

### Please cite the Published Version

Ugiagbe-Green, Iwi and Southall, William (2020) Exploring Gen Z's motivations and challenges when considering their future work and careers. Research Report. University of Leeds.

Publisher: University of Leeds

Version: Published Version

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# **Generation Z**

Exploring Gen Z's motivations and challenges when considering their future work and careers

A report produced by the University of Leeds for West Coast Partnership Development investigating the motivations to and challenges for Generation Z when considering their work and careers. **June 2020** 



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# **Executive Summary**

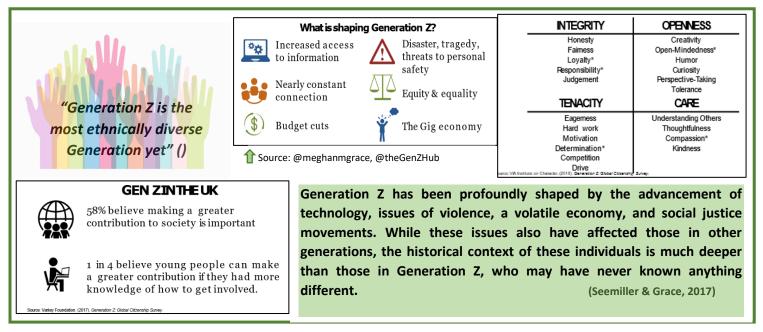
Vondracek, Lerner & Schlenberg (1986), explain that it is useful to analyse demonstrable generational differences through lifespan development perspective. As such, it is this approach that we have adopted for this study. We have explored the lifespan development perspective Gen Z's individuals' through an analysis of personal & contextual environments and situations to determine Gen Z's motivations and the challenges that they face when considering future work and careers.

To determine the lifespan development perspective of Gen Z, we adopted a two stage approach;

1) **Desktop research** (journals, reports, blogs) to **understand the motivations/challenges** facing Gen Z, when making decisions about their future work and careers.

2) **Primary research** in which we conducted 4 focus groups with 19 Gen Z schooleavers and graduates to get a gain further, deeper understanding of their personal and contextual environments to better understand how their **motivations** are shaped and what those motivations are.



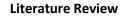


#### Motivations and challenges similar to/different from Generation X & Y

Similar to Gen X & Y, many members of Gen Z are mission-driven and care about the values of the employer. Gen Z also place particular importance on inclusive and empowering company culture, as well as learning and development opportunities. Gen Y were labelled "entitled," because they were the first generation to demand things that Gen Z now consider standard, like flexible work, work-life balance, and readily-available feedback. All Generations have at some stage, entered difficult labour market conditions, so must demonstrate resilience and adaptability. However, Gen Z will have lower financial security than previous Generations but they have higher expectations of mobility and support from their employer, although they set self-imposed career management and progression goals.

#### Would Gen Z want to be part of HS2?

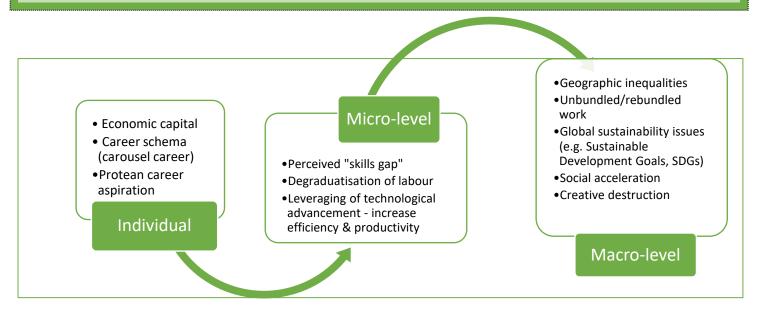
Focus group participants explained that the roles offered by HS2 and their knowledge of the transport industry was not aligned to their preferred career choices. They explained that if HS2 was not aligned to their values, they would not choose to work on it, but they were broadly apathetic to the project. A small number of participants expressed that they would consider being part of HS2, if they could bring about positive change in negative perceptions about the efficiency & cost of the project.



## CHALLENGES

## Gen Z - future work & career

There are different levels of challenges faced by Gen Z in considering future work & careers. They want diversity of work, flexibility and mobility. They want to be invested in and are driven by intrinsic values and security. Yet, the challenge is that their desire for a 'carousel career' is within a context of low economic capital due to age & inexperience (and market conditions). Advances in technology will change labour structures and work. Labour economics means that it is not always the highest skilled or most educated worker that is paid the highest salary, and salary is very important to Gen Z (though there is a trade-off between salary and self-fulfilment). There is also an increasing challenge of the labour market's perception of the value of a degree and a perceived 'skills gap,' of Gen Z (so called 'snowflakes'), by employers. An enhanced need to address global sustainability issues has led to creative destruction (closing of inefficient capital & labour) within markets. Consequently, the labour market Gen Z will enter is very dynamic, disruptive & uncertain.



#### **Individual challenges**

**Economic capital** – graduate debt, lack of (family/friends) economic support, higher expectations of return on investment of higher education v market tolerance for threshold expected salary level (£25k), lack of financial security, social mobility issues for some due to economic barriers

**Career schema** – entrepreneurial aspirations, expectation of wide breadth of opportunity in labour market, 'transactional relationship' with labour market, personal accountability for career management, gig economy (freelance) aspirations

**Protean career aspiration** motivation is driven by intrinsic values (rather than organisation led); seeking self-fulfilment, self-efficacy, happiness, satisfaction, self-directed goals

#### **Micro-level challenges**

**Perceived skills gap** – Employers perceive Gen Z workers with previous work experience have better skills than those without. There is a shortage in the supply of skilled jobs and therefore opportunities to gain relevant work experience before entering graduate (level) labour market.

**De-graduatisation of work** – Employers have cheaper labour options for graduate level work/tasks e.g. school-leavers, apprenticeships. Many employers question the value of a degree and value training before education.

**Technology advancement/automation** – Dynamic changes in the nature of work, altering where/how value is created by workers; Gen Z are being educated/trained for jobs that do not yet exist (impact of machine learning, AI, automation etc).

#### **Macro-level challenges**

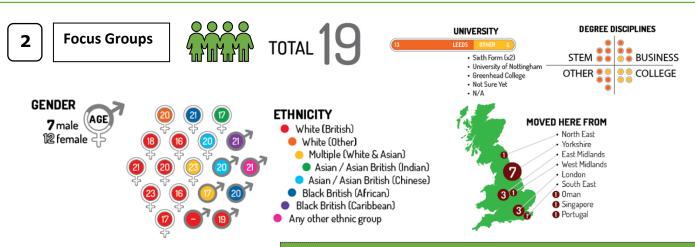
**Geographic inequalities** – Cities or areas concentrate more and more jobs (e.g. financial services), while others become depopulated and poorer e.g. North East. This is a consideration for Gen Z – consider cost of living, purchasing power e.g. house buying but attractive, exciting, rewarding jobs

**Unbundled/re-bundled work** –A global skills shift (cognitive and emotional intelligence will be in demand), re-shaped labour structures and re-configured labour roles

**Global Sustainability issues** – SDGs challenge facing businesses, responsible business investment (creative destruction), dynamic, changing business practices, market disruptors (uncertainty)

**Social acceleration-** Impact on environmental and social influences on social practices – social activism, boycotts e.g. resistance to HS2, perceptions of bankers, associations with colonialism etc impacting on work

**Creative destruction-** Changing industries & business models, leading to uncertainty of labour market, uncertain composition of firms and jobs, unknown skills needed for the future, how value will be created?



# MOTIVATING FACTORS

Gen Z - future work & career



The salary is probably the first thing I'd look at, but I wouldn't say it is the most important

Positive Social Impact

I need to feel like I'm working towards something that will help society

# 🦿 Career Development

For me it's going to be a question of jumping around from different jobs to gain different experiences Many of the motivations were generalizable across the 4 focus groups.

The top 3 motivating factors were; (1) salary, (2) career development opportunities and (3) positive social impact of work.

Gen Z are not solely motivated by money (holidays and work practice flexibility are important too). All participants discussed their personal trade-offs between self-fulfillment, happiness and earning money. They all expressed the importance of feeling valued. They all expected to be invested in, through training and personal/professional development. Gen Z workers want to be empowered in their roles. They are creative thinkers and are motivated by challenging and diverse work. They are seeking mobility of opportunity and experience, but also want clear progression routes of success and promotion (expected < 3 years). They all seek enduring work/life balance, which is very important to them. It is imperative to Gen Z workers that the organisation's values are aligned with their own. For some, diversity and inclusion, business ethics and personalized recruitment practices are integral to their perceptions of organisations' values. Additionally, the wider reputation of the employer is important to the Gen Z worker when considering future work and career options.



#### **CONCLUSION**

The lived experience of Gen Z is within the context of labour market uncertainty, volatility and disruption.

Gen Z recognize the need for resilience, but they expect reward and recognition for their hard work. Though loyal to organizations aligned with their values, Gen Z expect opportunities for mobility of experience and opportunity in their careers and future work

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