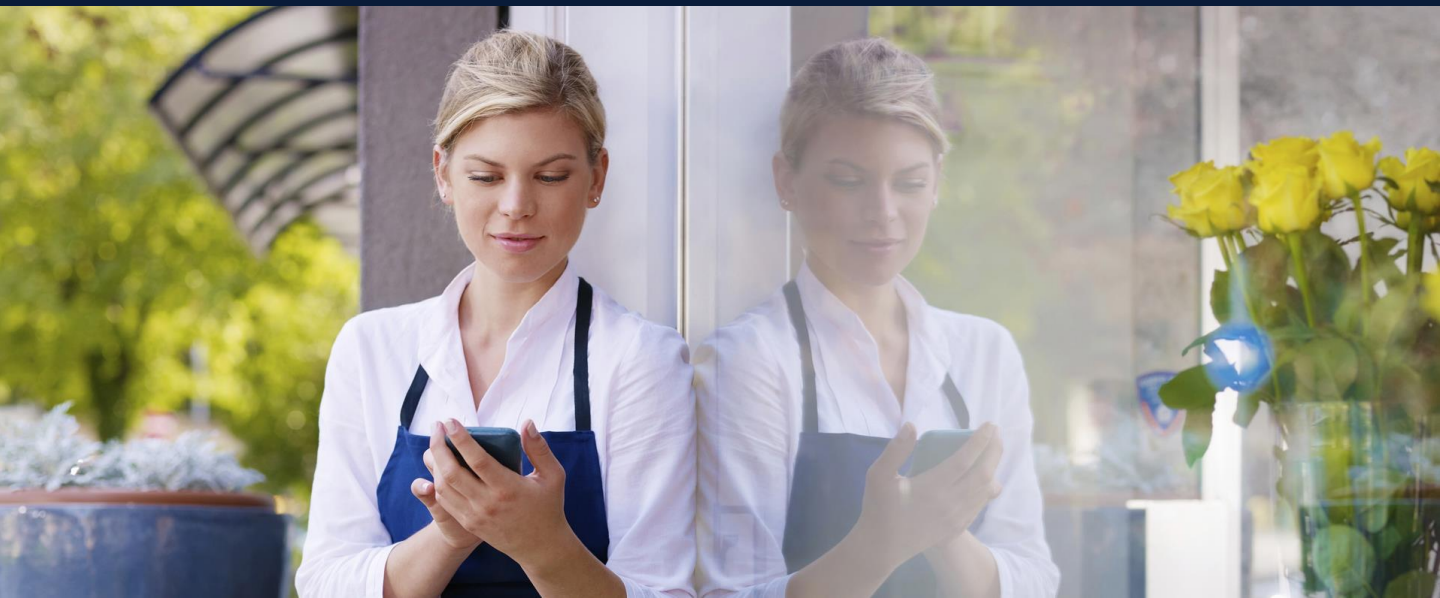


Gen Z and the Gig Economy

It's time to gig in or get out



This is the second in a series of reports from The Workforce Institute at Kronos Incorporated and Future Workplace that examines attitudes of Gen Z in workplaces across Australia, Belgium, Canada, China, France, Germany, India, Mexico, the Netherlands, New Zealand, the U.K., and the U.S., including how their education has prepared them for the working world, their perceptions about the gig economy, and their views on how to be an employer of choice for the next generation.



IS GIG ALWAYS GREENER?

Gen Zers are split down the middle on whether they prefer traditional or gig work

Half of Gen Zers are interested in the flexibility and independence of gig work...

...yet half of Gen Zers are also hesitant to join the gig economy due to lack of stability and unpredictable pay. The majority of Gen Zers who work gig jobs today do so to supplement a traditional full-time job.

FACT OR FICTION? GEN Z WILL ENDANGER THE GIG ECONOMY

It's both: Gen Zers are interested in the promise of gig work but hesitant to actually take it

Fact: More than half (53%) of Gen Zers would choose "full-time" work over a traditional job.

The pros of the gig economy don't go unnoticed by the new working generation. For Gen Z, the most appealing aspects of gig work are:

- Schedule flexibility (55%).
- Being their own boss (53%).
- Not having a boss or coworkers (42%).



Gen Zers in Australia and New Zealand are the least likely to work a gig instead of a traditional full-time job (61%), followed by the U.K. (60%), Canada (55%), and Germany (54%).

However, half of Gen Z is also concerned about the lack of stability (47%) and unpredictable pay (46%) that come as a result of gig work.

To most effectively empower gig workers, employers should focus on the tools and technologies they use.

- For example, temporary, seasonal, and occasional-time workers value modern workplace technology (36%) and flexibility to work from home or remotely (36%) more than they value face-to-face interactions with coworkers (35%).

Fact: Less than half of Gen Zers work gig jobs today.

Although the slight majority of Gen Zers would *choose* gig work, less than half (46%) actually *do* gig work in some way. In fact, just 10% of Gen Zers exclusively work gig jobs,

while 18% engage in part-time gig work, and 18% supplement another job with gig work.

27%

Among Gen Zers who aren't working or looking for work, more than a quarter cite lack of reliable or affordable transportation as one of the culprits.

When considering Gen Zers currently in high school, one in three (35%) would not even consider gig work while in high school or college.

Moreover, for workers who are self-employed workers, freelancers, and temporary, seasonal, and occasional-time workers, nearly half (47%) of those would actually prefer a traditional job.

Fact: The majority of Gen Zers (75%) work just one job.

Contrary to popular belief, more Gen Zers today are working one full- or part-time job rather than job-hopping across gig opportunities.

Of the 25% of Gen Zers who work more than one job, the majority are currently in college and are either interns or freelancers.



This differs most in Belgium, where just 53% of Gen Zers work one job — one in five (20%) works two jobs and one in four (27%) is currently working three or more jobs.

The two biggest age groups most unlikely to embrace gig work? High schoolers and higher education students. When asked if they currently participate in the gig economy, more than a third of students in high school (35%) and in advanced college degree

programs (39%) say they do not do gig work and would not consider it.

Fact: One in four Gen Zers doesn't want to give up the structure of a traditional workplace.

In addition to lack of stability and unpredictable pay, Gen Zers worldwide are concerned about the lack of structure that the gig economy provides.

They're equally hesitant (26%) about the lack of health insurance and benefits — meaning that, for many Gen Zers, the gig economy poses a perceived threat to long-term stability, both inside and outside the workplace.



The third-biggest hesitation about gig work for Gen Zers in China is the lack of mentors.

This lack of structure is most concerning in Canada (30%), the

Netherlands (30%), and the U.S. (29%), and least important in Germany (18%) and Mexico (16%).

Ultimately, although they crave flexibility and work-life balance, Gen Zers are still searching for an inspiring work experience. When asked what factors are most important when applying for their first full-time job, they cite schedule stability (21%), paid time off (21%), and a fun working environment (20%).



German Gen Zers are the least likely to embrace the gig economy: Close to half (43%) say they do not do gig work and would not consider it.

Across the globe, just one in 10 (10%) Gen Zers has no hesitation to participate in the gig economy, suggesting there is great opportunity for traditional employers to adopt the positive aspects of gig work — while providing the stability and structure that Gen Z craves.



WHAT GIG GETS RIGHT

Gig work is a natural fit for Gen Zers who want to find success quickly and on their own terms

Gen Z craves the independence and fast pace of the gig economy

While a staggering 91% of Gen Zers find job stability to be moderately to very important, more than one-third still expect to move on from their first full-time job within two years.

MEETING GEN Z EXPECTATIONS

Independence, career growth, and income-driven outcomes set gig jobs apart from traditional work

Eager for stability, but excited to move up and on

While job stability is important to nearly all Gen Zers across the globe, many don't anticipate staying in their first job for long. In fact, more than a quarter (27%) of Gen Zers expect to work for their first full-time employer for two years or less.

- High schoolers are most eager to prove themselves, with 31% seeking promotions based on merit versus a timed schedule every year (16%), six months (14%), or three months (11%).

For nearly one-third (29%) of Gen Zers worldwide, one of the most appealing aspects of working in the gig economy is the lack of a boss and/or management to impress, suggesting they're eager for an opportunity to grow their professional skills without fear of failure or reprimand from leadership.

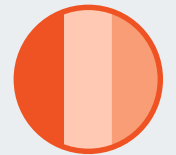
The prevalence of the preparation gap

Although the new digital generation is excited for the independence of gig work, many feel unprepared to build their newfound careers for the long haul: About a quarter of Gen Zers feel a little or not at all prepared to network (28%), negotiate (25%), or work long hours (23%) in the workforce — things people often need to do in order to succeed within the self-motivated gig economy.

- In France, Gen Zers feel the least prepared to negotiate (32%).
- In Germany, Gen Zers feel the least prepared to network (36%).
- In Mexico, Gen Zers feel the least prepared to work long hours (41%).



In Mexico, 14% of Gen Zers plan to leave their first full-time job in less than a year.



In France, 13% of Gen Zers plan to leave their first full-time job in less than a year.



Meanwhile, in China, two-thirds (65%) of Gen Zers expect to stay in their first full-time job for two to five years.

Money and movement = success

Like many generations when they first enter the workforce, more Gen Zers think of their current job simply as a way to make money (44%) as opposed to viewing it as the beginning of a career (33%) or a career-building opportunity (31%).

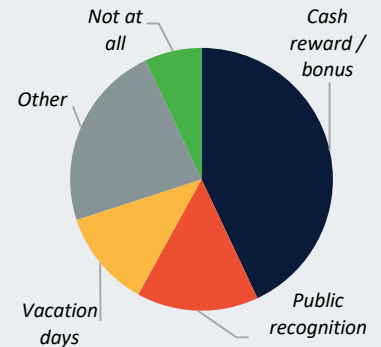
In fact, when applying for their first full-time job, pay continues to be the most important thing to Gen Z (54%), followed at a distance by working for a company that does meaningful work (32%) and employee benefits (30%).

This translates to what Gen Z craves in performance-related recognition and rewards: Even as the self-proclaimed digital generation, younger employees would rather receive cash rewards and bonuses (43%) than digital or social media recognition or experiential rewards such as sports tickets (both 8%).

- This differs across regions: In Belgium, for example, high-performing Gen Zers are just as interested in receiving additional vacation days (19%) as they are cash rewards and bonuses (25%) — whereas Gen Zers in India are more interested in receiving digital or social media recognition (22%) than they are public recognition by senior leadership (18%) or additional vacation days (9%).

An eye on the cash prize is one of the biggest factors dissuading Gen Zers across the world from engaging with gig work: Nearly half (46%) cite unpredictable pay, or lack of a “steady paycheck,” as a key hesitation, compared to less than a third (29%) who consider pay one of gig’s appealing qualities.

How Gen Z wants to be rewarded for a job well done at work



“Other” here includes: digital/social media recognition; experiential rewards (e.g., sports tickets, travel); and material goods (e.g., gift cards, tech devices).

44%

of Gen Zers measure their personal success at a company by their salary.

35%

of Gen Zers measure their personal success at a company by how quickly they advance.

34%

of Gen Zers measure their personal success at a company by the respect they get from colleagues.



GIG IN OR GET OUT

Gen Zers know their time is valuable — and they're looking for employers who know it, too

Flexibility and personalized schedules are musts for Gen Z

Gen Zers are searching for employers that give them a say over their work schedule and actively help them achieve a healthy work-life balance.

FLEX WORK = BEST WORK

Work-life balance is more important than ever for the newest generation of workers

Creative and flexible scheduling is what attracts Gen Z most to the gig economy

More than half (55%) of Gen Zers are drawn to the ability to work their own schedules in gig jobs, and one in four (26%) Gen Zers would work harder and stay longer at a company that supports flexible scheduling.

This is especially true among Gen Zers in China, where 79% are drawn to the schedule flexibility that gig work offers, followed by those in Australia and New Zealand (59%), Canada (58%), and the U.S. (57%).

Employee input on work schedules is a must

For Gen Zers, flexibility isn't just a nice-to-have — it's a necessity. One-third (33%) of Gen Zers say they would never tolerate an employer that gave them "no say" over their work schedule, and, particularly for Gen Zers in Canada (33%), the U.K., and the U.S. (both 31%), flexibility to work when, where, and how they want is the motivation they need to deliver their "best work."

Behind schedule flexibility, "being my own boss" is the second-most appealing attribute of the gig economy to Gen Zers worldwide (53%), with Mexico (65%), France (61%), and Canada (56%) valuing it most.

35%

of Gen Zers would **never** tolerate being forced to work when they don't want to.

34%

of Gen Zers would **never** tolerate being unable to use vacation days when they want to.

30%

of Gen Zers would **never** tolerate being forced to work back-to-back shifts.

For Gen Z, work-life balance begins with organizational policies

By and large, Gen Zers expect their employers to take the lead in establishing work-life balance in the workplace.

- Where flexible hours matter most: the U.S. (43%) and China, Mexico, and the U.K. (all 42%).
- Where flexible hours matter least: the Netherlands (25%) and Belgium (23%).

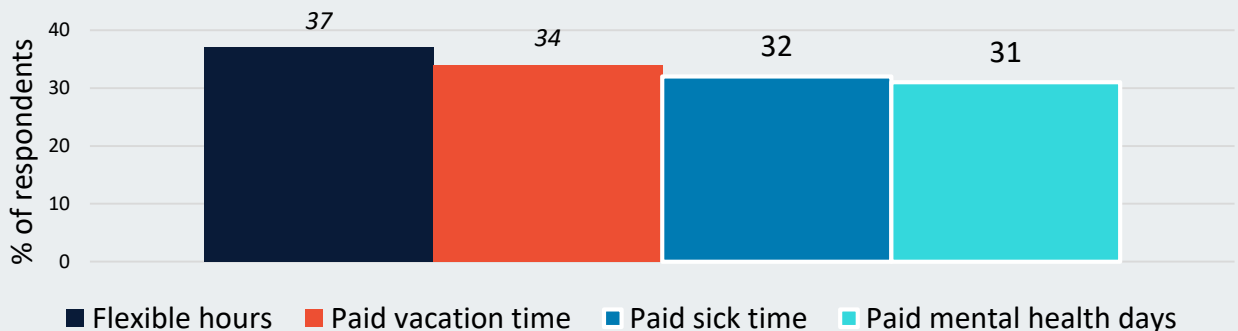
Gen Zers keep a keen eye on the working environments of the organizations where they currently work or are applying to work. Nearly half (43%) say that if an organization had visibly disengaged or unhappy employees, it would be a red flag that would make them lose interest in the company altogether. Even more Gen Zers (48%) say a stressful working environment would personally impact their performance at work.

- Stressful working environments are particularly impactful on the performance of part-time workers (52%) and temporary, seasonal, and occasional-time workers (50%).

In order to most effectively engage the newest generation of workers, organizations should ensure their time-off policies — whether for vacation, mental health days, or anything in between — are formalized, flexible, and generous. As a perceived lack of stability is creating gig hesitation for nearly half of Gen Zers across the globe (47%), organizations have an enormous opportunity to balance traditional assumptions with modern expectations to meet the youngest workers in the middle.

For traditional and gig employers alike: Consider an investment in flexibility, paid time off, and overall work-life balance an investment in the evolving workforce.

Gen Zers answer: What could an employer offer to help improve work-life balance?



These findings are based on a global survey of 3,400 Gen Z respondents (aged 16–25).

ABOUT THIS REPORT

This survey is the second in a series of reports from The Workforce Institute at Kronos Incorporated and Future Workplace that examines attitudes of Gen Z in the workplace. Part two, “Gen Z and the Gig Economy,” explores Gen Z perceptions of the gig economy — the good and the bad — and reveals how traditional employers can adopt gig mentalities to better compete for Gen Z talent.

WORKFORCE INSTITUTE AT KRONOS

The Workforce Institute at Kronos Incorporated is a think tank that helps organizations drive performance by addressing human capital management and workforce management issues that affect both hourly and salaried employees. Through education and research, The Workforce Institute empowers organizations with practical ideas for optimizing the 21st century workplace. Board members and key stakeholders publish articles and insights through The Workforce Institute blog at www.workforceinstitute.org.

FOR MORE INFORMATION

For more on the research, please contact:

Lisa DeStefano
Kronos Incorporated
1 978.244.6318
lisa.destefano@kronos.com

For more on how Kronos can help your organization address employee engagement and other key workforce management issues, please email us at educate@kronos.com or visit www.kronos.com.

Survey Methodology

Research findings are based on a global survey conducted on behalf of The Workforce Institute at Kronos and Future Workplace by Savanta across Australia and New Zealand (surveyed together), Belgium, Canada, China, France, Germany, India, Mexico, the Netherlands, the U.K., and the U.S. from April 9–23, 2019. For this survey, 3,400 respondents were asked general questions to explore thoughts on gig economy, workplace readiness and expectations, corporate culture, and learning and development with respect to their career. Respondents are recruited through a number of different mechanisms, via different sources, to join the panels and participate in market research surveys. All panelists have passed a double opt-in process and completed on average 300 profiling data points prior to taking part in surveys. Respondents are invited to take part via email and are provided with a small monetary incentive for doing so. Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. In this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 1.7 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

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