

Gen Z's workplace expectations: An international comparison

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Abstract:

The working world is in a rapid change due to shortage of talents but also the increasing global competition between companies. Now, the so-called Generation Z (Gen Z) that is claimed to be very different from other generations is entering the working market. This is a huge challenge for companies, and esp. employer branding departments. This paper researches the expectations of Gen Z towards employers as well as international differences by means of an international online survey. The results show that the Gen Z values flexibility highest. Work-Life-Balance is the top deciding factor for or against a company, and flexible work hours and hybrid work models the most important benefits. The international comparison shows that there are only minor differences between the country regions. Employer Branding could therefore be thought on a global level while also considering that there are little, but meaningful differences between nations.

Keywords: Generation Z, International employer branding, Workplace expectations

Track: Product and Brand Management

1. Relevance and Objectives of the Research

The working world is undergoing constant change, and companies are facing significant pressure due to dramatic shifts in the labor market. Demographic developments, such as an aging society and a shortage of skilled young workers, contribute to this pressure. This has led to an intense "War for Talents" which is still raging on (Beckwin, 2018). As a result, employees have more bargaining power than ever before and can demand various things and benefits (Gharsallah, 2022). Companies must actively work on their employer brand to become the "employer of choice" (Figurska, and Matuska, 2013, p. 36). With an increasingly globalized world also the question occurs, if the employer brand should be a global approach or be customized to regions or countries (Lievens, and Slaughter, 2016). The Generation Z (Gen Z) is now entering the workforce with initial demands including a four-day work week, sabbaticals, remote work, and no overtime. Gen Z's ideas about their working world have the potential to revolutionize working culture (Hölter, Kullmann, Quecke, Schirmer, Schmergal, and Sutera, 2023). Hence, it is crucial for companies and their managers to understand the Gen Z to find the best talents and make them stay (Niezurawska, Kycia, and Niemczynowicz, 2023). This paper is aiming at investigating Gen Z's expectations regarding the workplace, comparing different parts of the world and answering the following research questions:

- RQ1: What do the members of Generation Z in general expect from their work environment?
- RQ2: Which differences and commonalities can be found between the members from different country regions?

2. Theoretical Background

2.1 Employer branding across countries

The necessity for companies to actively shape their image at current and possible employees has grown over the years (Gharsallah, 2022). In this "War for Talents" (Chambers, Foulon, Handfield-Jones, Hankin, and Michaels, 1998, p. 45), companies are increasingly evaluated not just based on their products or services, but also on their reputation as employer. To become an "employer of choice" requires the strategic development of an employer brand (Figurska, and Matuska, 2013, p. 35). An employer brand is a bundle of economic, psychological, and functional benefits provided by a company to its current and prospect employees (Ambler & Barrow, 1996), comprising all perceptions of a company as an employer that are triggered by the company name, the company logo, and other visible brand

elements (Rosethorn, 2009). Within the process of building and maintaining an employer brand (so-called employer branding), the strategy phase is most important to position the company in the best way possible to attract talents. Therefore, a so-called Employer Value Proposition (EVP) is formulated, which should match the identity and thus the values and working conditions and, most of all, meets the values, needs and benefit expectations of the target groups (Stotz, and Wedel, 2009). Initially, research on employer branding was mostly done in Anglo-Saxon regions. However, with the developing need to attract more global and diverse talent, the question was raising of whether the employer brand should be a global approach or be customized to regions or countries (Lievens, and Slaughter, 2016). Studies hereon show similar results: most expectations towards the working space are quite similar across countries and continents, but there are selective expectations that are country-specific. Walk, Schinnenburg, and Handy (2013) for example show that Chinese students are less likely doing plans, whereas German students tend to favor working at a domestic company. Froese, Vo, and Garrett (2010) introduced a framework illustrating the importance of the origin country image in the context of recruitment. Caligiuri, Çolakoğlu, Cerdin, and Kim (2010) examined cross-cultural and individual differences regarding the importance of the image of a company when deciding for an employer. Their results state that both the cross-cultural (i.e., collectivism) and the individual level (i.e., need for power) have a relation to the importance of the employer's reputation. They propose that companies should take cultural norms into account when crafting their employer brand. Overall, the state of research shows a tendency towards glocalization, i.e. a slight local adaptation of transnational employer branding.

2.2 Describing the "Generation Z"

When it comes to Generation Z as the new workforce generation that is just entering the markets, Gen Z has to be defined first. There are different birth year periods to which Gen Z is assigned: from 1995 to 2009 (McCrindle, and Wolfinger, 2014), from 1995 to 2010 (Francis, and Hoefel, 2018; Schlotter, and Hubert, 2020), from 1995 to 2012 (Stillman, and Stillman, 2017) or from 1991 onwards (Kapil, and Roy, 2014). This paper adopts the definition according to which members of Gen Z are those born between 1995 and 2010. The formative years of the Gen Z are 2006 to 2025. They experienced the increased digitalization of life, financial crisis, and environmental disasters and terror. Gen Z is the first generation that has grown up in a fully digital world (McCrindle, and Wolfinger, 2014). They are considered lone wolves who are endowed with a pronounced self-confidence. Furthermore, they are not

searching long-term loyalty, neither to companies nor to other groups, apart from possibly the family. On the other hand, the development of new skills, the seizing of opportunities and the need for information are important to members of the Gen Z. Further, a high prospect salary, an attractive base salary, manifold tasks to work on, job safety and opportunities to take over leadership tasks are among the top values of Gen Z (Adamczyk, 2019; Chala, Poplavska, Danylevych, Євсейцева, and Sova, 2022; Mass', 2023; Nieżurawska et al., 2023). When it comes to communication, Gen Z is demanding regular feedback as kind of mentoring (Kapil, and Roy, 2014; Möhrstedt, 2018). Authenticity is one of the important pillars regarding leading the Gen Z. Building trust and showing honesty and integrity are key expectations as well as emotional intelligence (Tidhar, 2022). Also important for Gen Z is purposeful work and a good work-life balance, e.g. through flexible working hours or 4-day weeks (Bieleń, and Kubiczek, 2020; Deloitte, 2023).

2.3 Derivation of Hypotheses

With many sources mentioning the same aspects regarding the expectations of Gen Z towards their employers, the following hypotheses are formulated regarding the first research question:

- *H1a: Gen Z has a clear set of expectation towards their employer.*
- *H1b: Gen Z has a clear profile of benefits it values at a company.*
- *H1c: Giving and receiving feedback is amongst the top five characteristics Gen Z wishes from their managers.*
- *H1d: Hybrid working concepts are rank in the top five deciding factors for or against a company.*

Studies on international employer branding show that employees' expectations are quite similar in different countries, but in small aspects, differences could be found. Since there is a lack of studies on Gen Z in this respect, the following hypotheses are postulated, referring to the second research question:

- *H2a: There are only little differences regarding the set of expectation profile towards their employer of Gen Z between different countries.*
- *H2b: There are only little differences regarding the benefits Gen Z does value between different countries.*

3. Methodological Design

To test the hypotheses and answer the research questions, a standardized online survey was conducted and distributed internationally. The questionnaire made use of expectation and motivation scales that were adapted to the international context, all of them using five-point importance scales. The questionnaire was distributed between September 6, 2023, and October 11, 2023, using various distribution channels like Instagram, a LinkedIn post or LinkedIn groups, international company distributors as well as a newsletter for young professionals in the field of communications – resulting in $N = 142$ participants out of which three had to be excluded due to their age (not belonging to Gen Z) ($N = 139$). Analyses were done by means of statistics software Jamovi (Cloud version, as of November 2023).

4. Major Results

Regarding the age distribution, most participants were born in 1995 (23 percent) and 1996 (20.9 percent). Almost 30 percent of the people doing the survey were born in 2000 or later. Most of the participants were from Germany (96 participants, 70 percent), another fifth from other European countries (27 participants, 19.7 percent) and one tenth from the U.S. (14 participants, 10.3 percent). Due to the fact, that there are only two further answers outside of Europe these two are not taken in consideration for the country comparison ($N = 137$).

4.1 Expectations from Gen Z towards their work environment

Descriptive analyses (mean rankings, variances) of the question for Gen Z's motivation to perform well in work environment showed up *purposeful tasks* ($M = 4.47$; $V = 0.610$), *appreciation of the manager* ($M = 4.25$; $V = 0.666$) and the *salary* ($M = 4.13$; $V = 0.522$) as the motivators with the highest importance, and *high level of responsibility* ($M = 3.60$; $V = 0.686$) and *high workload* ($M = 2.56$; $V = 0.813$) as the least important. Descriptive analyses of the question for Gen Z's reasons for deciding for or against a company very clearly show a *good work/life balance* ($M = 4.53$; $V = 0.519$) and *interesting tasks* ($M = 4.48$; $V = 0.430$) as most important for this generation, followed by *colleagues to easy get along with* ($M = 4.36$; $V = 0.662$), *working culture* ($M = 4.31$; $V = 0.537$) and *hybrid working possible* ($M = 4.27$; $V = 0.768$). In contrast to that, *bonusses* ($M = 3.32$; $V = 0.707$), *the company's sustainability strategy* ($M = 3.25$; $V = 0.938$) and the *size of the company* ($M = 2.81$; $V = 0.885$) rank very low. Given the fact that variance in the items is relatively low (< 1.000 for all items) and the range of the average ranking relatively big, a clear set of expectations can be seen and *hypothesis H1a* be validated. With *hybrid working possibilities* ranked at fifth position, *hypothesis H1d* can be validated as well.

When it comes to the importance of benefits offered to the Gen Z at their workspace, at the very top are *flexible working hours* ($M = 4.55$; $V = 0.448$), the *possibility to work from home* ($M = 4.45$; $V = 0.664$) and *competitive salary* ($M = 4.02$; $V = 1.207$), whereas *free drinks* ($M = 3.05$; $V = 1.493$), *fruits and vegetables at the office* ($M = 2.68$; $V = 1.355$), *use of smartphone and laptop also privately* ($M = 2.66$; $V = 1.119$) and *free sports memberships* ($M = 2.65$; $V = 1.328$) are the least important benefits to Gen Z. Although the range of average ranking is high, most variances are far beyond 1.000 for most of the items. Hence, *hypothesis H1b can only be partly validated*.

With regard to the leadership style of managers, of utmost importance to the Gen Z is to *be treated with respect* ($M = 4.88$; $V = 0.144$), followed by *communicates on eye-level* ($M = 4.60$; $V = 0.466$), *shows trust towards employees* ($M = 4.56$; $V = 0.323$), *shows appreciation* ($M = 4.52$; $V = 0.381$) and *gives and takes feedback* ($M = 4.50$; $V = 0.346$), while *has passion for the company* ($M = 3.67$; $V = 0.860$) and *is a role model* ($M = 3.64$; $V = 1.018$) are least important. Given the fact that *giving and taking feedback* belongs to the top five leader characteristics, *hypothesis H1c be validated*.

With regard to research question 1, it can be stated that Gen Z's expectations of the working environment comprising motivations to work well, benefits and manager behaviour have a clear profile due to the largely low variance and wide range in the mean value ranking.

To compare the expectation profiles between countries, we used Kruskal-Wallis (KW) tests (Aden et al, 2021) with Dwass-Steel-Critchlow-Fligner pairwise comparison for post-hoc tests.

Regarding the motivation factors for doing good work, two of nine items show significant differences: *steep learning curve* and *having impact within your company*. According to pair comparison, differences for *steep learning curve* mainly occur between the rest of Europe (most important here with $M = 4.17$) and the U.S. (least important here with $M = 3.27$) ($p = 0.040$), but no differences could be found between German participants to either of the other two groups. Regarding *having impact*, significant differences occur between Germany ($M = 3.85$) and the rest of Europe (most important here with $M = 4.42$) ($p = 0.011$) as well as between the rest of Europe and the U.S. ($M = 3.82$) ($p = 0.042$).

When it comes to the decision factors for or against a company, only two out of 17 items show significant differences: *regular working hours* and *fast career development*. The rating of *regular working hours* significantly differs between Germany ($M = 4.08$) and the rest of

Europe (least important here with $M = 3.41$) ($p = 0.012$) as well as between the rest of Europe and the U.S. (most important here with $M = 4.60$) ($p = 0.006$). Regarding *fast career development* differences can be found between Germany ($M = 3.37$) and the rest of Europe (most important here with $M = 4.05$) ($p = 0.007$).

In terms of the importance of benefits, only *competitive salary* shows significant differences at all, namely between Germany ($M = 3.77$) and both, the rest of Europe ($M = 4.59$) ($p = 0.004$) and the U.S. (most important here with $M = 4.70$) ($p = 0.019$).

Finally, regarding Gen Z's expectations of the traits of their managers, 15 items are rated in a quite similar way with only three showing significant differences: *gives you challenging tasks*, *is always approachable* and *communicates on eye-level*. Significant differences occur between Germany ($M = 3.69$) and the Rest of Europe (most important here with $M = 4.35$) regarding *challenging tasks* ($p = 0.007$) as well as on *communication on eye-level* (most important in Germany with $M = 4.77$, rest of Europe: $M = 4.00$) ($p = <.001$). For *is always approachable*, the differences can be found between Germany ($M = 3.96$) and the U.S. (highly ranked here with $M = 4.78$) ($p = 0.013$).

H2a postulated only slight differences in the expectations of Gen Z in a cross-country comparison. Regarding the motivation factors, only two of nine items show significant differences. It can be concluded that there are only minor differences between the countries regarding expectations of the Gen Z, *validating hypothesis H2a*. Hypothesis H2b postulating only little differences between the countries regarding the benefits profiles, *can also be confirmed*, since in terms of the benefits and their importance, significant difference could be found only for one out of 13.

Research question RQ2 asked for communalities and differences between countries. Results show that there are only minor differences between the three countries groups (Germany, Rest of Europe, US) tested in this study. With the findings in the fields of values, workplace expectations and benefits, it can be concluded that the Gen Z is quite similar in different countries, but if differences occur, they are rather big.

5. Summary and Implications

Employer branding is of high importance. Companies must shape their employer brand to be attractive to young talents. They must become an “employer of choice”. This becomes more and more important in the current working environment as the talents can choose between

different jobs – and that even globally. The Generation Z, the first fully digital generation, is now entering the working world and is very outspoken and different from other generations having a clear vision of what they value, what they want and need. The members of the Generation Z clearly expect several things from their work environment. They want to have purposeful tasks and appreciation by their managers. Furthermore, they have no pride in high workloads. When deciding for or against a company, they value having a good work-life-balance over a high salary. Furthermore, also in this case interesting tasks are very important, followed by colleagues, who can be worked with well, working culture and hybrid working model. It shows that other than suggested in literature (Nieżurawska et al., 2023), personnel responsibility isn't important to Gen Z (third last place when it comes to deciding factors). Surprisingly, the sustainability strategy is on the last place. Regarding benefits, Gen Z rates flexible working hours and the possibility to work from home highest, while the typical “startup” benefits like sports membership and fruits seem not to help securing the top young talents. From their managers, Gen Z expects respect, appreciation, trust, and constant feedback. The manager has not to act as a role model neither is it important to Gen Z that he or her is passionate about the company or asks what they want to achieve. Based on the findings,

- HR departments should develop a clear understanding of what employees of the Gen Z really want and need (as some results differ from previous studies),
- HR departments should be aware that – although a clear profile of expectations towards their working place and managers is existing – there are regional differences that need to be considered for international employer branding campaigns.
- leaders will be confronted with a generation that demands for communication at eye level and simultaneously for mentoring - two things that require a great deal of sensitivity in their simultaneity.

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