

GLOBAL THOUGHT LEADERSHIP

# Young workers are changing the way we think about work

Five ways employers can create a workplace for the next generation of employees



## Younger employees are driving workplace changes

Experiences from the pandemic are **challenging people of all ages to rethink where and how they work**, whom they work for, and why. **Younger workers are seeking out new jobs** at a rapid pace.

While many are pursuing higher compensation, younger employees also want employers to focus on their **well-being**, offer **more flexibility**, and provide work that gives them a sense of **purpose** and **belonging**.

The relationship between employers and employees is shifting, challenging employers to **engage and support** their entire workforce in new ways. With **more generations** of employees in the workforce than ever before, this is no easy feat.

In the U.S., **poor management, burnout, compensation, and limited career growth** top the list of why employees are leaving their jobs.<sup>2</sup>

**79%** of working adults younger than 30 consider **finding a new job as one of their long-term financial goals**.<sup>1</sup>

Working adults of all ages value and appreciate flexibility at work—with working adults younger than 30 stating workplace **flexibility is the most important part of their workplace benefits package after their main salary**.<sup>1</sup>

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Here are **FIVE** ways employers can create a workplace that's ready for the next generation of workers.

## 1 Understand how young employees' values are driving change in the workplace.

The **youngest generation has a bias toward advocacy and action**. Growing up in a time of consistent **social, cultural, geopolitical, and environmental debate** and with broad access to information via the internet, they **aspire to drive change**.



### Authenticity and Inclusivity

Younger employees value authenticity and inclusivity. They value real experiences compared to formalities that may present as "out of touch."<sup>3</sup> Additionally, companies that took actions focused on improving diversity and inclusion within their firms reported higher retention rates than those who did not.<sup>4</sup>



### Transparency

Younger people value transparency and access to information. They are less likely to trust traditional political and economic institutions, including the workplace. To build trust, consider ways to enhance communication of business and pay decisions.<sup>5</sup>



### Development

Ongoing professional development is important to younger workers. Consider investing in development, as 1 in 4 workers younger than 30 value opportunities for ongoing learning as a type of support wanted from their employers.<sup>6</sup>



### Flexibility = Freedom

Coming out of the stress and anxiety of the pandemic, young people feel empowered to make choices about how and where they work and make financial and benefits decisions that give them the flexibility and freedom to make choices that align with their values.<sup>7</sup>



### Digital Ease

Young people look to simple and seamless digital experiences and social media for help, so consider providing benefits support that is available through various channels. Shorter, bite-sized content may increase employee engagement and encourage taking action.<sup>7</sup>



### Purpose

Young people feel a sense of collective responsibility to make the world better, and their expectations for employers to get involved are growing.<sup>7</sup>

Meeting the needs and expectations of the youngest generation may indirectly support other employees' values, too.



The average attention span of young adults under 25 is **8 seconds**.<sup>8</sup>

## 2 Make well-being a priority.

With more than **90% of workers under 30** stating they are experiencing both stress and fatigue,<sup>8</sup> employers that want to **reduce employee burnout** as well as **attract and retain top talent** should consider making **employee well-being a top priority**. Examples include mental health support, paid time off, more flexible working arrangements, and financial wellness support.

Workplace wellness programs may be beneficial for both employers and employees. According to a recent U.S. survey, nearly 9 in 10 human resources (HR) professionals believe that offering mental health resources can boost productivity and increase employee retention.<sup>10</sup>



About **6 in 10** employees surveyed said a healthy work/life balance is more important than financial compensation.<sup>10</sup>



**4 in 10** believe mental health benefits are more important than salary or higher pay.<sup>10</sup>

**Consider offering workplace benefits that support all components of well-being.**



### Overcome stigmas regarding mental health

**94%**

**of workers globally under 30** said they felt stressed.<sup>9</sup>

**6 in 10**

said they did not tell their leader how they were feeling.<sup>11</sup>

**Nearly half of workers under 40**

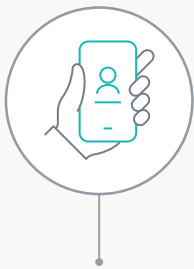
who have taken time off work for mental health reasons have given their employer a different reason for this absence.<sup>11</sup>



When asked in a recent survey about their top mental health priorities in the workplace, U.S. employers rated “Reducing Stigma” last.<sup>12</sup>

## 3 Help employees reach financial goals.

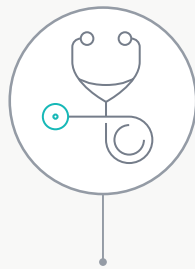
**For many younger employees, competitive pay, retirement plans with an employer contribution, health coverage, and paid time off are considered minimum provisions.** To become more competitive in a challenging hiring market, employers may consider shifting conventional ideas of what employees want to better align with expectations of an increasingly diverse, educated, and digitally sophisticated workforce.



**Nearly a quarter of workers under 30 get their financial advice from social media.<sup>13</sup>**

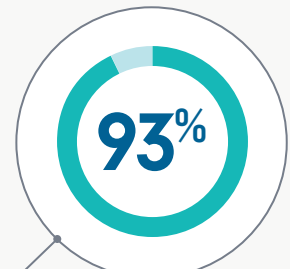
While some advice may be valid, using these channels comes with risks of misinformation.

Consider offering employees virtual workshops or one-on-one or on-site financial support.



**The increasing costs and complexities of health care may challenge your current and future workforce.**

Approximately **6 in 10 workers under 30** state that health care costs are stressing them out.<sup>13</sup>



**93% of workers under 30 state being financially comfortable in retirement is a financial goal.<sup>13</sup>**



**More than 1 in 5 workers under 30 would like to see their employer support their formal education.<sup>13</sup>**

Consider education sponsorship or other debt assistance programs to address this need.



**Younger workers have preferences for equity and transparency.<sup>13</sup>**

Consider equity plan offerings, as they may support employees' long-term financial wellness and retirement savings goals.

## 4 Embrace technology without losing connection.

Conventional wisdom says young people want to engage digitally rather than in person. However, **research shows that 51% of workers under 25 still prefer highly personal, face-to-face communication over email or text.**<sup>14</sup>

The effects of the pandemic and heavy reliance on technology for remote work have left some young workers without the necessary soft skills usually learned through unplanned, interpersonal interactions in the workplace. As the workforce continues to geographically disperse, employers may consider new capabilities like virtual reality (VR) to foster emotional and empathic connections. A recent study found that VR users were about **four times more emotionally connected** to the content than in a traditional setting.<sup>15</sup>

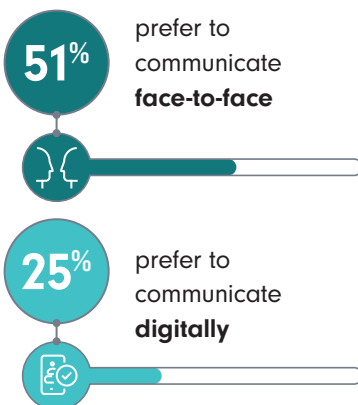
From the initial **recruitment and hiring process** to **benefits enrollment** to the **development of new skills** to the **completion of day-to-day tasks**, young workers demand technology that facilitates connection.



A recent report states that soft-skill-intensive occupations will account for 2 out of 3 jobs by the year 2030.<sup>16</sup>



### General communication preferences for workers under 25:<sup>14</sup>



Zoom\*, Facetime®, and Microsoft Teams® are also considered **in-person** because of their video capabilities.

\*Zoom and the Zoom logo are trademarks of Zoom Video Communications, Inc.

## 5 Invest in your managers.

Managers play a pivotal role in **recruiting and retaining** employees, especially younger workers. In fact, **8 in 10** US workers say poorly trained people managers create a lot of unnecessary work and stress.<sup>17</sup> For managers to show up at their best, employers must **invest in leadership development**.

As employers prepare for what the future of work looks like, take the opportunity to **empower managers with the tools** they need to **be impactful, foster inclusive culture, and motivate** their teams.

**A recent finding<sup>17</sup> states that the top five skills people managers can improve were:**

- 1** **41%** Communicating effectively
- 2** **38%** Developing and training the team
- 3** **37%** Managing time and delegating
- 4** **35%** Cultivating a positive and inclusive team culture
- 5** **35%** Managing team performance



Upskilling managers will help foster strong inter-team connections and serve the broader mission of the company.



In the United States, **4 in 10** people feel that their job is important, have a manager who cares about them, or have the opportunity to do their best each day.<sup>18</sup>



And **3 in 10** agree that they have someone at work who encourages their development.<sup>18</sup>

**60%**



of employees also say the ability to do what they do best in a role is “very important” to them. Regardless of gender and age—all place the greatest importance on this aspect of a job.<sup>18</sup>

With nearly half of multinational employers citing recruitment and retention as a top priority,<sup>19</sup> employers must better understand the needs of their workforce to achieve their objectives.

## Key takeaways

Steps employers can take to improve attraction, retention, and support of younger employees:





# Global Thought Leadership

## Acknowledgements and endnotes

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### Endnotes & other important information

<sup>1</sup> The Fidelity Global Sentiment Survey, 2022

<sup>2</sup> Internal Fidelity survey of 2,334 plan participants fielded Nov. 5–11, 2021

<sup>3</sup> The Deloitte Global 2021 Millennial and Gen Z Survey

<sup>4</sup> The Fidelity Global Employer Survey, 2022

<sup>5</sup> "Gen Z in the workplace: Everything you need to know" (firstup.io)

<sup>6</sup> The Fidelity Global Sentiment Survey, 2022

<sup>7</sup> True Gen: Generation Z and Its Implications for Companies," McKinsey & Company, November 2018

<sup>8</sup> Kris Boger, "The Rise of Short-Form Video & the Gen Z Social Revolution," October 2020 (iabuk.com)

<sup>9</sup> The Fidelity Global Sentiment Survey, 2022

<sup>10</sup> New SHRM Foundation Survey Finds HR Professionals Recognize Importance of Workplace Mental Health but Lack Resources (shrm.org)

<sup>11</sup> The Deloitte Global 2021 Millennial and Gen Z Survey

<sup>12</sup> "Overcoming stigma: Three strategies toward better mental health in the workplace," McKinsey, July 2021

<sup>13</sup> The Fidelity Global Sentiment Survey, 2022

<sup>14</sup> "Introducing the First Graduating Class of Generation Z" (yello.co)

<sup>15</sup> "The Effectiveness of Virtual Reality Soft Skills Training in the Enterprise," pwc, 2020

<sup>16</sup> "Premium skills: The wage premium with human skills," Deloitte Access Economics, 2019

<sup>17</sup> Survey: 84 Percent of U.S. Workers Blame Bad Managers for Creating Unnecessary Stress (shrm.org)

<sup>18</sup> "The Dream Job" (gallup.com)

<sup>19</sup> The Fidelity Global Employer Survey, 2022

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