Since my first book MANAGING GENERATION X came out in 1995, our clients have turned to us for help dealing with generational change in the workplace, especially understanding and adjusting to the latest group of new young workers entering the workplace --- first Generation X and then Generation Y. Now they have been reaching out to us increasingly for advice and training for managers struggling with the newest young workers.

This time it is Generation Z.

We have been tracking young people in the workplace steadily since 1993. Since 2008, we have been tracking the emergence of Generation Z. GenZers, born in the 90s and raised in the 2000s during the most profound changes in at least a century, represent the watershed generational shift of our era. The 22-year-old members of the baccalaureate ‘Class of 2012’ were born in 1990, the first birth year of Generation Z. The bleeding edge of Generation Z (born 1990 and later; today’s 16 to 23 year olds) are already more than 11 million strong (nearly 7%) in the North American workforce and their numbers will grow dramatically over the next few years. By 2015, they will be 20 million; 25 million by 2017; 30 million by 2019.
This is the new emerging workforce and they will fill up a new “youth bubble” in the workplace in the next seven years, just as roughly 30 million aging Baby Boomers will retire. Generation Z represents the greatest generational shift the workplace has ever seen. Generation Z will present profound challenges to leaders, managers, supervisors, hr leaders, and educators in every sector of the workforce.

How do we recognize a new generation when we see one? Demographers, sociologists, historians, and other “experts” often debate this very question, just as experts differ about the exact parameters of each generation.

I’ve been conducting in-depth interviews with young people in the workplace since 1993. Back then, the youngest people in the workplace were the leading edge of Generation Y. While a general consensus has emerged that 1978 is the first birth year of Generation Y, the last birth year has remained an open question for more than a decade.

Many demographers argue that all those born between 1978 and 2000 belong in the same generation, one gigantic “Millennial Generation.” They argue, rightly, that the technology revolution on a macro level and by the helicopter parenting revolution on a micro level are two of the most important formative influences of anyone born in the Western world during these years. Nonetheless, this time frame is simply too broad to define just one generation because the 1990s and the 2000s are two distinct eras.

How could today’s thirteen year olds be part of the same generation as today’s 35 year olds, especially if a generation is defined, not just in biological reproductive terms, but also as an age
cohort with a shared historical perspective? Looking at technology alone, the acceleration from the 90s to the 00s ---wireless internet ubiquity, tech integration, and the rise of handheld devices--- amounts to historic change. On the micro level, even the helicopter parenting phenomenon has redoubled qualitatively in its intensity--- from the 1990s late Boomer parenting focus on self-esteem to the 00s GenXer parenting focus on safety and cultivation.

The result is that those children of the 2000s simultaneously grew up way too fast and never grew up at all. They are privy to everything from a dangerously young age---their access to information, ideas, images, and sounds is completely without precedent. At the same time, they are isolated and scheduled to a degree that children never have been. Their natural habitat is one of physical atomization and relative inactivity, but total continuous connectivity and communication. They are used to feeling worldly and precocious---highly engaged in a virtual peer ecosystem---while enjoying the discourse at least of protection and direction from parents, teachers, and counselors.

But this story is about much more than the acceleration of technology and helicopter parenting.

Throughout the boom years of the 1990s, we monitored, measured, and documented the shift from Generation X to Generation Y. The 90s were to Gen Y what the late 70s and early 80s were to Gen X. So we were able to see changes in attitude and behavior among the youngest Gen Yers even when they were just teenagers trickling into the workplace. The workplace of the 90s was plentiful with opportunity. Unlike today, back then legions of older more experienced workers were not competing with teenagers for entry level jobs in retail and food service. The boundless optimism and self-confidence of Gen Yers in their teenage years, especially their
enthusiasm for institutions, was in marked contrast to the cynical loaner ethos of Generation X.

Then we followed the first wave of Gen-Y college graduates into the workforce: The Class of 2000. And things were great: The dot com boom had not yet burst. Enron had not yet collapsed, Unemployment was at 3.9%. The NASDAQ was over 5,000. The United States was positioned as the sole global superpower, the BRIC countries had not yet broken through. The West was riding high on nearly a decade of peace and prosperity. It was that thriving ethos of the 1990s that shaped the mindset of Generation Y; irrepressibly high expectations; undaunted self-confidence; unrelenting fountains of suggestions and requests.

What a difference a decade can make!

Those young people now joining the workforce have been shaped by nearly a decade of war and economic uncertainty and the contrast in their attitudes and behaviors is vivid. Big picture: They are dubious about their long-term prospects (five years) and fearful about the short-term (tomorrow). Compared with their forerunners over the last decade, today’s young people have much lower expectations, their expressions of confidence are much more cautious, and their demands fairly modest.

Can you blame them?

Those born in 1990 were eleven years old on 9/11/01, that infamous day, ever since we have been a nation at war. They graduated from high school in 2008, just as the economy was on the verge of collapse and entering the deepest and most protracted recession since the Great Depression. Now they are graduating from college amidst a stumbling jobless ‘recovery’ in which
unemployment remains stubbornly high, especially among those under the age of 25, forced to compete for job opportunities with people their parents’ age.

Are the shifts in all of these macro and micro forces of history --- economics, geopolitics, technology, parenting--- from the 1990s to the 2000s the very sort that makes one age cohort distinguishable from another in generational terms?

It seems the answer is yes. (Fig. 1) Shaped by the 2000s, those young people entering the adult world today are thinking about their economic future more like children of the 1930s than their immediate forerunners, those children of the 90s. But Gen Zers are totally plugged in, to each other as well as an infinite array of
answers to any question at any time. And their parents tended to the soft touch, as opposed to sending them out to sell apples on the street.

What should the grown-ups know about this leading edge of Generation Z about to descend upon the workplace?

Our research reveals five key formative trends shaping Generation Z:

1. **SOCIAL MEDIA IS THE FUTURE.** The information technology revolution is complete. Yers were the transition. GenZ is all the way there. They have never known a world in which one could not be in conversation with anyone anywhere any time and they will shock you with their ability to leverage this connectivity. Managing Generation Z requires mastering the tools of social media. But managers must take control. The key is command driven use of social media.

2. **HUMAN CONNECTIONS ARE MORE IMPORTANT THAN EVER.** The highly engaged parenting, teaching and counseling approach to the young accelerated dramatically from Y to Z. Zers are less likely to resist authority relationships than Gen Yers did, but will only perform for individuals when they are engaged in intensive working relationships.

3. **SKILL GAPS.** This generation more than any other will suffer from the growing gap between the highly skilled and the unskilled. The technical skill gap is huge, but the nontechnical skill gap is even more pervasive. On the one hand, Managing Generation Z requires a huge remedial effort on broad transferable skills like work habits, interpersonal communication, and critical thinking and a huge investment in remedial technical training. On the other
hand, there will be a growing elite among the emerging workforce, those with the greatest technical skills training and also the benefits of personal development opportunities. Retaining those among the growing elite will require increasing differentiation and reward.

4. GLOBAL MINDSET, LOCAL REALITY. They know more about far flung parts of the world than Gen Yers ever did, but they are likely to be far less geographically adventurous. They are very plugged into the boundaryless world on-line but the key to engaging them in their environment tactically is a relentless focus on the local.

5. INFINITE DIVERSITY. The emerging Generation Z reflects a whole new way of thinking about difference. Again Generation Y was the transition, GenZ is all the way there. They are less likely to fall into previously recognized categories and much more likely to be mixing and matching various components of identity and points of view that appeal to them. They are ever creating their own personal montage of selfhood options.

Based on our working model of challenges and solutions, our research points to seven key strategies for bringing out the best in Generation Z in the workplace:

1. PROMOTE HIGH INTENSITY RELATIONSHIPS
What types of peer relationships and what types of authority relationships bring out the best in GenZers?
- Small highly defined work groups with a strong peer leader.
- Tight and well defined and observed chain of command.
- Teaching style leadership.
- Customer service style management.
2. PROVIDE CONTINUING REEDUCATION
There is a growing nontechnical skill gap among the emerging young workforce. The basics of personal responsibility, problem solving, time management, and interpersonal communication are way too often missing in the new young workforce. Employers are finding it is well worth while to make a heavy investment in building a workplace culture of highly defined behavioral norms. This requires an ongoing process of teaching personal conduct, work habits, and the conduct of working relationships.

3. DEFINE LASER FOCUS ROLES
How do Gen Zers best get up to speed and assimilate into new roles? The more structured and defined the roles and responsibilities the more quickly and effectively GenZers are able to take on work and succeed. What are the features of typical early career stage roles that tend to be problematic for GenZers? How can redefining roles with laser focus makes the difference between success and failure? Two approaches: 1. Narrow specialization. 2. A system of ranks with corresponding criteria, testing protocols, and rewards/responsibilities attached to each rank.

4. TAKE CONTROL OF (AT LEAST SOME OF) THE VIRTUAL ETHOS
What is the impact and what are the challenges with the transformational reality of social media? We are studying its impact and the challenges posed to employers. Meanwhile, we have been piloting solutions which are based on command driven approaches to social media in the workplace in which employers can use social media effectively while reducing the downsides for use in recruiting, on boarding, ongoing communication, training, development, performance management, and knowledge transfer. Command driven social media means the employer controls who is
in the group, what is discussed and when, and the employer is able to supervise and participate in the online community.

5. PLAN FOR GLOBAL OUTREACHING AND LOCAL NESTING
What are the opportunities and pitfalls for GenZ presented by globalization? The flip side is the intensive GenZ focus on tactile control of the local environment and the intensive gravitational pull of the local for GenZ. How can employers use the GenZ focus on the local to increase engagement? How can employers use the reality of non-geographical connections to increase reach when it comes to recruiting, retention, innovation, sourcing, and sales?

6. BUILD CONTINUITY THROUGH SHORT TERM RENEWABLE LOYALTY
There is a strong continuation of the trend toward highly transactional employment relationships. GenZers seem to be highly responsive to clearly defined exchanges of time/tasks for directly calibrated rewards. The most effective way to drive performance and maintain ongoing working relationships with GenZers is for managers to explicitly negotiate performance and reward on an ongoing basis in a transparent open exchange.

7. RETAIN THE SUPERSTARS FOR THE LONG TERM BY BUILDING DREAM JOBS
There is a steady exacerbation of the growing divide between the “most valuable” new young workers and everyone else. No matter how bad the job market may be for some, there is a growing elite among the new young workforce who will be in much greater demand than supply. There is a growing premium on those with technical for those with skills in greater demand than supply, especially those who have availed themselves of personal development opportunities. The key for employers to recruiting
and retaining the “most valuable” young rising stars, at the high end of the talent/skill/effort spectrum, is going to be the ability to create dream jobs for those superstars. What are the dream job elements and how can employers make dream jobs for young stars that also make sense for the organization? Dream jobs are always contingent on ongoing performance, but built on a longer term understanding of tremendous work conditions, rewards, and flexibility for the superstar in return for consistent superstar contribution with the intention of maintaining a long-term working relationship.

CONCLUSION
Generation Z represents the greatest generational shift the workplace has ever seen. The giant so called “Millennial” cohort is really two generations --- Generation Y (born 1978-1989) and Generation Z (born 1990-99). Already the bleeding edge of Generation Z (today’s 16 to 23 year olds) are already more than 11 million strong (nearly 7%) in the North American workforce and their numbers will grow dramatically over the next few years. By 2015, they will be 20 million; 25 million by 2017; 30 million by 2019. This is the new emerging workforce and they will fill up a new “youth bubble” in the workplace in the next seven years, just as roughly 30 million aging Baby Boomers will retire. Generation Z will present profound challenges to leaders, managers, supervisors, hr leaders, and educators in every sector of the workforce. It will be increasingly important to understand where they are coming from and key strategies for bringing out the best in this new emerging young workforce. Our research on Generation Z is ongoing. Stay tuned...
This WHITE PAPER is based on our analysis of RainmakerThinking’s twenty years of ongoing workplace research since 1993. The research has not concluded and our study is ongoing. The findings in this WHITE PAPER result from our analysis of data collected in our TEN YEAR WORKPLACE STUDY (2003-2013) against the benchmark findings from the data we collected in our prior TEN YEAR STUDY (1993-2003).

OUR TEN YEAR WORKPLACE STUDY-- 2003-2013

From September 1, 2003 through August 31, 2013, we collected data from the following sources:

ONE-ON-ONE INTERVIEWS: We conducted qualitative interviews with 6,098 managers and 3,177 non-managers (from 362 different organizations); 419 of these interviews have been longitudinal (repeated interviews over the ten year period). Our interviews have followed several different question formats and have been conducted by various individuals (but primarily by Bruce Tulgan directly) using various means, including in-person, via telephone, and via email.

FOCUS GROUPS: We conducted in-person 407 focus groups including 1,466 managers and 2,978 non-managers (from 53 different organizations). Our focus groups have followed several different question formats and have been conducted by various individuals (but primarily by Bruce Tulgan directly).

SURVEY QUESTIONNAIRES: We collected narrative verbatim responses to open-ended questions in our on-line survey questionnaires from 37,419 managers and 61,797 non-managers (from 891 different organizations). Our surveys have followed several different question formats and have been conducted by various individuals using various means, including in-person, via telephone, via email, and via our web-site. The primary open-ended question we have asked consistently of managers is, “What is the hardest thing for you about managing people?” The primary open-ended question we have asked consistently of non-managers is, “What would you like to change about your working relationship with your current direct manager?”

INTERACTIVE SEMINARS: Our management trainers led 840 interactive seminars including more than 24,000 participants in 218 different organizations.
(Bruce Tulgan personally led 356 interactive seminars logging more than 1,000 hours with more than 10,000 participants from 104 different organizations).

MANAGEMENT PRACTICES QUESTIONNAIRES: We collected detailed management practices questionnaires completed by senior executives from 618 different organizations. The questionnaire has included different question formats.

ACCESS TO PROPRIETARY DATA: We reviewed internal survey data from more than 278 different organizations; and 32 different benchmarking surveys. This data was collected by our clients and/or by other research firms. We have been given special access to this data as part of our work with client organizations and in connection with our contributions to benchmarking surveys. This data, collectively, represents more than one million respondents.

SYSTEMATIC REVIEW OF PUBLICLY AVAILABLE PUBLISHED RESEARCH: We consistently review available published data, including leading academic research.

OUR RESEARCH FROM 1993-2003…
In the first ten years of our research, from 1993 to 2003, we collected data from managers and non-managers alike in a wide range of organizations in a wide range of industries from in-depth interviews with more than 10,000 individuals (419 of these individuals participated in longitudinal interviews over the full ten year period); 358 focus groups including more than 3,000 individuals; management practices questionnaires completed by senior executives from more than 700 different organizations; more than 1,000 interactive seminars, logging more than ten thousand hours with hundreds of thousands of participants; survey questionnaires from more than 25,000 individuals; access to internal survey data from more than 300 organizations; ongoing systematic review of publicly available published data, including leading academic research.

OUR ONGOING RESEARCH…
Every day we continue to collect data from our in-depth one-on-one interviews, focus groups, surveys, seminars, and management practices questionnaires with managers and non-managers from numerous client organizations in a wide range of industries. As well we continue to avail ourselves of the internal survey data from our client organizations in addition to our systematic review of publicly available published data, including leading academic research. RainmakerThining ® research has been the source of twenty books (two
currently forthcoming) and hundreds of articles by Bruce Tulgan since 1993. This research has also been cited in dozens of books by outside experts and in articles by journalists in thousands of articles in publications around the world ranging from the Harvard Business Review to the New York Times.