of 45 had lost a job, had been put on leave or had their hours reduced due to the pandemic.<sup>3</sup>

This generational crisis has serious consequences for organizations' leadership pipelines, as millennials already occupy more than a quarter of leadership roles.<sup>4</sup> Many more were poised to transition into these roles in the coming years, but the COVID-19 recession threatens to disrupt those moves by slowing down organizations' growth plans and motivating some older employees to delay retirement. As organizations' current and future leaders,

millennials are a critical talent segment that requires particular attention at this moment. To ensure millennials remain engaged and committed, HR leaders should:

- Build development opportunities for millennials into their organizations' pandemic recovery plans.
- Create highly visible recognition programs to motivate millennial employees.
- Protect the benefits most important to millennials from cost-cutting measures.
- Highlight diverse career opportunities and pathways to leadership.

## Build Leadership Development Opportunities Into Recovery Plans

Our foundational research on developing millennials as leaders shows members of this generation have a markedly different set of strengths than their elders. Millennials are adept at critical thinking and communication skills: creating and conceptualizing, analyzing and interpreting, interacting and presenting (see Figure 1). Relative to older generations, they are generally less effective at adapting and coping, supporting and cooperating, or organizing and executing.

**Figure 1. Relative Effectiveness of Employees of Different Generations at Enterprise Leadership Competencies<sup>a</sup>**

Competencies	Millennials	Gen Xers	Baby Boomers
1 Creating and Conceptualizing	High	Low	Medium
2 Interacting and Presenting	High	Medium	Low
3 Leading and Deciding	Medium	High	Low
4 Enterprising and Performing	High	Medium	Low
5 Analyzing and Interpreting	High	Medium	Low
6 Adapting and Coping	Low	Medium	High
7 Supporting and Cooperating	Low	Medium	High
8 Organizing and Executing	Low	High	Medium
9 Building the Network	High	Low	Medium
10 Energizing the Network	Medium	Low	High
11 Creating Interdependence <sup>b</sup>	Low	Medium	High
12 Enabling the Network	High	Medium	Low

■ High  
■ Medium  
■ Low

n = 4,541

Source: 2016 Gartner Leadership Validation Study

<sup>a</sup> Employees across generations were surveyed and evaluated by their managers and teams on the 12 competencies of an Enterprise Leader. The three competencies in the dashed-line box highlight areas where millennials scored lower relative to other generations.

<sup>b</sup> Although millennials' proficiency on this competency was low, compared to other generations, the differences were smaller than for the three highlighted above.

This data might suggest that millennials are poorly suited to leadership in times of crisis and uncertainty, but forward-thinking employers can use this situation as an opportunity to develop their current and future millennial leaders' skills in these areas. For HR leaders concerned with building resilience in their workforces, now is a good time to focus on the millennials who will be taking on more leadership roles in the coming decade. Organizations can also leverage their millennial employees' creative, analytical and conceptual skills in making plans for recovery and growth in the postpandemic environment. Including millennial employees in these strategic conversations can help reengage a demoralized workforce and build its capabilities for the future.

## Create Highly Visible Recognition Programs

While the long-term financial impact of the COVID-19 pandemic is not yet clear, organizations should prepare for a future in which budgets for merit and incentive rewards will be more restricted than before. However, millennials tend to be competitive in their approach to work

performance and are more likely to compare their performance to their peers (see Figure 2). Accordingly, because millennials expect rewards that recognize outstanding performance, managers will face pressure to differentiate their rewards with fewer resources.

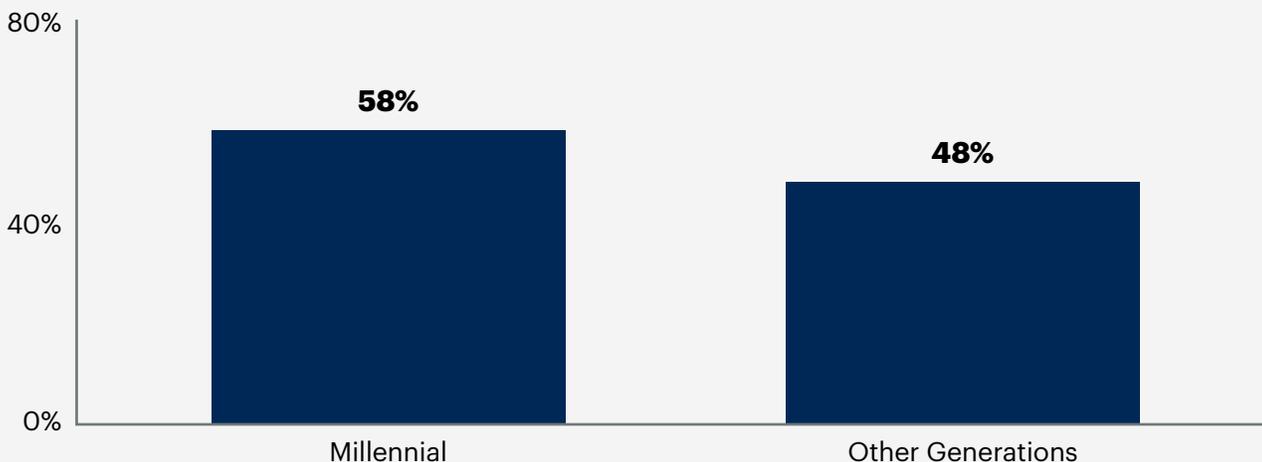
Given that millennials are more motivated by comparing their performance to others, organizations should consider how visible their recognition programs are in order to provide meaning and motivation to millennials' workplace performance. Our research shows that recognizing millennials for general high performance and leadership efforts results in the greatest improvement to performance, compared to other forms of recognition.

## Protect Benefits Core to Millennials' Employment Value Proposition (EVP)

The pandemic has accelerated the trend of employers playing a larger role in employee and community support, including financial and mental well-being. Despite the cost pressures of the COVID-19 recession, organizations are still

### Figure 2. Millennials Approach Performance Competitively

Percentage of Employees Who Say They Compare Their Individual Performance With the Performance of Their Peers by Generation



n = 10,531

Source: 2014 Gartner Enterprise Contribution Workforce Survey

expected to support their employees' holistic well-being more than ever before. To meet their millennial employees' expectations as best they can amid resource constraints, HR leaders should focus on offering millennials the benefits that factor most heavily into their EVP.

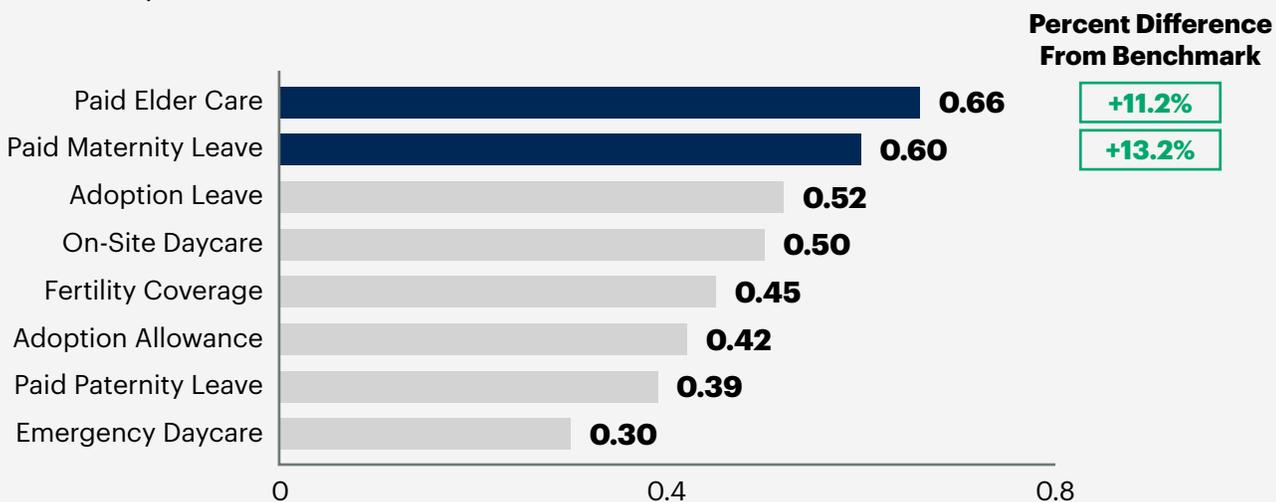
Because the financial pressures millennials face are much greater than what older generations faced at the same stage of life, they value rewards that support their financial stability. Millennials value not only base and incentive pay but also financial well-being benefits and health insurance benefits (in the U.S.) that reduce their exposure to massive, unforeseeable medical bills. Over the past several years, a growing number of employers have adopted innovative financial benefits to ease millennial employees' debt burdens, boost their retirement savings and improve their personal financial management skills. As the pandemic worsens millennials' financial precariousness, these benefits will likely become even more important.

Millennials value time as well as money, placing a high priority on work-life balance and paid leave benefits that let them spend time with their families. Compared to their older counterparts, millennials are about 8% more sensitive to

family benefits, specifically elder care and paid maternity leave (see Figure 3). These preferences make sense because millennials are at an age when they are more likely to be taking care of dependents, whether they are their parents or children. While employers in most countries are required by law to provide paid parental leave, employers can differentiate their paid leave policies to be more attractive to millennials by offering equal benefits to parents regardless of their gender or how they formed their family and by offering support for elder care.

One type of benefit that may become more important to millennials in the near future is mental health support. Financial stress, perfectionism and failure to achieve expected life milestones, such as marriage or homeownership, are among the factors contributing to what many experts see as a mental health crisis among this generation. Millennials show historically high rates of depression, anxiety disorders, alcohol and drug abuse, and suicide.<sup>5</sup> The additional stress of the pandemic is likely to exacerbate these problems. Organizations should be aware of these risks among their millennial workforce and ensure behavioral health and emotional well-being resources are accessible

**Figure 3. Millennial Professional Preferences for Family Benefits Attributes Sensitivity Score**



n = 1,092

Source: 2019 Gartner Total Rewards Employee Preferences Survey

Note: 1.0 is equal to employee sensitivity to a change in base pay.

and properly communicated to employees. HR leaders should also bear in mind that women, people of color and the LGBT community face unique, additional stressors that should factor into employee well-being programs and diversity and inclusion strategies.

## Highlight Diverse Career Opportunities

The COVID-19 pandemic has generated major job-related anxiety for many millennials, many of whom are wondering whether their jobs will still exist in a year or how this disruption will affect their already uncertain career progression. Creating and communicating opportunities to grow in their careers will help keep millennial employees engaged in the postpandemic environment.

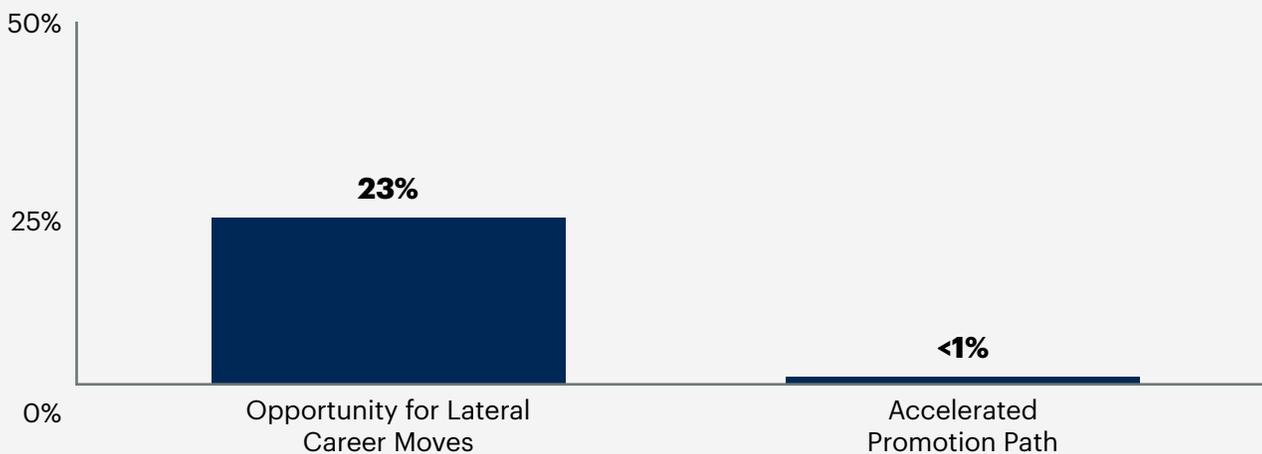
Millennials have moved around more, earlier in their careers, than previous generations, and their résumés contain notable tendencies toward lateral moves. These lateral moves reflect the industries where millennials are concentrated, the precarious economic circumstances in which they started out and a desire for new knowledge and experiences. Employers can respond to this tendency by creating these opportunities within the organization so that millennials don't look for

them elsewhere. Millennials have had to forge nontraditional career paths, but they value job security and appreciate chances to acquire a diverse set of skills and work experience within their role or their organization. Organizations should not try to retain or attract millennials by promising fast career progression. Instead, they should help millennials identify the benefits of internal career moves in their organizations, which in turn can help them develop a broader range of leadership competencies (see Figure 4).

The many challenges facing millennials at this point in their careers will not be solved overnight, nor can employers be expected to solve them singlehandedly. Nonetheless, organizations have a bottom-line interest in ensuring that their millennial employees thrive in their roles as the next generation of business leaders. The COVID-19 pandemic has strained employers and employees alike, but HR leaders still have options for investing in their millennial employees' futures despite today's resource constraints.

- <sup>1</sup> "The Demographics of Wealth," Federal Reserve Bank of St. Louis.
- <sup>2</sup> "Why the Covid-19 Economy Is Particularly Devastating to Millennials, in 14 Charts," Vox.
- <sup>3</sup> "The Staggering Economic Impact of the Coronavirus Pandemic," Data for Progress.
- <sup>4</sup> 2016 Gartner L&D Digital Learner Survey.
- <sup>5</sup> "The Millennial Mental-Health Crisis," The Atlantic.

**Figure 4. Diverse Organizational Experiences Drive Millennial Retention**  
Maximum Impact on Intent to Stay



n = 3,409

Source: 2013 Gartner Succession Management Survey

## Gain access to data-backed insights trusted by senior HR executives globally.

Join us as we examine the changing relationship between employees and employers. Uncover how to:

- Restructure work and rewards to reflect changes in employee habits and expectations
- Redesign jobs to accommodate new technologies and required skill sets
- Improve trust between employee and employer as we gain access to more data than ever



**Gartner  
ReimagineHR Virtual  
Conference 2020**

**Save the date**  
12 – 15 October 2020

[Learn More](#)



# How Midcareer Retirement Will Influence Workforce Planning

By Emily Strother

Many employees are looking at retirement differently because of shifts in generational expectations. While not all employees will have the flexibility for midcareer retirement, CHROs must prepare for a future workforce that includes employees leaving and returning at nontraditional times.

Let's say, for example, a high-performing, midlevel manager who has worked for 15 years at your engineering company has set up a meeting with his manager and HR business partner to talk

about stepping out of the workforce. However, this isn't early retirement. The employee plans to return after taking a sizable gap in his employment. His kids are in college and he finally has the time and quiet at home to write a novel — his lifelong dream. Moreover, he wants to obtain his project management certification online in an effort to broaden his skills.

This is a planned exit, not a hasty decision. Your employee has taken advantage of a program, offered as an optional, voluntary benefit, in which your company saves a portion of the employee's paycheck on his behalf. Your employee has saved aggressively and now plans to live frugally.

How do you, as an HR leader, respond to the employee's plan? What is promised to the employee when he leaves, and when he returns? What is the plan for his transition? Do you have a successor for this high-performing manager? And what would be the response if, instead of just this one employee, a sizable percentage of the workforce planned to leave midcareer and then return?

Although not currently the norm, employees “retiring” in the middle of their careers and then returning to the workforce later will become increasingly common over the next 10 years as employees’ retirement expectations undergo a generational shift.

## Generational Shifts in Retirement Expectations

Changes in workforce demographics, including the increase in the number of millennials in the workforce and the increase in employees over the age of 65, already require organizations to think differently about traditional retirement.

By 2025, millennials will make up three-fourths of the global workforce.<sup>1</sup> These current and future employees have different retirement expectations than previous generations. Over 40% of millennials expect to retire early, and 84% of millennials plan significant career breaks during their career.<sup>2,3</sup> More millennials have savings accounts and are paying off debt, which allows them to be more flexible with their travel, time spent with family and career gaps. This may also allow them to save more money for a midcareer retirement.

At the same time as younger employees’ retirement expectations change, older employees are staying in the workplace longer. For some employees, this is driven by financial need, but for others, it stems from the desire to stay active and live with purpose. Workforce participation for the population over 65 is expected to increase to 44.6% by 2028, from 36% today.<sup>4</sup> Additionally, by 2040, adults 65 and older will account for more than one in five Americans.<sup>5</sup> If employees are expecting to work later in life, they are more likely to consider taking longer breaks during their career to ensure they don’t burn out.

The COVID-19 pandemic and accompanying recession have added another layer of disruption and uncertainty to these changes. This disruption may change employees’ attitudes and behaviors around traditional and midcareer retirement in unpredictable ways. The impact of the pandemic on employees’ personal finances might encourage some older employees to delay retirement or derail millennial employees’ plans to get out of debt. At the same time, the

isolation of social distancing and widespread experimentation with remote work are causing many people to rethink where and how they live and work. The pandemic could motivate early- and midcareer employees to relocate from cities to suburbs and rural areas, either to live in a less crowded environment or to be closer to their families. Many millennials were already moving from large cities to smaller, more affordable cities and suburbs; the impact of COVID-19 and the accelerating shift toward remote work may augment that trend. This in turn could influence employees’ decisions to explore early retirement, career breaks or midcareer retirement.

## Alternatives to Traditional Retirement

One unconventional approach to retirement is the concept of midcareer retirement, which we define as “an intentional, significant break in one’s working or professional career.” This means a planned exit from the workforce for an extended period of time, after which the employee expects to reenter the workforce, whether at his or her previous employer or elsewhere.

---

This research stems from our latest **Maverick\*** research, which breaks new ground on the concept of retirement and how nontraditional retirement options could impact an organization's workforce engagement. Shifting generational expectations could require organizations to consider nontraditional retirement as both a reality and an opportunity.

---

A midcareer retirement represents a significant pause in an employee’s career: anywhere from five to 15 years. However, unlike traditional retirement, midcareer retirement starts approximately 20-25 years into an employee’s career, around ages 40-50, rather than at the end of his or her career. Also, unlike traditional retirement, the employee usually intends to return to work at some point.

The concept of midcareer retirement also differs from a traditional career break, which an employee might take to recover from a serious illness or care for children or elderly relatives. Employees usually plan their midcareer retirements to be longer because their decisions are driven by the desire to experience the personal benefits of retiring earlier rather than having their retirement decided by personal need or circumstance. Midcareer retirement is intended to be available broadly, not as a one-off employee need but rather as an optional benefit available to a significant portion of employees.

While 55% of organizations do offer employees the opportunity to take extended career breaks for caregiving or other personal or family responsibilities as needed, only 35% of organizations allow all or most employees to take an extended career break for other reasons.<sup>6</sup> This is significantly less than the 80% of organizations we predict will be impacted by employees deciding to take midcareer retirement in the next five years.

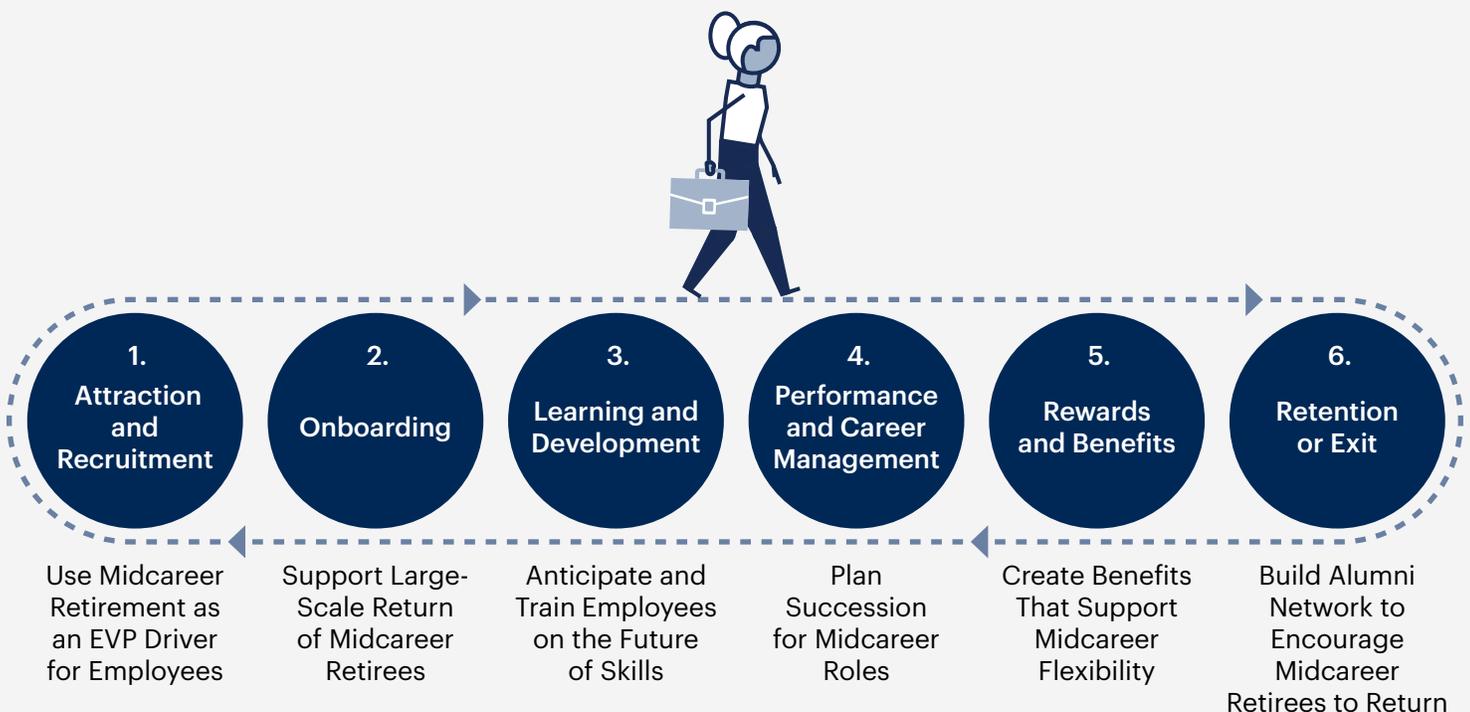
## Maximizing the Benefit of Midcareer Retirement

To take advantage of a nontraditional approach such as midcareer retirement, HR executives must consider how to update the employee life cycle to prepare for employees taking midcareer retirement and help encourage midcareer retirees to return to the organization afterward (see Figure 1).

The six stages of the employee life cycle to consider include:

- 1. Attraction and Recruitment** — HR leaders should use midcareer retirement as an employment value proposition driver for employees by training recruiters and hiring managers to recruit employees interested in taking midcareer retirement and reengaging midcareer retirees looking to return to the workforce. HR leaders should establish relationships with midcareer retirees and increase recruiters' comfort with multidirectional moves.

**Figure 1. Midcareer Retirement Support for Each Stage of the Employee Life Cycle**



Source: Gartner

**2. Onboarding** — HR leaders should leverage existing practices, such as “returnships” and “rotational” programs, to help midcareer retirees reenter the workforce. Additionally, HR leaders can ensure onboarding presentations are transparent about the benefits and career impacts of midcareer retirements.

**3. Learning and Development** — HR leaders should anticipate and train employees for future skills needs, equipping employees with the skills needed to step in for midcareer retirees and preparing to train returning midcareer retirees in the new skills they need upon their return to the workforce.

**4. Performance and Career Management** — HR leaders should use midcareer retirement as a way to plan for more large-scale middle management succession, leveraging performance and career management to identify potential successors for midcareer retiree roles.

**5. Rewards and Benefits** — HR leaders should maximize the flexibility of employees’ career path options by offering them “a la carte” benefits to help them save for midcareer retirement as well as more common options for nontraditional retirement, such as career breaks, sabbaticals and phased retirement.

**6. Retention or Exit** — HR leaders should create a strong alumni network by identifying mentors for midcareer retirees and creating continuous learning programs for future skills needs to keep midcareer retirees connected with the organization and encourage them to return to the organization postretirement.

## Conclusion

Generational shifts continue to increase the likelihood of employees reprioritizing when and how they retire. Colin Orr, associate director of retirement benefits at Genentech, shared why it is important for organizations to prepare for workforce shifts such as midcareer retirement:

**“It’s the employer’s role to recognize that there are things outside of the four walls of the office that impact employees’ lives. If we don’t recognize and support our employees, we won’t be competitive.”**

HR leaders must prepare for the impact of generational changes in retirement expectations as they work to engage critical, high-performing employees. By identifying where in the employee life cycle to make improvements to align with midcareer retirees’ priorities, HR leaders can prepare their organizations for a future workforce that includes employees leaving and returning to the workforce at nontraditional times.

<sup>1</sup> “Generations-Demographic Trends in Population and Workforce: Quick Take,” Catalyst.

<sup>2</sup> “How Millennials Could Make the Fed’s Job Harder,” The New York Times.

<sup>3</sup> “How a Career Break Can Benefit Your Résumé,” Forbes.

<sup>4</sup> “Civilian Labor Force Participation Rate by Age, Sex, Race, and Ethnicity,” U.S. Bureau of Labor Statistics.

<sup>5</sup> “Silver to Gold: The Business of Aging,” Milken Institute.

<sup>6</sup> “National Study of Employers,” Society for Human Resource Management.



# Gen Z's Expectations Are Already Shaping the Future of Work

By Emilie Siegler Morton and Ashley O'Brien

The arrival of Generation Z in the workforce has already begun influencing employers' decisions about the future of work at their organizations. As HR leaders consider what Gen Z employees will expect of their employers, they should anticipate how this generation's preferences will accelerate ongoing trends.

Mirroring their experience as consumers, employees today expect to have more influence over their relationship with their employers. The arrival of Generation Z in the workforce is one of the longer-term trends shaping this "new deal" between organizations and their employees. Recent events, including the COVID-19 pandemic and the surge in anti-racism activism, are having a major impact on the lives of this generation and will affect their attitudes and behaviors as employees. The decisions organizations make today, based on employee needs, will directly impact the future of work. As HR leaders make these decisions, they should pay special attention to the preferences and values of tomorrow's top talent.

Born between 1997 and 2012, the oldest Gen Zers (increasingly referred to by the informal term "Zoomers") have just started to enter the workforce, while the youngest are still children.<sup>1</sup> Data tracking Gen Z's top values indicate that this group, though not a monolith, will approach career decisions and work with a focus on options that will provide the most stability.<sup>2</sup> In addition to their values and preferences, Gen Zers' shared societal experiences during their formative years — including COVID-19, climate change, school shootings, racial inequality and a global recession — will have a profound impact on how they approach important work and life decisions.

More than millennials before them, Gen Zers will expect employers to contribute to their sense of stability in different ways. Good pay and benefits, a commitment to mental health and meaningful work, a transparent stance on social issues and managerial support and flexibility will all be top of mind for members of this cohort, and they are willing to work hard to achieve this balance.<sup>3</sup>

As HR leaders think ahead to the workforce planning strategies they have in place to attract, hire and retain Gen Z talent, they should align those strategies to three major trends: the increase of remote work, the employer as a social safety net and the humanization of workers. Among the key trends in the future of work, these three contribute the most to Gen Zers' desire for stability and are the most affected by their shared experiences living through the world events of 2020.

### Future of Work Trends Accelerated by Gen Z Talent

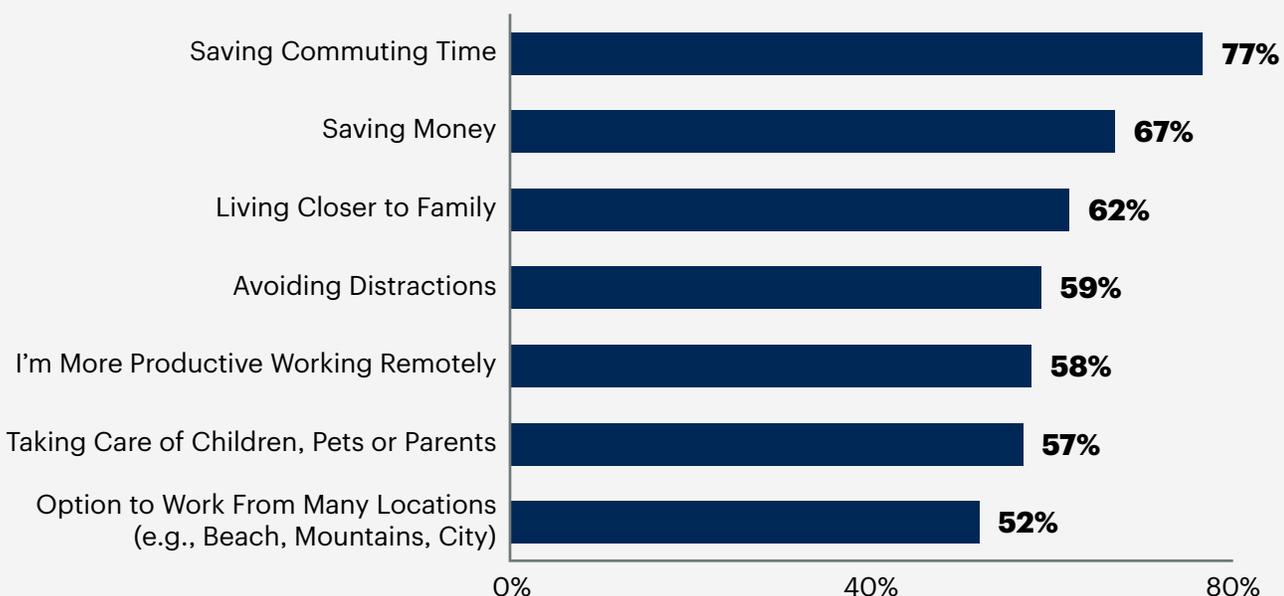
- **Remote work increases:** Forty-eight percent of employees will work remotely after the pandemic, compared to 30% before.<sup>4</sup>
- **Humanization and dehumanization of workers:** In some cases, organizations have recognized the humanitarian crisis of the pandemic by prioritizing the well-being of employees as people over their value as workers. In other cases, organizations have pushed employees to work in high-risk conditions with little support, emphasizing their role as workers over their well-being as people.
- **Employer as social safety net:** The pandemic has accelerated the trend of employers playing a greater role in employee and community support, including both financial and mental well-being.

## The Irresistible Rise of Remote Work

While the global remote work experiment during COVID-19 accelerated the trend, Gen Z's preference for remote work will ensure that this way of working doesn't disappear with the virus. Not only do 68% of Zoomers want to work remotely at least some of the time, 65% expect their employers to let them work remotely. For this generation, our data (see Figure 1) shows that two factors are driving this trend. Like other generations, Gen Z values remote work because it saves time spent commuting (77% of Gen Z, 75% of all other generations). But also, consistent with Gen Z's value of stability, 67% of this generation say saving money is part of the reason they want to work remotely (compared to 53% of baby boomers). The cost savings of not having to travel to an office are as important to Gen Z employees as the time savings.

### Figure 1. Q: "To What Extent Do the Following Reasons Describe Why You Might Want to Work Remotely?"

Percentage of Gen Z Employees Indicating Moderate to Strong Agreement



n = 69

Source: 2020 Gartner Reimagine HR Employee Survey

Fortunately, meeting Gen Z's demand for more remote work options can be a win-win for organizations. Expanding remote work can help advance other goals, such as building digital dexterity skills and reducing environmental impact. Members of Gen Z are often described as digital natives, but they also have native fluency in digital collaboration. Transitioning to remote collaboration and communication is easier for them since they've communicated in this way their entire lives. Given Gen Zers' interest in continuous learning and teaching their colleagues to use new technologies, HR can engage Gen Z employees in building digital collaboration skills throughout the organization. Furthermore, 60% of Gen Zers agree their employer should take steps to reduce its negative impact on the climate and environment.<sup>3</sup> Increasing adoption of remote work can help limit an organization's carbon footprint by reducing emissions from vehicles used to commute and by cutting energy consumption and waste in offices.

## Humanization of Workers

Organizations have had to make many high-stakes decisions this year and have differentiated themselves by their actions. In some cases, organizations have prioritized employees' well-being by considering them as people before workers. In other cases, organizations asked employees to continue working, sometimes in high-risk conditions with little support, emphasizing their roles as workers first and people second.

Gen Zers expect their employers to acknowledge them as people who are a part of society before being employees and that they carry the weight of external events into the workplace. They are also willing to work hard for their employers: 68% reported that they would be willing to work additional hours to gain additional benefits, with 20% reporting that they already do (compared to 57% and 12% respectively of millennials, Gen Xers and baby boomers combined).<sup>3</sup> At the same time, however, Gen Z employees also have high expectations of their employers. As more Gen Zers enter the workforce and organizations look to attract, hire and retain top Gen Z talent, HR leaders must be prepared to rise to this cohort's expectations.

This generation is on track to be the most diverse and well-educated cohort entering the workplace to date and comes to the table with the urgency to do more about societal issues.<sup>5</sup> Employers are expected to do the same. Gen Zers not only want their employers to take a stand on social issues, they also want to help their employers choose the social issues they take a stand on and are much more likely to want to work for an organization with a strong social and environmental conscience than older generations.<sup>3</sup> Moreover, this generation has grown up with changing narratives around gender identity and the need for equity. Perceptions of an organization's ethics are a key driver of attraction for Gen Z: This generation rates ethics as a higher attraction driver than the prospect of paid vacation.<sup>6</sup>

---

This generation is on track to be the most diverse and well-educated cohort entering the workplace to date and comes to the table with the urgency to do more about societal issues.

---

To meet these expectations, HR leaders must begin laying the groundwork to create workplaces that care for employees' whole selves through employment value proposition (EVP) offerings and communications about decision making. Corporate social responsibility and diversity and inclusion will be particularly important areas to continue developing as Gen Z talent will expect employers to back up their stated commitments with tangible actions. Given Gen Zers' easy access to information and propensity for making informed decisions, they will also want transparency from employers regarding what they can expect from their experience at the organization.

## The Employer as Social Safety Net

Gen Zers' personal values, their consumer-level expectations and the influence of external forces will shape their generation's EVP expectations. Gen Zers are looking for

an employment deal they not only contribute to but also benefit from. Gen Zers saw the two generations before them struggle through a recession and manage school debt and joblessness after graduation, and they now face similar and new challenges as they enter the workforce and start their own careers. These challenges will impact their financial status, physical and mental well-being, location decisions and career paths. They see their employer as a partner in managing these challenges and expect an employee experience designed to help them manage work/life integration. Over half of Gen Z believes employers are largely responsible for the overall mental, physical and financial well-being of their employees.<sup>3</sup>

**Eighty-one percent of Gen Zers think their employers should increase their support for employees' emotional well-being after the pandemic and will likely expect employers to offer holistic rather than one-off well-being interventions.**

In previous years, many organizations took on this safety net role by taking action on the minimum wage, gender equality, parental leave and finding ways to improve employees' well-being. Then, during the COVID-19 pandemic, they did so by expanding sick leave, creating flexible hours for childcare and making changes to their paid leave policies. The pandemic has also put mental health in the spotlight but has shifted the way employers are approaching well-being: from a proactive stance on improving wellness to a reactive response to preventing negative outcomes. Eighty-one percent of Gen Zers think their employers should increase their support for employees' emotional well-being after the pandemic and will likely expect employers to offer holistic rather than one-off well-being interventions.<sup>3</sup> In response to COVID-19, we saw employers communicate the availability of employee assistance programs and share best practices for sustaining mental well-being while working remotely.

Gen Zers also look to use apps or counseling benefits to improve their overall mental and emotional well-being.

The trend of the employer as a social safety net intersects strongly with the trend toward the humanization of workers and the need for flexible work. Gen Zers' expectations of transparency, social responsibility, inclusion and support for their well-being are all part of their holistic view of the employer-employee deal. This year's events have brought extensive, sometimes uncomfortable scrutiny of how companies approach their roles in society. Not only has the rising generation taken the lead in asking these questions, its members are also best positioned to "vote with their job applications" as they enter the workforce, choosing to offer their talents to employers who meet their expectations and avoiding those who do not. In the decade to come, organizations that Gen Zers do not perceive as the kinds of employers they want to work for may have a hard time attracting or retaining top talent from this generation.

<sup>1</sup> "Defining Generations: Where Millennials End and Generation Z Begins," Pew Research Center.

<sup>2</sup> Gartner Consumer Values and Lifestyle Survey (October 2014-2018) and Gartner Z Survey (August 2018).

<sup>3</sup> 2020 Gartner Reimagine HR Employee Survey.

<sup>4</sup> Modeled based on responses to three Gartner surveys: Gartner COVID-19 Crisis Benchmarking Against Your Peers Webinar Poll (n = 421 HR leaders, 2 April 2020), 2020 Gartner Cost Cutting and Employee Experience Survey (n = 4,535 employees) and COVID-19: How Finance Leaders Are Responding to the Emerging Situation Webinar Poll (n = 317 finance leaders, 26 March 2020).

<sup>5</sup> "Early Benchmarks Show 'Post-Millennials' on Track to Be Most Diverse, Best-Educated Generation Yet," Pew Research Center.

<sup>6</sup> 1Q20 Gartner Global Labor Market Survey.



# Inclusion, Belonging and Generational Diversity in the Workplace

By Lauren Romansky

Generational trends in the workforce are pushing organizations to take stands on current events and social issues as part of their commitment to inclusion, but generational differences also complicate the decisions CHROs and CEOs are making about whether and how to speak out.

Age diversity is one measure of a successful diversity and inclusion (D&I) strategy. Employees of different generations offer teams a broader perspective, drive innovation and improve business outcomes. By definition, corporate strategies dedicated to inclusion and belonging imply an aspiration to ensure all employees feel a sense of connection and kinship with their employer, their managers and their teams. Even organizations with strong foundations for establishing inclusive behaviors, metrics

and accountability for D&I outcomes find it consistently challenging to manage this sense of belonging across generations.

People employed at an organization may have more in common than not: They have all decided to dedicate many hours of their lives, and trust their careers, to the same organization. What we consistently hear from HR executives, though, is that what managers feel and what employees notice are the differences, especially across generations. Organizations know this and will cut key metrics like engagement, inclusion or turnover by age to try to understand these differences.

The protests against police violence and systemic racism that began in the U.S. in May and soon spread around the world have challenged organizations to make difficult decisions about how to respond to this moment of social change. Many organizations have issued public statements of support for the protest movement and communicated efforts to support their employees, especially Black employees for whom the issue is uniquely personal. Over the past two months, many HR leaders have told us how they wrung their hands over this decision to comment (or not), wondering what employees who may not be fully supportive of their actions would do. The generational divide has been at the center of the calculus of risks and gains.

“It’s the young people,” one HR leader told us. “They might just go sit in the CEO’s office until something changes. They’re passionate, they’re affected and they expect us to be a part of the solution.”

Recent Gartner data backs up this hypothesis. In early June, we asked employees about their organizations’ responses to the protests. Forty-seven percent of employees ages 18-29 reported that protests and injustice had a moderate or big impact on their ability to concentrate on their work, compared with just 23% of employees ages 50-64 (see Figure 1).

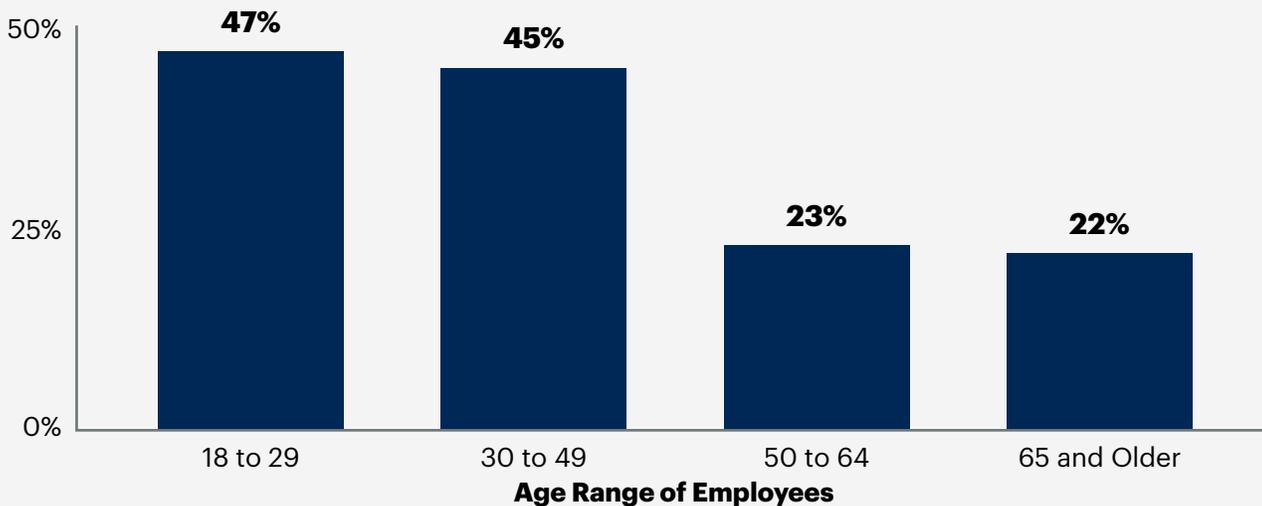
Examining generational differences within data is a critical way to uncover dynamics that define demographic segments overall. Evidence from such data can inform decisions about what will engage, retain and enable employees to belong and feel included. For instance, while employees under 50 are most likely to focus on the injustice and protests overall, it’s the older millennials and Generation Xers (ages 30-49 in our survey) who are the most skeptical. This segment is four times more likely than employees ages 18-29 to

“strongly disagree” that their employer’s public statement was sincere. Overall, our survey revealed employees were satisfied with their employers’ early responses, though the youngest employees were less so with only 73% reporting they were “very” or “somewhat” satisfied.<sup>1</sup>

While understanding these generational preferences and positions is helpful, where does that leave HR leaders aspiring to create belonging throughout their workforces? Are the trade-offs inevitable? On an issue as binary as making a statement or not, perhaps they are. But in many other aspects of work, there are ways to ensure all generations are included.

One action HR leaders can take to make their organizations more inclusive for varying generations is allowing employees to flex and personalize their experience when possible, without fear of being punished for deviating from the norm. There are many ways to attract different age demographics, from employment value proposition (EVP) design — including work flexibility, healthcare and parental leave — to events, pingpong tables and snack baskets. But it’s

**Figure 1. Impact of Protests or Racial Injustice on Ability to Concentrate at Work**  
Percentage of Employees Indicating Significant Impact<sup>a</sup>



n = 600 U.S. employees

Source: Gartner June 2020 U.S. Election Employee Sentiment Survey

<sup>a</sup> Significant impact includes employees responding that the protests and racial injustice had a “big” or “moderate” impact on their ability to concentrate at work

important to make sure employees who choose to personalize these elements — say, those who don't want to attend a happy hour or are interested in working remotely — are not penalized. Many organizations give employees options that ostensibly appeal to specific age ranges, but unwritten cultural norms or expectations of the organization don't really allow employees to personalize these components of the EVP. Whereas honest flexibility is a benefit to inclusion, the illusion of flexibility can be detrimental.

Another way to help bridge generational differences is to continue building empathy throughout the workforce. A few organizations, especially in the wake of COVID-19 and the ensuing increase in remote work, fostered cross-mentoring or reverse-mentoring programs intentionally across generations. This way, employees who may work in a division or department that's more age-alike can experience different perspectives and build broader, more age-diverse networks within the

organization. The focus of these cross-generational partnerships is often on younger employees supporting older colleagues in learning new technology and adapting to digital workplaces. However, there's just as much benefit to younger employees understanding and empathizing with what older employees care about, worry about and think about their organizations — and vice versa.

Lastly, there's one critical caveat HR leaders should keep in mind when evaluating what generations want: Managers can't apply these findings to individual employees on their teams. Understanding trends among generations en masse is helpful, but as one head of D&I told us, it's critical to personalize where possible: "I don't care what my birth certificate says; I'm a millennial. I have TikTok and I don't understand hierarchy. So don't just communicate with me the way you think a 50 year old wants to hear things."

<sup>1</sup> Gartner June 2020 U.S. Election Employee Sentiment Survey.

## Virtual Events



Gartner regularly hosts virtual events across a variety of Human Resources topics. These webinars present an opportunity for you to gain insights from our research leaders on leading HR through times of change, creating inclusive workplaces that enable high performance and more.

**Acquiring Skills in a Hiring Constrained Environment**

**Insights HR Leaders Can Use to Build a Dynamic Skills Organization**

**Reward Employees During Disruption**

**Preserve the Employee Experience by Addressing External Factors**

**Improve Performance With Employee-led Feedback**

# Fostering Empowerment Leadership With Frances Frei

By Stessy Mezeu and Hailey Bebel

In her new book, Harvard Business School professor Frances Frei explores a new approach to effective leadership, which focuses on empowering others. She shares guidance on how CHROs and other leaders can leverage culture, strategy and diversity to create value and deliver strong business performance.

Frances Frei, a professor of technology and operations management at Harvard Business School, believes leadership rests on unlocking the potential of those around you. In their new book, *Unleashed: The Unapologetic Leader's Guide to Empowering Everyone Around You*, Frei and her wife and co-author Anne Morriss challenge our existing models of leadership

and propose shifting the frame of reference from leaders to those around them. In June, Frei joined Scott Engler on Gartner's Talent Angle podcast to discuss why "empowerment leadership" is critical to understanding and transforming leader effectiveness. This is an excerpt from their conversation.



Frances Frei is a professor at Harvard Business School. She recently served as Uber's first SVP of leadership and strategy. Her TED talk about building trust has logged over four million views. She was

described in a recent Los Angeles Times article as "the go-to woman for companies like Uber and WeWork looking to improve their image." She has made headlines in The New York Times, The Wall Street Journal, FT, USA TODAY, The Washington Post, CNN, NPR, CNBC, The New Yorker, Fortune, Variety, ESPN, New York Magazine, Vox and Business Insider.

**I'm very excited to have you on, especially given the frame of your book, so I feel like you might be the one who can answer the burning question in the leadership ranks. Does culture eat strategy for breakfast?**

You know, [there is] a footnote about this in the book, so my official position is it's not a fair fight because culture parades itself around the organization all day every day, and strategy is usually tucked in to the minds and binders of a few senior executives. So, if strategy were more well-communicated, it could be a fair fight, but because it's not, culture wins.

**Great answer, and it is such a truism that strategy is not well-communicated, which is a huge problem for organizations. Gartner found that 80% of employees don't know how what they do on a daily basis drives organizational outcomes. Do you see a problem?**

Yes, of course ... but when strategy is well-communicated, I think they're evenly paced. I have a point of view that you should set your strategy first, and then everywhere strategy is silent, culture should fill in the gaps.

**So, let's get your definition of culture.**

I'm definitely in the Edgar Schein/Amy Edmondson camp of the definition of culture, which is that it exists in three levels in an organization: the physical artifacts you capture with still photos, the behaviors of people — their discretionary behavior — and the mental models that are in people's minds.

The whole reason we care about culture is because we want to influence people's behavior. So, you have those three levers all to influence behavior, but the purpose of culture is to guide discretionary behavior. It's also the purpose of strategy, by the way, which is why the two are so intertwined.

**So, the book is divided into two parts. There's absence, which is essentially how the company runs without you as a leader. Strategy and culture are going to do the heavy lifting, if I have that right.**

You sure do.

**Then, let's turn to presence, which is your personal presence, and what leadership looks like through a different lens. According to the book, it's not about you. So, first of all, what's**

**your perspective on leaders, and where are you seeing people make mistakes in how they view leadership?**

Anne [Morriss, my spouse and co-author] and I have come to now talk about it as “empowerment leadership,” if we were going to use it. For the last couple of decades, we've done a lot of really good work on leaders, but an unintended consequence is that it's made leaders self-distracted.

Leaders are thinking about themselves 90% of the time, and they should be thinking about themselves 10% of the time.

[That is] completely wrong. The job of the leader is how to set the conditions for other people to thrive because of the simple fact that if other people are thriving, [you are] going to make better decisions. They can do so much more than [you] can do; so we really were struck, and this was in companies in Silicon Valley, but also we saw it in the large, incumbent organizations. There was this almost natural instinct in leaders [that] it was supposed to be about them.

So, we very quickly wanted to help reorient that, and we start the book with it because I really believe it's the most important thing you can do as a leader, which is stop thinking about yourself, and so that's why we give the checklist, “Ten Signs It Might Be All About You,” and [urge leaders to] focus on setting other people up for success, whether one person at a time or [through] teams.

#### **Ten Signs It Might Be All About You**

- What other people experience rarely occurs to you.
- You don't ask many questions.
- The most interesting thing about other people is what they think of you.
- You're constantly updating a catalog of your own weaknesses, limitations and imperfections.
- Other people's abilities bum you out.
- You're constantly in crisis.
- You're pessimistic about the future.
- Reality has become tedious.
- Apathy and powerlessness are dominant emotions.
- You're the star of your own show.

“I really wish the first people who talked about diversity talked about inclusion and diversity, not diversity and inclusion ... the systematic thought is ‘If I keep hiring talent that's different but I don't make it inclusive for those folks, it's just going to be a treadmill of diversity. They're going to come. It's not going to be good for them, it's not going to be good for us and they're going to leave.’”

Frances Frei, Professor, Harvard Business School

**So, “How unaware are most leaders?” is the real question here. How pervasive is unawareness or lack of self-awareness?**

I would say that if you see people whose teams (and teams of teams) are performing well, they'll have very few things on this checklist to check off. If you see leaders who get inconsistent performance — they can get good performance out of people who are just like them, but they struggle the more different someone is — then they're going to have a lot of things coming off on that. If I think [it's] all about me, and I only have people who are just like me, then if the golden rule applies, I'm all set. “Treat others the way you want to be treated” [is] insidious. [It's] the worst advice in the world you can give someone, unless everyone is just like you. Then, it's the best advice you can give to someone.

**That allows us to fast-forward to belonging. You empower teams when you champion difference. It brings me to a conversation I've had with many guests now, which is we talk about diversity, but it's really about inclusion. What is belonging?**

I really wish the first people who talked about diversity talked about inclusion and diversity, not diversity and inclusion. I know there's other language now, equity and these other things, but the systematic thought is, “If I keep hiring talent that's different but I don't make it inclusive for those folks, it's just going to be a treadmill of diversity. They're going to come. It's not going to be good for them, it's not going to be good for us and they're going to leave.”

Then, we're going to say, “Oh gosh, we can't find enough (blank),” and that's a sign your culture is on fire. So, the belonging piece is: “I feel like I am of the place, regardless of how different it is. So, it's not just good despite my difference. It's because of my difference

that I'm celebrated, that I'm cherished.” When you sideline that [difference], you're going to perform worse, and she's not going to feel like she belongs. So, the goal is to make everyone set the conditions for everyone regardless of their difference, to feel like they are of the place, and you want people to feel celebrated precisely because of their difference.

**You have a framework for belonging. Can you walk us through how we get to “cherish”? Because “cherish” probably sounds like a bit of a leap for people.**

Yes, we call it the inclusion dial, and when you get all the way to cherish, you're at belonging. So, the first step of the inclusion dial is we have to make it safe regardless of what difference you bring to the table. You have to make it safe. Now, the truth is here we're talking about emotionally and physically safe. It can't violate those basic principles.

You have to feel safe regardless of the difference you represent. So, first [companies] have to make it safe for difference. Then, [they] have to welcome the difference; and don't bother welcoming, don't bother putting out the red carpet if it's not even safe for [employees] to be here.

[The next step is] because of the difference you represent, I want you to feel celebrated. So, we've really just turned a corner here. It's not, “Oh, you're different than us, but it's okay. We're going to welcome you anyway.” Now it's, “You're different than us. Thank goodness we now have a chance of winning.” When you start celebrating difference, that's when you get into the world of bringing out the best for more and more varied people. If my difference is celebrated in every nook and cranny of the organization, I will feel like I belong. My difference will be cherished. That's what we want to do for everyone.



# Attract Top Talent by Leveraging Cultural Strengths

By Jamie Kohn

Candidates of all generations increasingly expect organizations to provide good work experiences, not just a good paycheck. This includes greater focus on their fit with an organization's culture. Recruiting leaders should include culture in employment branding by shifting both the message and the messenger.

Today's candidates expect more than just a good paycheck. Today, 59% of candidates say the experience they have in a job is just as important to their satisfaction as compensation and benefits, but only 31% of candidates say it's easy to find the

experience they want.<sup>1</sup> Candidates increasingly expect autonomy in how, when and where they do their work. With a pandemic changing how we live and work, the right employee experience has become critical to attracting the right talent.

During the hiring process, candidates increasingly seek out information about a company's employee experience and culture (see Figure 1). This includes everything from the organization's core values to work-life balance and how employees interact day-to-day to get work done. This information is important to candidates of all ages, so HR leaders should ensure they are tailoring and delivering messages about culture, values and the employee experience to every generational cohort.

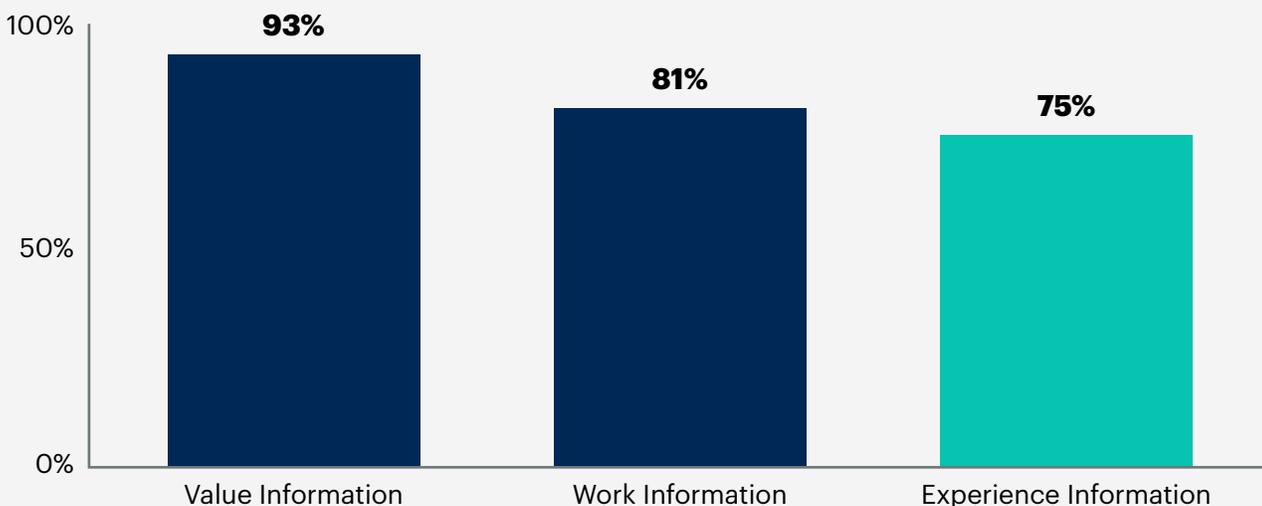
Candidates have more access to information about organizational culture than ever before. They get a sense for an organization's culture from the organization itself (through the job description, career website and social media channels) as well as external sources (third-party review sites, news articles and family or friends). And increasingly, this information has the ability to sway candidates. Nearly one-third of candidates said negative information in third-party reviews would deter them from applying for a role.<sup>2</sup>

## Not Just the Message, But the Messenger

To attract top talent, recruiting leaders must showcase their organizational culture in employment branding messages. However, companies often struggle to say something concrete and meaningful about their culture while maintaining broad appeal for candidates. The problem worsens when companies try to appeal to a multigenerational workforce that may value different things. As a result, branding messages can become overly generic. For example, 34% of S&P 100 career sites feature taglines that focus on the ability to make an impact at the organization, while 24% focus on how well the candidate will fit in.<sup>3</sup> These generic branding messages fail to differentiate organizations or attract candidates to them.

But it's not as simple as the need to craft more differentiated brand messages. Recruiting leaders must also change the messenger. When messages about an organization's culture come

**Figure 1. Desire to Learn Types of Information During the Application Process**  
Percentage of Candidates by Information Type



n = 6,368 candidates

Source: 2019 Gartner Candidate Survey

Note: This is the percentage of candidates who selected at least one in the category in the top five pieces of information they wanted to learn during the application process. Value information includes compensation, benefits, development opportunities and career paths. Work information includes the type of work involved, the technology or programs used in the role and the characteristics of someone who would be successful. Experience information includes company culture, culture of the team, management style of the potential manager and work-life balance of the role.

from recruiters or the organization itself, they feel less relatable and less believable. They are not tied to the daily reality of life at the organization or what it means for a role. Recruiting leaders should leverage messengers that look and feel like the target talent group. This means having employees and hiring managers talk about culture, not recruiters. Messages from people in the business are more powerful for three reasons:

- **Messages feel more relevant** — Employees are more similar to potential candidates, which leads candidates to pay more attention to them. Candidates are more likely to connect emotionally with messages from people who have similar backgrounds and values.
- **Messages feel more concrete** — Rather than broad statements about company culture, employees connect culture to their daily experiences at the company and how

they do their jobs. Concrete messages allow candidates to picture what culture looks like as a lived experience, rather than an ideal.

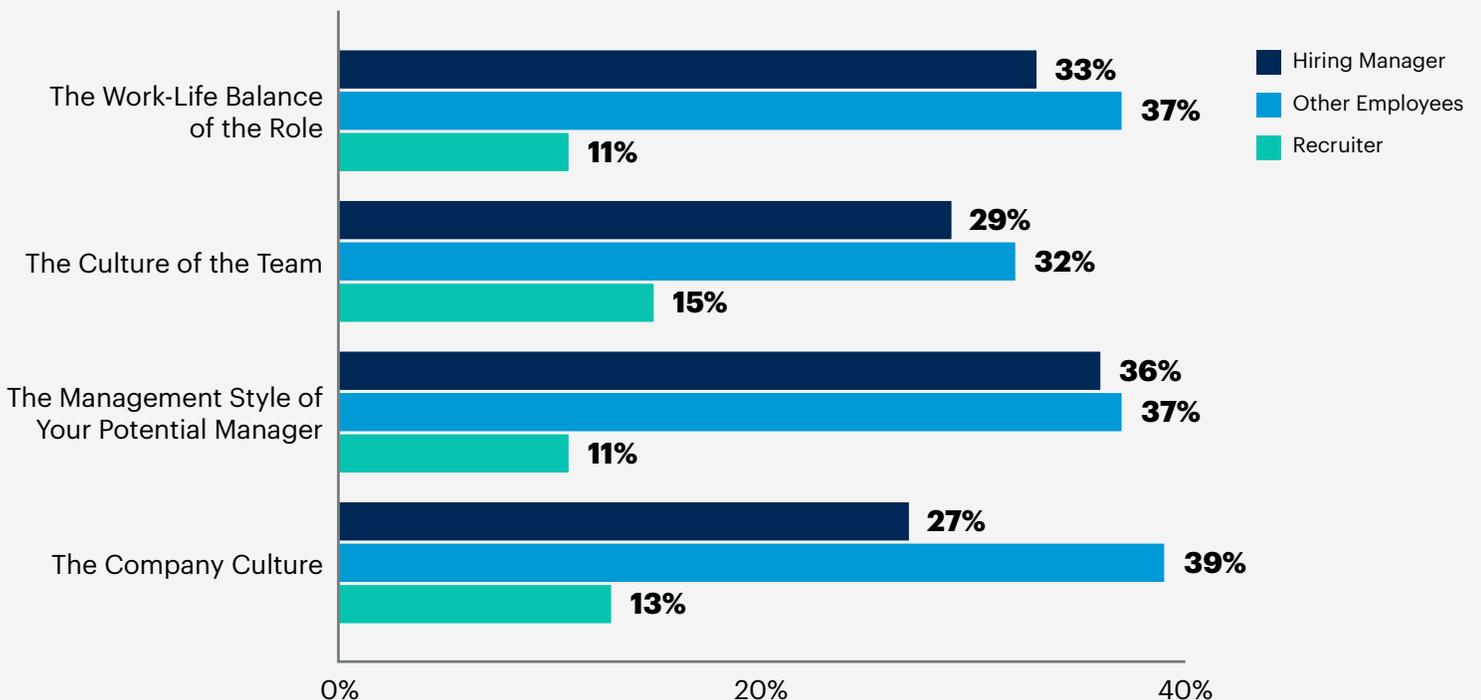
- **Messages feel more trustworthy** — While candidates value recruiters' guidance and information on some topics, they trust messages about culture more when they come from employees and hiring managers (see Figure 2). These messengers are more likely to provide an honest reflection of the environment in which they work and are better equipped to give insight into the culture of specific departments or teams.

To leverage culture in attracting candidates, recruiting leaders should:

- Use employee-generated branding messages to attract candidates
- Engage hiring managers to provide a culture-driven candidate experience

## Figure 2. Levels of Trust in Sources of Information

Percentage of Candidates Selecting Source They Trust Most for Each Type of Information



n = 6,368 candidates

Source: 2019 Gartner Candidate Survey

“People don’t trust brands; they trust people. Getting employees to be our talent brand content creators helps us reach their networks and allows us to become amplifiers of that authenticity to key talent.”

Carmen Collins, Senior Social Media & Talent Brand Manager, Cisco

## Employee-Generated Branding Messages

When companies share employment branding messages on social media, they often focus on what roles are open and why the company is a great place to work. But these messages fall flat with candidates. They focus on what the organization needs, not what the candidate wants. Instead, recruiting leaders should focus branding messages on helping candidates understand what it’s like to work for their organization. The best people to deliver these messages are the employees themselves.

Candidates are hungry for this kind of connection with employees. During the application process, 59% of candidates check the social networking sites of at least one employee at the organization.<sup>2</sup> Recruiting leaders must encourage employees and hiring managers to talk about their experiences and accomplishments.

At Cisco, recruiting leaders realized that organizational culture is a strong attraction driver for a variety of candidate personas. Their talent brand team encourages employees to use the #WeAreCisco and #LoveWhereYouWork hashtags on social media to share content about life at Cisco, boosting engagement with an annual photo competition. They also help employees turn their posts into stories that bring to life the employee experience and organizational culture at Cisco. The talent brand team tailors what employee-generated content it shares based on what drives emotional connections across different platforms. For example, the team shares employees’ photos on Instagram and shares longer employee stories on LinkedIn (see Figure 3). This approach promotes a strong emotional connection to Cisco as a brand, both for the candidates reading these messages and the employees creating them.

Figure 3. Cisco's Employee-Generated Branding Message



Source: @WeAreCisco on Instagram

But employees aren't the only ones who should create and share these messages. Hiring managers must also get involved. When hiring managers participate in candidate attraction, offer acceptance goes up by 8.4% and quality of hire goes up by 11.7%.<sup>2,3</sup> However, their involvement in candidate attraction is relatively rare. It feels far removed from their regular job, and they struggle to fit it in. Rather than convincing hiring managers that candidate engagement matters, recruiting leaders must anchor it in something that already matters to them: their career.

---

When hiring managers participate in candidate attraction, offer acceptance goes up by 8.4% and quality of hire goes up by 11.7%. However, their involvement in candidate attraction is relatively rare.

---

At Verizon, recruiting leaders recognize that having hiring managers post open roles is not enough to engage candidates. Instead, they help hiring managers craft personalized messages about culture by connecting their own career experiences to Verizon's strategy and brand. They work with managers to showcase their teams' culture and accomplishments, as well as their own career journey. Recruiters also steer candidates to managers for informal conversations about the role and team, creating a personal connection. This allows candidates to learn more about Verizon's culture and values before deciding to apply.

## Culture-Driven Candidate Experience

Recruiting leaders today must also change hiring managers' mindsets around the interview process. It's not just about candidates selling hiring managers on their skills; hiring managers must also sell candidates on the organization. Interviews are a great opportunity to bring the organization's culture to life.

At Shell, the recruiting function motivates interviewers to act as brand ambassadors with their "don't just hire, inspire" framework. Shell selects high performers across the company to be part of its talent assessor community. In addition to developing hiring managers' assessment skills, recruiting leaders also coach interviewers in how to convey Shell's culture. Interviewers demonstrate commitment to the company's values throughout the process and share their personal experiences and career journey at Shell. By sharing cultural messages through the interview process, Shell makes its culture more real to candidates.

## The Power of the Right Messenger

To reap the benefits of a good organizational culture, it's not enough to talk about it on company websites and social media accounts. Recruiting leaders must find not only the right message but also the right messengers. When messages come directly from employees and hiring managers, candidates view them as more relevant, more concrete and more trustworthy than those coming from the organization. These messages bring organizational culture to life in a way that inspires candidates to act — that is, to apply and to join the organization.

<sup>1</sup> 2020 Gartner Candidate Panel Survey.

<sup>2</sup> 2019 Gartner Candidate Survey.

<sup>3</sup> December 2017 analysis of S&P 100 career sites



# Quant Corner

## Generational Differences in Impact of Well-Being Programs

By Ben Szuhaj

To optimize support for employees' well-being, total rewards leaders should understand how the impact of well-being offerings differs across generations. We tested the impact of 31 different well-being offerings on employee engagement. Overall, well-being offerings disproportionately impact engagement among younger employees. Ten offerings impact the engagement of

millennial/Generation Z employees, eight impact Generation Xers and only one impacts baby boomers. Some offerings, such as retirement readiness classes and support groups, are highly impactful for multiple groups. Other offerings, such as personal financial investing and immunizations, are only impactful for one group — in this case, millennial and Gen Z employees.

### Impact of Well-Being Offerings on Employee Engagement

Percent Change in Employee Engagement by Generation

		<b>Millennials/ Generation Z</b> Born After 1982	<b>Generation X</b> Born 1964-1982	<b>Baby Boomers</b> Born Before 1964
<b>Physical</b>	Onsite massage therapy	▼ -4.3%	▼ -6.5%	
	Biometric screenings		▼ -4.3%	
	Tobacco cessation programs	3.2%		
	Health risk assessments	3.2%	3.8%	
	Immunizations	2.3%		
	Exercise promotion	2.2%	3.6%	
	Gym subsidies		2.6%	
<b>Mental/ Emotional</b>	Smartphone apps	▼ -4.3%		
	Support groups	5.6%	6.1%	7.7%
	Mental health assessments	3.2%	4.9%	
<b>Financial</b>	Retirement readiness	8.8%	9.7%	
	Tax benefits or planning	5.4%	6.5%	
<b>Community</b>	Personal financial investing	3.8%		
	Work-sponsored volunteer trips	5.0%	5.7%	

n = 3,562 (millennial/Generation Z); 2,334 (Generation X); 647 (baby boomer)

Source: 2019 Gartner Total Rewards Employee Survey.

Note: Impact on engagement for each offering is calculated relative to the other offerings in the same category of well-being. Therefore, impact scores can be summed within categories, but not across categories. Additionally, only offerings with a statistically significant impact on employee engagement are shown for each generation. Lastly, Millennials and Generation Z are grouped as one generation as Generation Z does not currently make up enough of the data set to justify a separation analysis.

# Understanding Gen Z's Skills and Development Needs

By Jonah Shepp and Nikita Ojha

Generation Z is entering the workforce in a time of rapid change, when skills require updating more frequently than in the past. HR leaders should get to know their Gen Z employees on a granular level to align their learning and development strategies with their needs and interests.

Generation Z, which already makes up as much as 20% of the global workforce, has entered adulthood at a time of great uncertainty. The skills requirements of organizations are changing rapidly as they become more digital and data-driven. In addition to the specialized technical skills required by new digital technologies, soft

skills, like communication and critical thinking, are becoming more important as work becomes more collaborative. Changes in the way people work, such as the growing trend of remote work and the expanding gig economy, also influence the skills Gen Zers will need to succeed in their careers. With the class of 2020 graduating into the chaotic environment of the COVID-19 pandemic, the impact of these changes on Gen Z will likely amplify in the coming years.

As digital natives, Gen Z employees bring a unique set of skills, perspectives and intuitions to the table. Gen Z is on track to be the most educated generation in history. Pew Research Center found that among 18- to 21-year-olds no longer in high school in 2018, 57% were enrolled in a two-year or four-year college, compared to 52% among millennials in 2003 and 43% among members of Generation X in 1987.<sup>1</sup> However, Gen Zers are less likely than those of previous generations to have held jobs during their teen and college years, so more of them are coming into the professional workforce without any previous work experience.

Employers in recent years have observed a disconnect between what students learn in college and the skills required to navigate the working world, so Gen Zers' high levels of academic achievement are not sufficient to set them up for success. Members of this rising generation need and expect their employers to help them develop new capabilities throughout their early careers. This article discusses some of the key attributes of Gen Zers that HR leaders need to understand to effectively support their development and career growth.

## Gen Z Is Worried About Rapidly Expiring Skills

Because they grew up with the internet and social media, it was easily assumed that Gen Zers would enter the workforce confident in their digital skills and ready to use all kinds of digital technology at work without much additional training. Digital natives may

have a uniquely intuitive understanding of technology, but they also recognize how quickly it evolves and how many tools and skills become outdated from one year to the next. A majority (56%) of Gen Z employees believe their roles are changing due to digitalization, compared to 44% of millennials. They are also more worried than members of older generations about their skills becoming obsolete. In a survey last year, Gen Z employees predicted that an average of 38% of their skills would become irrelevant within three years: significantly more than millennials and Gen Xers (both 30%) and baby boomers (20%).<sup>2</sup>

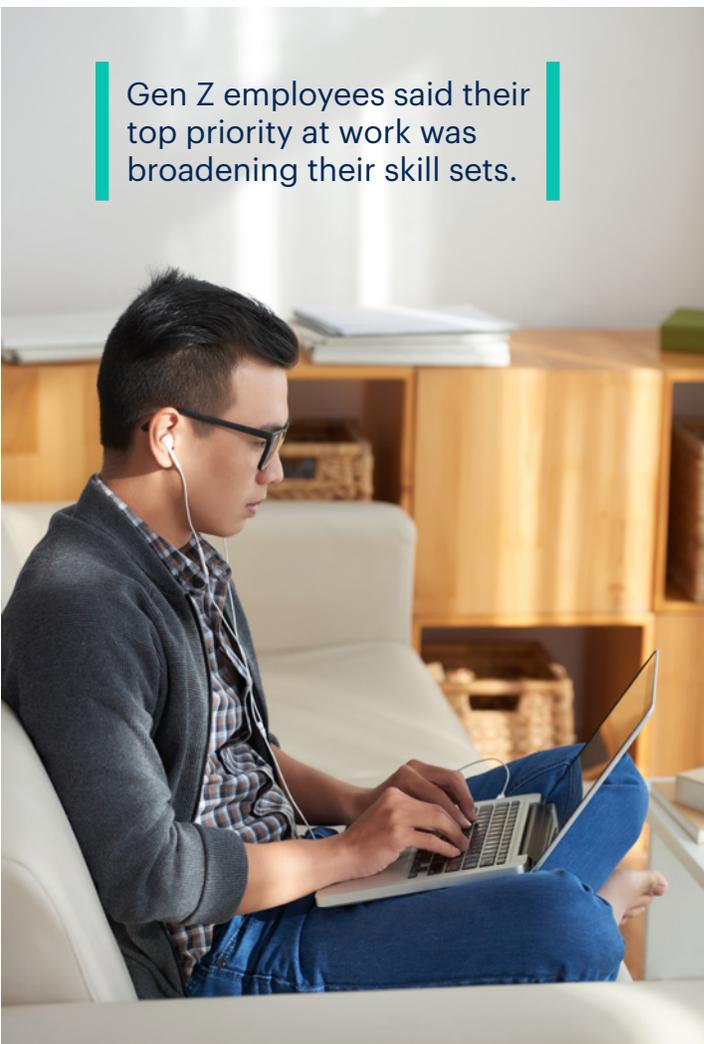
## Development Opportunities Are More Attractive to Gen Z Than Compensation

Gen Z is the first generation to prioritize development above compensation as a primary value displayed by employers. In our survey, Gen Z employees said their top priority at work was broadening their skill sets. Earning higher compensation came in fifth on their list of priorities, after gaining relevant experiences, progressing upward in the organization and gaining expertise in specific areas. Because members of this generation experienced the global financial crisis and the Great Recession during their childhoods, many employers expected them to care primarily about making money — it turns out Gen Zers are more concerned with setting themselves up for long-term success. Gen Zers, who grew up watching their Gen X parents and millennial siblings navigate less linear career paths than previous generations, anticipate the need to continuously learn new skills throughout their working lives. In today's uncertain and fast-changing work environment, they are looking out for their long-term employability.

## Gen Z Employees Want to Both Give and Receive Coaching

Gen Zers, having grown up in a time of significant social tension, were assumed to have a mercenary approach to their careers, looking out for themselves alone. On the contrary, Gen Z employees are eager to learn

Gen Z employees said their top priority at work was broadening their skill sets.



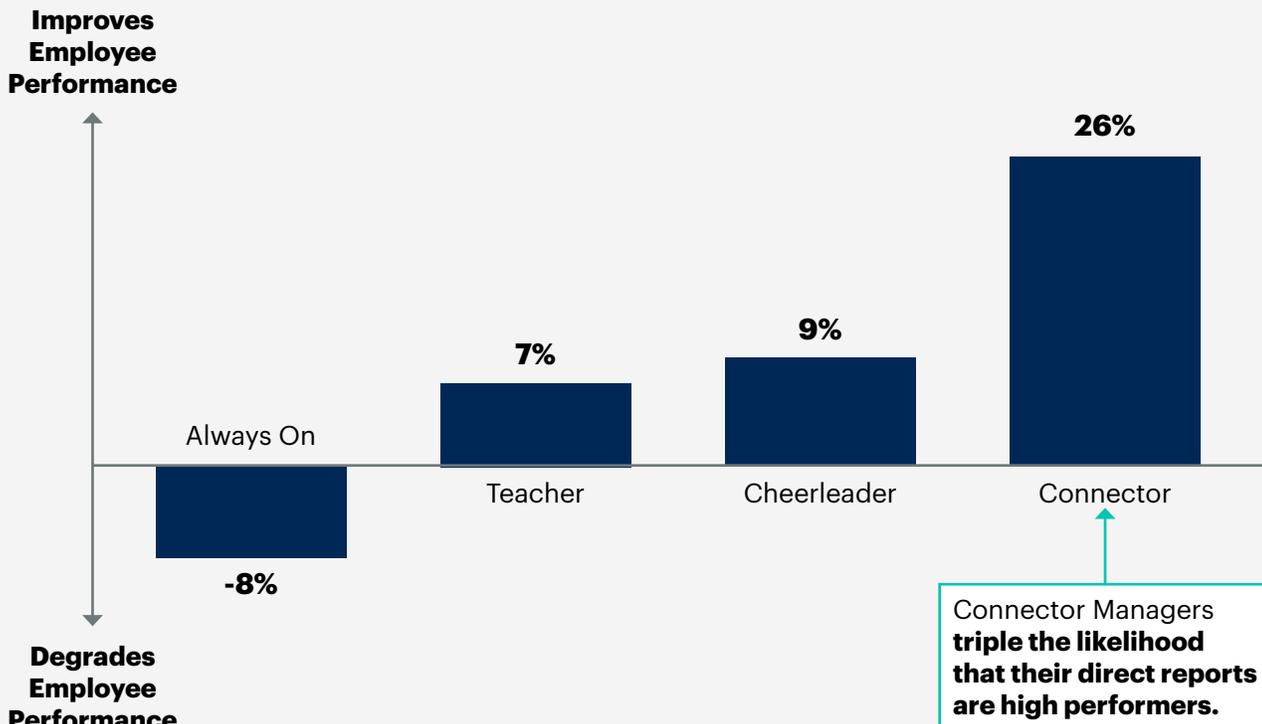
from their colleagues — as well as to teach them. While 77% of millennials said in a recent Dell survey that team leader coaching was highly important to team success, 83% of Gen Z respondents said the same. The Dell survey also found that 77% of Gen Z employees were willing to be technology mentors to others in the organization.<sup>3</sup>

These employees' keen interest in exchanging knowledge with their co-workers creates an opportunity for two-way coaching in the multigenerational workplace. IBM's learning and development function facilitates this type of connection for employees through its platform, CoachMe. On the platform, employees can search by skill set for colleagues throughout the organization who can share their expertise and teach them new skills. All employees are invited to volunteer as coaches, so Gen Zers can use it to offer their expertise as well as to benefit from the knowledge of older co-workers.

## Connector Managers Can Best Meet Gen Z's Development Needs

The challenge of developing Gen Z employees underscores the value of Connector managers. Many managers' instinctive response to a demand for employee development is to spend more time individually coaching employees, but our research found no correlation between hours of manager coaching and employee performance. In fact, Always On managers who provide continuous, frequent coaching, drive their employees' development and give feedback across a breadth of skills actually have a negative impact on employee performance. Teacher managers who develop employees based on their expertise and experience have a 7% positive impact on performance, but the Connector manager model stands out with a 26% impact (see Figure 1).

**Figure 1. Maximum Impact on Employee Performance by Manager Type**



n = 7,309 employees

Source: 2017 Gartner Manager Effectiveness Survey

Connector managers recognize they are not always the right coach for each member of their team in all situations. Instead of trying to tackle every employee development challenge head-on, they introduce employees to the best-fit sources of support and expertise for each individual challenge, whether on their team or elsewhere in the organization. We call these managers Connectors because they connect with individual employees to personalize their coaching, connect members of their team with each other and facilitate connections between individuals on their team and the wider organization. Connector managers are particularly well-suited to the development needs of Gen Z, as they build a learning ecosystem throughout the organization in which Gen Z employees can participate as both givers and takers of knowledge.

## Identifying the Skills Gen Z Employees Need

Gen Zers have a strong desire to build new skills from their first day at work. But which skills should HR leaders offer this cohort the opportunity to learn? To effectively design and communicate learning offerings for Gen Z, employers should understand their own Gen Z employees' needs and interests in detail. The simplest way to identify these needs is through employee surveys, but some organizations use more interactive tools to connect with Gen Z employees.

One advantage of using interactive tools is that it enables organizations to connect with employees on a personal level to understand their values and get to know them better. Citi's learning and development function took an employee-centric approach to building out its learning campaigns by holding "Ideas Jams" that brought together representative employee segments from throughout a region and amplified employee voices. Ideas Jams are live L&D-led workshops in which employees share concerns and aspirations for the future of work at Citi and answer questions such as:

- What skills do you need to learn to be successful in the future?
- What do you need to unlearn?
- What inspires or motivates you to learn?

Of course, Gen Z employees don't necessarily know what skills they will need to succeed in the future; neither do L&D or business leaders. To predict those needs, organizations use machine learning to analyze external data sources and identify microtrends in the labor market. DXC, for example, partners with data experts in its business and uses machine learning to scrape external job boards and uncover emerging skills gaps in the market. DXC makes these insights available to employees through its FutureTense Predictive Modeling Lab, which helps employees see an interactive map of shifting skills that are relevant to the business and to their individual careers.

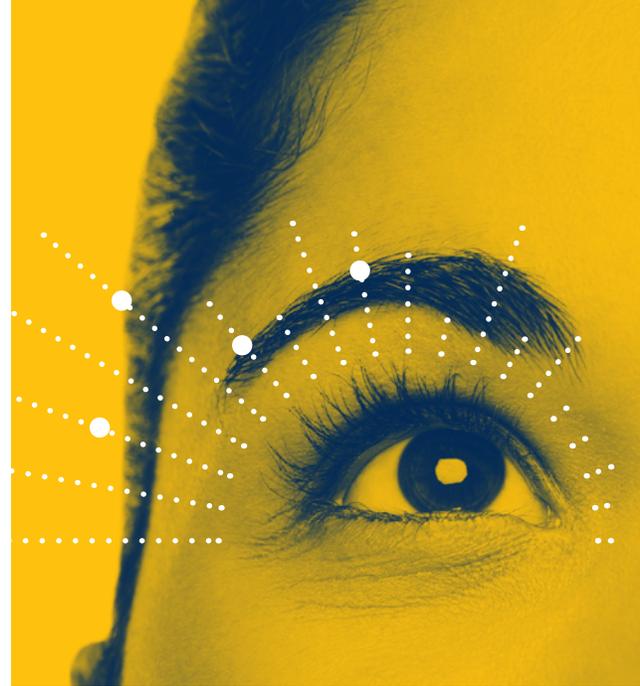
<sup>1</sup> "On the Cusp of Adulthood and Facing an Uncertain Future: What We Know About Gen Z So Far," Pew Research Center.

<sup>2</sup> 2019 Gartner Leader Effectiveness Survey for Employees.

<sup>3</sup> Dimensional Research, Dell Technologies, August/September 2018



# Prepare for a new future of work post-COVID-19



HR leaders need to reexamine workforce and employee planning management, performance and experience as the coronavirus pandemic resets key work trends — many irreversibly.

- 1** More employees working remotely
- 2** Increased use of employee data
- 3** Greater role of the employer as a social safety net
- 4** Wider use of contingent workers
- 5** Critical skills no longer synonymous with roles
- 6** Imperative to manage employees as people first and workers second
- 7** Crisis response distinguishes top-tier brands
- 8** Organizations prioritize resilience as much as efficiency
- 9** Crisis adds to organizational complexity, straining design, culture and value proposition

**Discover the next steps HR leaders can take to adapt strategies: [gtnr.it/future-of-work-trends](https://gtnr.it/future-of-work-trends)**

**Gartner client?**

**Visit: [gtnr.it/clients-future-of-work-trends](https://gtnr.it/clients-future-of-work-trends)**