



Zooming in on Gen Z





GEN Z AT A GLANCE 3

GEN Z CRAVES COMMUNITY, IMMEDIACY, AND BALANCE 8

HOW GEN Z VIEWS COMPENSATION AND BENEFITS 14

THE BENEFITS AND REWARDS GEN Z WANT 18

WHAT GEN Z IS LOOKING FOR IN AN EMPLOYER 22

KEY TAKEAWAYS 25



A Message from our CEO

Gen Z is bringing an unprecedented digital finesse and predisposition for global thinking into the workplace. As they progressively replace the retiring Baby Boomer workforce, companies dedicated to securing the most exceptional talent will have to adapt to meet their requirements.

Benify surveyed 8,000 employees from eight different countries, including 917 Gen Z workers. The primary objective of this survey was to uncover the expectations and preferences of employees, focusing on the rewards and benefits provided by their employers. Now, I am excited to provide an unfiltered glimpse into how this new generation approaches work.

With Gen Z poised to constitute a third of your workforce within the next two years, it's crucial to take proactive measures today to both attract and retain your future employees. We hope that this report will serve as a valuable guide to help steer your team toward success.

The survey was conducted in Denmark, France, Germany, Italy, Poland, Spain, The Netherlands and UK by the YouGov analysis institute on behalf of Benify. 8262 employees were interviewed using CAWI methodology during the period of 20 December 2022 - 9 January 2023.

Joakim Alm
CEO, Benify



Gen Z at a Glance



Asking for It All: Global Thinking with Individual Communication

Gen Z (born 1995 and after) have more university degrees and certifications than any previous generation when entering the workforce. They're the first wave of employees to be fully digitally native. They exhibit a higher degree of social consciousness and environmental awareness compared to preceding generations and demonstrate a willingness to engage in open conversations about mental health and political issues.¹ On average, six in ten Gen Z employees reportedly expect their employers to adopt publicly stated stances on social and environmental issues.²

Gen Z is also stepping into an unprecedented landscape. They are entering the workforce as the population of the European Union is shrinking and the number of retirees is growing.³



Generational Shifts: From Boomers to Gen Z

The Baby Boomers, having come of age in the 1960s and 1970s, played a pivotal role in shaping the contemporary workforce. They established the foundational norms for employee expectations: encompassing aspects like salary, benefits, and contributions to healthcare and pensions.

The arrival of Gen Z in the workforce signifies the end of an era that originated in the aftermath of World War II, as the Boomer generation now transitions into retirement.

BABY BOOMERS
(1945-1964)



MILLENNIALS
(1985-1994)



GENERATION X
(1965-1984)



GENERATION Z
(1995 OR LATER)



Engagement is Trending Down

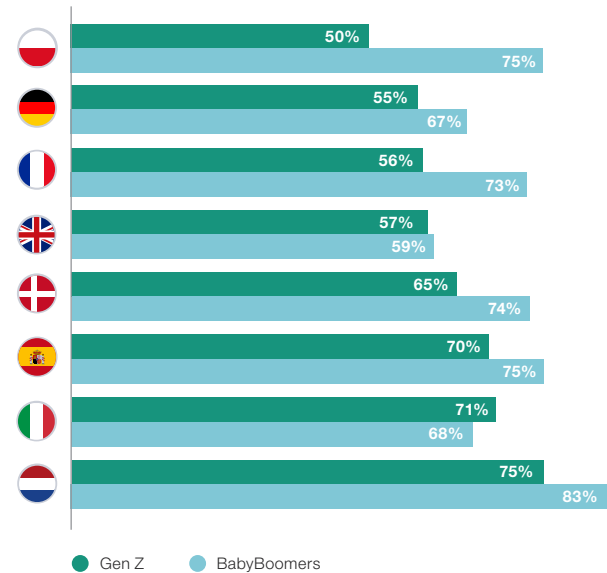
One of the most striking contrasts between Boomers and Gen Z – and a crucial point for employees to consider – is engagement. Employee engagement between Boomers and Gen Z is trending down in every country surveyed except Italy. In total, roughly 62% of Gen Z report themselves to be highly engaged, significantly less than their older counterparts.

To increase this engagement, employers should harness Gen Z's exceptional talent for rallying like-minded individuals. They can do so by designating them as influential leaders within a range of staff and social clubs, focused on areas such as diversity, inclusion, and sustainability. Gen Z is characterized by their drive to take a stand on political and environmental issues, making them ideal candidates for roles as workplace ambassadors. This generation's commitment to driving positive change can help cultivate a more supportive, inclusive, and motivating work environment.

Our research revealed that 67% of Gen Z employees strongly agree that their work is meaningful.⁴ Nevertheless, there is strong potential for this percentage to rise by creating opportunities for this age group to grow into leadership roles.

For Gen Z employees to feel even more connected to their work, it's crucial that management actively champion, emphasize, and foster a culture centered around the initiatives aimed at making a difference. By doing so, they will inspire greater engagement. Moreover, this will encourage Gen Z employees to aspire to leadership roles where they can drive positive change within the organization.

I feel engaged on a normal day at work



Highly satisfied employees, % (those who have responded 7-10 on a 10-grade scale to the question)

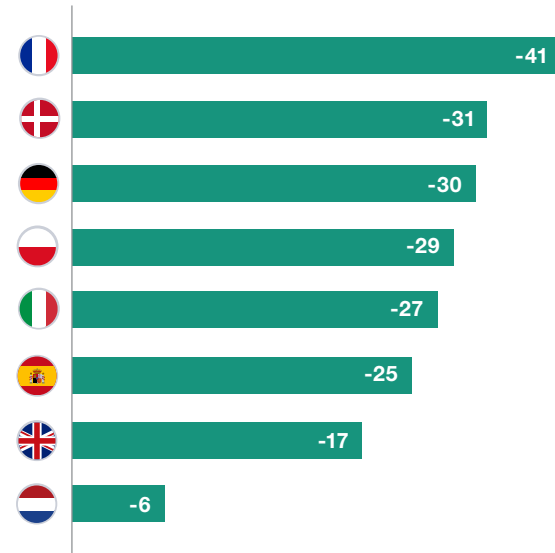
How Likely Are Your Youngest Employees to Recommend You?

Similar to engagement, Gen Z's eNPS is lower than the other generations with the exception UK and the Netherlands. In the Netherlands, Gen Z is actually more likely to recommend their employer than both Gen X and Millennial employees – putting the young Dutch workforce at odds with their counterparts in France.

With lower engagement and loyalty, employers hoping to get the best out of their Gen Z employees need to address shifting priorities.



eNPS Score for Gen Z



eNps = Promoters (9-10) - Detractors (0-6)

Gen Z Craves Community, Immediacy, and Balance



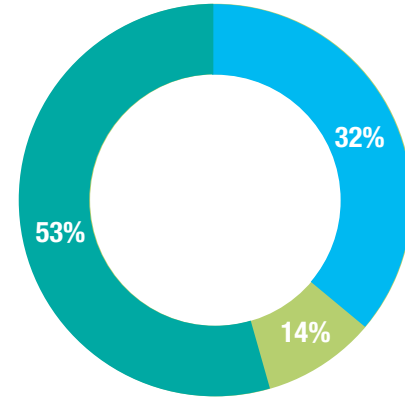
Remote-ish

Gen Z is the first to start their careers having experienced a remote-first world. As many of them either completed their education or embarked on a professional journey during the pandemic, they know the requirements, pitfalls, and benefits of remote-first work.

Only 32% of Gen Z prefer to work in an office full-time. However, this doesn't mean that they want to be fully remote. Instead, most Gen Z's value having the flexibility to choose when to go into the office to avoid the threat of loneliness.⁵ This preference stems from their yearning for a sense of community and the opportunities for collaboration that an office space can provide.

Gen Z recognizes the physical workplace as a hub for engagement and social interaction, where meaningful relationships and collaboration can contribute to a richer workplace experience.

Which of these options best suits how you would want to work in the future?



- Both from home and workplace
- Only from the office/workplace
- Only from home remotely

Great Tech-spectations

While Gen Z does not want to work remotely all of the time, they do expect that all relevant information is up-to-date, agile, and accessible from hybrid locations.⁶ Mobile communication is now the norm: over half of Gen Z is available on their phones at all times⁷, and approximately 80 % of Gen Z log in on the Benify platform is done through their mobile. Consequently, employers must establish communication systems that ensure information is disseminated at the same time, irrespective of their employee's work location.

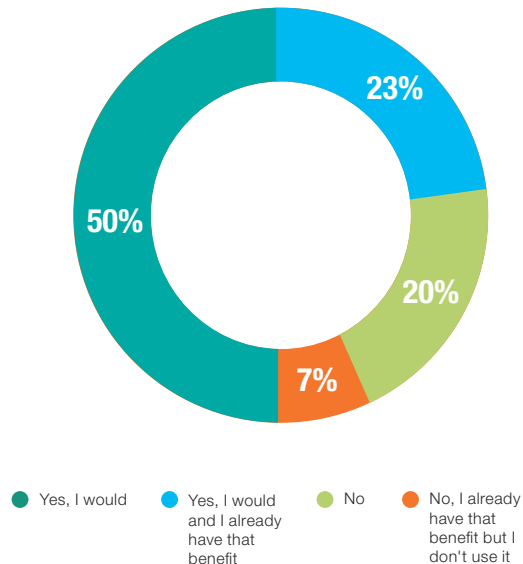


79%

of Gen Z in
Poland want to
work remotely or
hybrid

Flexibility in Every Aspect

If you had the benefit of working remotely, would you use that benefit? For example, from another country, another office, another city?



Gen Z is entering the workforce with a nuanced understanding of the intricacies of work-life balance, and they expect employers to understand and accommodate. As a result, they possess a dual inclination for setting clear boundaries between work and leisure, all the while blurring the line that separates the two.

Employers seeking to effectively engage Gen Z must demonstrate a flexibility that mirrors their preferences regarding working hours, communication methods, and career progression. Demonstrating this commitment to adaptability should begin with transparent job advertisements and extend throughout the entire recruitment process. This will showcase how your organization aligns with these principles.

73% of Gen Z is willing to work remotely if given the opportunity.⁸ Therefore, employers should contemplate the introduction of a benefit that permits employees to work from a location of their choice. This freedom represents an appealing advantage for a younger generation that values independence and autonomy.

39%
of Gen Z employees
in the UK say they
already have the
benefit of working
remotely

How Benefits and Rewards Can Meet Gen Z's Needs

Because Gen Z has an expectation of immediacy, your employees may want to know they can change benefits, like the percentage of their wage put into a matched pension with a few clicks at any time. To meet these needs, more companies are utilizing flexible budgets to ensure their employees can select the benefits that suit them the most.



When a Gen Z employee requires a mental health day, they might opt to utilize their vacation time or designated work-from-home days, often expecting the flexibility and freedom to do so.



Effort Matches Importance

Like Millennials, Gen Z desire a job with a purpose, that aligns with their personal core values. However, they are less likely to 'buy into' a corporate ethos. The frequently memed 'Lazy Girl Job' shines a light on a reality that Millennials have attempted to overlook – jobs do not have to be transformative or personally significant to be economically sufficient.⁹ Instead, they must be low-stress, low-effort roles that pay decently well and meet Gen Z's social and political beliefs, while allowing plenty of freedom and flexibility.¹⁰

Gen Z, the most anxious generation to enter the workforce¹¹, is more likely to treat a job like a transaction, removing the emotional engagement that Millennials have demanded from their employers. This has also allowed Gen Z to be more open to receiving constructive feedback, as they actively engage in two-way conversations with their managers to help improve their performance.

To attract Gen Z, companies must invite and encourage feedback. This will create an environment where open communication and continuous improvement are celebrated, and a commitment to development is evident.



How Gen Z Views Compensation and Benefits



Show Me the Money

Because Gen Z desires to establish a clear boundary between their professional and personal lives - even if remote work makes it physically harder - they want to see how their current position fits into the bigger picture of their own personal goals. Also Gen Z is bringing the highest level of stress and anxiety into the workplace, which means that clear compensation and benefits are¹² a top priority.

Our report demonstrates that Gen Z employees in Denmark and The Netherlands prioritize pension benefits, recognizing the importance of long-term financial security. On the other hand, Poland, Spain, and Germany prioritize leave and working hours, emphasizing the desire for flexibility. France, the outlier, ranked healthcare first.



Most Important Benefits

Leave and working hours, alongside work-life balance, are two of the most important benefits according to Gen Z. Pension benefits followed closely behind in importance.

Gen Z places a higher priority on mobility benefits associated with transportation compared to Millennials and Baby Boomers. This preference is linked to their strong desire for flexibility in choosing their work locations. Additionally, as Gen Z is more likely to engage in discussions about mental health¹³, it's not surprising that mental well-being benefits rank prominently on their list of priorities.

Organizations looking to attract and retain Gen Z talent must design a holistic EVP that caters to individual needs and aspirations. This includes offering a flexible subsidy that empowers employees to invest in what they personally consider important – for example, greater control over their overall well-being and personal growth. As highlighted in our research, this sentiment is further emphasized by the significance that Gen Z places on free time.

Mental well-being also holds significant importance among Gen Z, but it is regarded as an essential aspect of employment rather than a benefit. Research conducted by the Society for Human Resource Management (SHRM) revealed that 61% of Gen Z respondents would consider switching jobs if they were presented with an opportunity that provided an improved focus on mental health.¹⁴ These employees see mental health support from their employers as a basic standard.

Top 10 Benefits



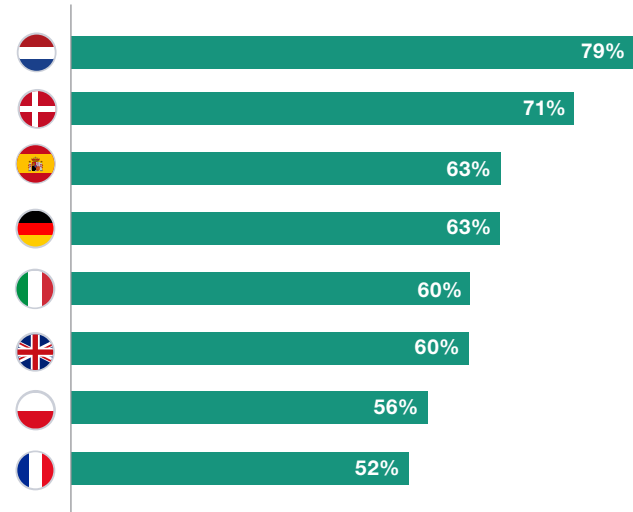
- 1 **Leave and working hours** (e.g. flexibility)
- 2 **Work-life balance benefits**
- 3 **Pension**
- 4 **Healthcare benefits**
- 5 **Skill development benefits**
- 6 **Mobility benefits** (cars, bicycles, public transport)
- 7 **Insurance benefits**
- 8 **Mental well-being** (e.g. mindfulness, online therapy)
- 9 **Company-specific benefits**
- 10 **Financial well-being** (e.g. loans, insurance)

Less Loyalty, More Pragmatism

Within our survey, it was evident that Gen Z displayed a greater likelihood of considering a job offer from a different company when the offer included a similar salary and position but better benefits. Gen Z were on the opposite spectrum of loyalty when compared to their Boomer counterparts, reporting that their loyalty is primarily to their families and personal financial goals – not to the companies for whom they work.



How likely are you to accept a job in another company if they offered a similar salary and position, but better benefits?



Percentage that have responded 7-10 on a 10-grade scale to the question

The Benefits and Rewards Gen Z Want



Individualized and Flexible Benefits

Across the board, our survey found that Gen Z employees in every country would be more satisfied with individualized, tailored benefits, and a wider selection of available rewards.

The Pursuit of a Work-Life Balance

Gen Z champions the importance of a work-life balance. They expect paid vacation days and perks such as well-being hours, which involve allocating a certain amount of time during the workweek for employees to focus on activities that promote physical and mental health, such as sports or meditation.

Failure to provide this may result in Gen Z looking elsewhere for employment. In certain cases, some individuals may engage in 'quiet quitting' behavior until they feel their value is recognized by their employers.

What would improve your satisfaction with the benefits you receive?



Employers Should Adapt Benefits and Rewards to the Changing Labor Market

Just 54% of Gen Z employees strongly agree that their employer effectively adapts to changes in the labor market.¹⁵ This highlights Gen Z's inclination towards flexible benefits that can both readily adapt to evolving economic landscapes and address societal issues.



A Strong Commitment to Mental Well-being Is Expected Rather Than Celebrated

The significance of mental well-being benefits among Gen Z is ranked lower than anticipated. However, this can be attributed to Gen Z's expectations that such benefits should be a standard and fundamental offering from employers right from the outset.



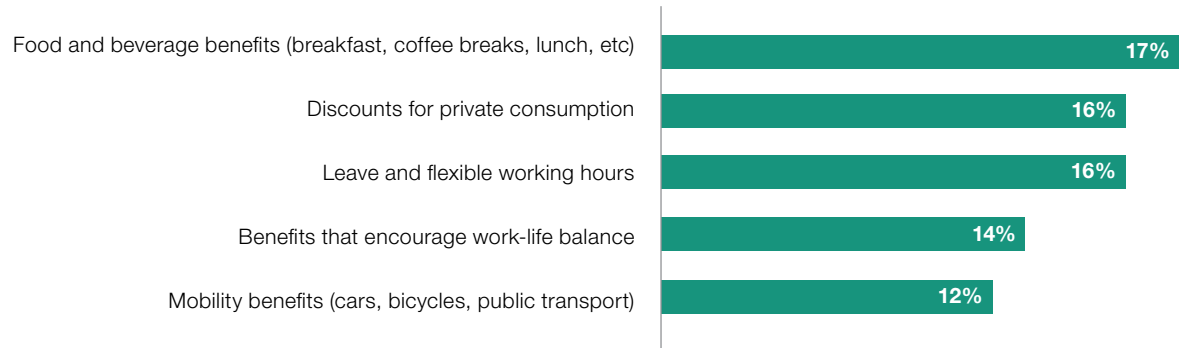
Additional Benefits and Rewards

As for benefits not currently received, Gen Z's preferences are diverse, encompassing office perks, discounts for private consumption, and flexibility.

Our survey revealed that Gen Z has a strong preference for leave, flexible work hours, and benefits supporting work-life balance, but these are often lacking in their current employment packages. They also highly value perks related to food and beverages, alongside discounts for private consumption, which underscores their growing financial savviness. Mobility benefits are important too.

As the benefits landscape differs, it's important to recognize that the specific benefits Gen Z desires may vary between European countries. Nevertheless, this research provides valuable insights to help improve the job satisfaction of your Gen Z employees.

Benefits you would like your employer to offer you that you do not currently receive?



What Gen Z is Looking for in an Employer



Gen Z Want a Sense of Belonging and Desire Influence

Generation Z expresses a stronger sense of belonging compared to their immediate elders, but there are notable variations by country in terms of the level of influence they desire.



Highly satisfied employees, % (those who have responded 7-10 on a 10-grade scale to the question)



Gen Z Wants to Work for a Progressive Employer

Gen Z places significant emphasis on progressive employers. In fact, 43% of workers believe that a company's mission, purpose, and values are essential, compared to 39% of the wider population.¹⁶ These employers are ones that adapt to changes in the labor market, encourage a strong corporate culture, and recognize the importance of sustainability.

This need for progressiveness is evident across borders. In the UK, only one in ten employees believe their employers are adapting adequately to the changing times, while in the Netherlands, a more promising third of employees feel their employers are moving in the right direction.¹⁷

Ultimately, progressive employers encourage Gen Z employees to become enthusiastic company ambassadors.

A progressive employer is one that adapts to changes in the labor market. Such an employer encourages a strong corporate culture, recognizes the importance of sustainability, and prioritizes employee satisfaction, engagement, and well-being.



Key Takeaways to Attract and Retain Gen Z Employees

- Gen Z is fully capable of remote work but craves a sense of community and may be willing to consider in-office arrangements if they enable relationship-building opportunities. As the workplace shifts and focuses on a sense of belonging, the importance of people and organizational culture will continue to grow for Gen Z.
- Gen Z is mobile-first in every area. This means that employers must establish mobile communication tools that ensure real-time information dissemination, regardless of their employee's work location. It should be easily accessible and user-friendly so that information can be consumed quickly.
- Gen Z strongly advocates for work-life balance and places importance on having paid vacation days and well-being perks. Failing to offer these benefits may lead Gen Z to seek alternative employment opportunities.
- Gen Z exhibits the lowest sense of loyalty to their employers, highlighting the need for companies to understand and engage with their individual motivators in order to retain their top talent. However, this can also be advantageous for companies when it comes to attracting new talent.
- Gen Z is the most anxious and health-conscious generation. They find benefits promoting rest, flexibility, and long-term well-being particularly appealing. Research indicates that the future workplace will evolve into a health-centric environment, embracing health initiatives and spaces that encourage collaboration and the adoption of hobbies. In 2019, SurveyMonkey built a three-story office complete with a gym and games room. This employee-inspired workplace reflects the evolving nature of office spaces to cater to Gen Z's wellbeing.¹⁸
- Mental well-being is a matter of significant importance among Gen Z. However, it's viewed as an essential aspect of employment rather than an optional benefit. These employees expect their employers to provide mental health support as a fundamental standard, and they don't want to have to ask for it.
- Gen Z wants to work for progressive employers that align with their values, particularly in areas such as diversity, inclusion, social responsibility, and sustainability. They believe that such companies are more likely to address pressing societal and environmental issues, reflecting their concern for these matters.

Sources

¹ <https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-gen-z>

² <https://www.prca.org.uk/Reaching-Millennials-and-Generation-Z-with-Purpose>

³ Benify's Gen Z Whitepaper

⁴ Benify's Gen Z Whitepaper

⁵ <https://www.mckinsey.com/-/media/mckinsey/email/genz/2022/12/13/2022-12-13b.html>

⁶ https://eures.ec.europa.eu/millennials-and-gen-z-workplace-similarities-and-differences-2023-03-02_en#:~:text=Studies%20show%20that%20millennials%20tend,prefer%20job%20stability%20and%20security.

⁷ <https://www.businessofapps.com/news/a-look-at-gen-z-mobile-behaviours-64-of-mobile-users-are-always-connected/>

⁸ <https://www.shrm.org/hr-today/news/hr-news/pages/gen-z-expects-mental-wellness-support-from-employers.aspx>

⁹ <https://www.forbes.com/sites/bryanrobinson/2023/08/04/how-lazy-girl-jobs-contribute-to-work-life-balance-and-burnout-prevention/>

¹⁰ <https://www.bloomberg.com/news/newsletters/2023-08-08/lazy-girl-jobs-quiet-quitting-are-gen-z-s-way-of-opting-out-of-hustle-culture>

¹¹ <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/deloitte-2022-genz-millennial-mh-whitepaper.pdf>

¹² <https://hrxexecutive.com/gen-z-is-taking-over-the-workplace-5-things-hr-leaders-need-to-know/>

¹³ <https://www.verywellmind.com/why-gen-z-is-more-open-to-talking-about-their-mental-health-5104730>

¹⁴ <https://www.shrm.org/hr-today/news/hr-news/pages/gen-z-expects-mental-wellness-support-from-employers.aspx>

¹⁵ Benify's The Benefits Factor 2023

¹⁶ <https://www.metlife.com/employee-benefit-trends/ebts-gen-z-2019/>

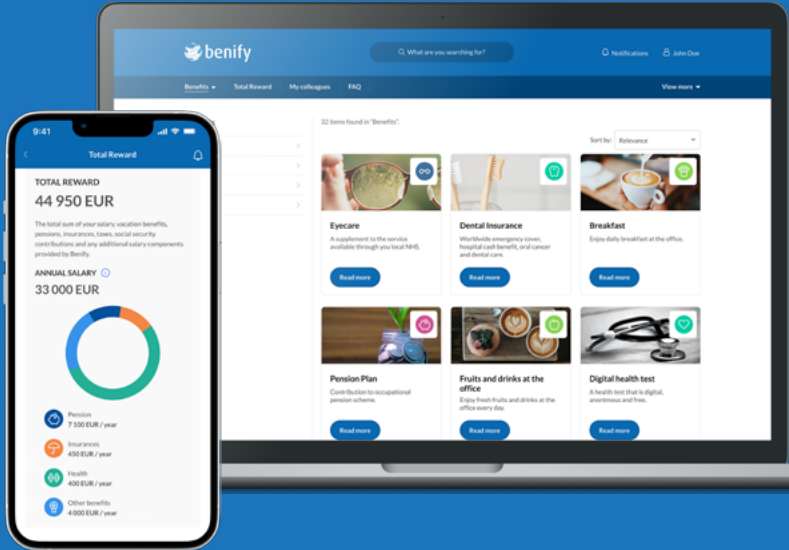
¹⁷ Benify's The Benefits Factor 2023

¹⁸ <https://employeebenefits.co.uk/issues/february-2018/surveymonkey-office-employee-surveys/>

About Benify

Benify's journey started in 2004 in Sweden. Today, Benify offers the market's leading global benefits and total rewards platform with more than 1,600 clients and 2 million users around the world.

Our solution helps employers create an exceptional benefits and rewards experience while reducing benefits administration, automating processes, radically improving the communication of their employee value proposition, and ensuring better data governance and management of benefits and rewards costs.





SWEDEN



DENMARK



SINGAPORE



GERMANY



NORWAY



USA



THE NETHERLANDS



FINLAND



LITHUANIA



UK



FRANCE

