

Happiness at Work in 2023

*A Study of the Four Generations in
Our Workforce and Their Happiness*



Cangrade

Understand generational happiness at work and what drives it.

Even though Gen Z entered the workforce in the mid-2010s, employers didn't fully feel their presence until recently. Some employers are mystified by Gen Z, but this isn't the first generation to perplex them. A similar shock occurred when Millennials entered the workforce. They were technologically savvy and more educated than any previous generation, posing a question mark to employers everywhere.

The novelty and nuances of generations are not new topics. Generational differences in the workplace are well documented, but not often well acted upon. Even when managers recognize that some employees have different priorities or needs in the workplace, they usually aren't sure of what steps to take to accommodate them.

This is the basis of our research. Our study explores the differences between different generations' happiness in the workplace, uncovers what drives their job satisfaction, and provides methods to engage and maximize the potential of each to create a successful and satisfied workplace.



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What Makes a Generation?

The traditional definition states that a generation is a cohort of individuals defined by pivotal and major events that occurred during their formative years. These events vary widely and include pop culture trends, economic conditions, world events, political events, and technological advancements. Though the exact years of each generation differ depending on the researcher, it is widely accepted that there are four generations still widely represented in the workplace. They are:

- Baby Boomers
- Gen X
- Millennials
- Gen Z



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What Makes a Generation?

Baby Boomers (approx. 1955-1964)

Baby Boomers reaped the rewards of their parents' commitment to stable work, civil rights, and ample incomes. They were the original "Entitled" generation, as they came into a world of social and economic opportunity. They largely benefitted from a prosperous and politically charged economy in their young adulthoods, which propelled their career trajectories. The Baby Boomer generation also saw the scaling of personal televisions, as the screens soon occupied 80% of living rooms in American households.

Generation X (approx. 1965-1980)

While Baby Boomers watched television with their families, Generation X watched it alone. As Baby Boomers rapidly launched into unprecedented financial and professional success, Gen X found themselves alone after school, partly driven by the economic need to have dual-income households. The locked doors Gen X stayed behind became a staple of their upbringing, dubbing them the "latchkey generation." Reduced family time and an emphasis on childhood independence made Gen X more individualistic than previous generations. These strengths became increasingly vital as Gen X entered the workforce and had to compete with the Baby Boomer workforce for promotions and professional opportunities.



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What Makes a Generation?

Millennials (approx. 1981-1996)

Increased familial wealth coupled with the technology boom of the Internet led to Millennials' formative years being heavily marked by the digital age. Though this generation is tech savvy, they also remember life pre-Internet (a main differentiator between Millennials and Gen Z). Millennials have long been the scapegoat for various economic changes, ranging from the mundane (e.g., Millennials are killing the doorbell industry) to whole sectors of the economy (e.g., Millennials are killing the housing market). This generation is not as entitled as the media cries, as their formative years were heavily shaped by major world events like 9/11 and the 2008 Depression.

Generation Z (1997-2012)

While the Internet transformed the Millennial generation, it is a fact of life for Generation Z. Gen Z, sometimes called iGen, has only known life with the Internet, social media, and smartphones. This technological presence seeps into every component of Gen Z's existence to the extent that they're known as digital natives. Importantly, this media saturation drives Gen Z to stand out in the digital sea of profiles, making them a deeply emboldened generation.



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How Does Generational Difference Affect the Workforce?

Work values are the source of most generational differences and the root of workplace conflict, according to SHRM. For example, if you are part of Gen X, you may lean into more individualist work behaviors, which may not mesh well with generations that think this outlook isn't conducive to the workplace. Likewise, a Baby Boomer's managerial style might not complement the needs or preferences of a Gen Z employee. This can lead to conflict when enough of these differences compound.

However, leaders that learn and address generational workplace differences among their employees can turn them into strengths and opportunities. So how do we manage these four personality profiles so that they thrive?



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Methodology

We asked 608 people “In general, how happy are you at work?” to gauge the workplace attitudes of people of all ages.

In addition to our happiness question, we asked our participants to rate their current workplace experiences and employer attitudes. We did so by presenting statements such as “My workplace cares about me” or “I am proud of the work I do” for participants to denote how much they agree or disagree by using Likert-type scales (which ranged from Highly Disagree to Highly Agree).

Our surveys gauged how workplace attitudes varied by generation and what their priorities and main workplace happiness drivers were. We analyzed this data in two parts: 1) by asking about general workplace happiness and 2) by assessing what’s important to employees.

I am proud of the work I do.



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How Satisfied is Each Generation at Work?

Our research found that Baby Boomers, Gen X, and Millennials reported similar levels of workplace satisfaction, but Gen Z reported significantly lower levels of workplace satisfaction. Below is the average workplace satisfaction of each generation (out of 7).

Baby Boomers

5.47

Gen X

5.5

Millennials

5.41

Gen Z

4.76

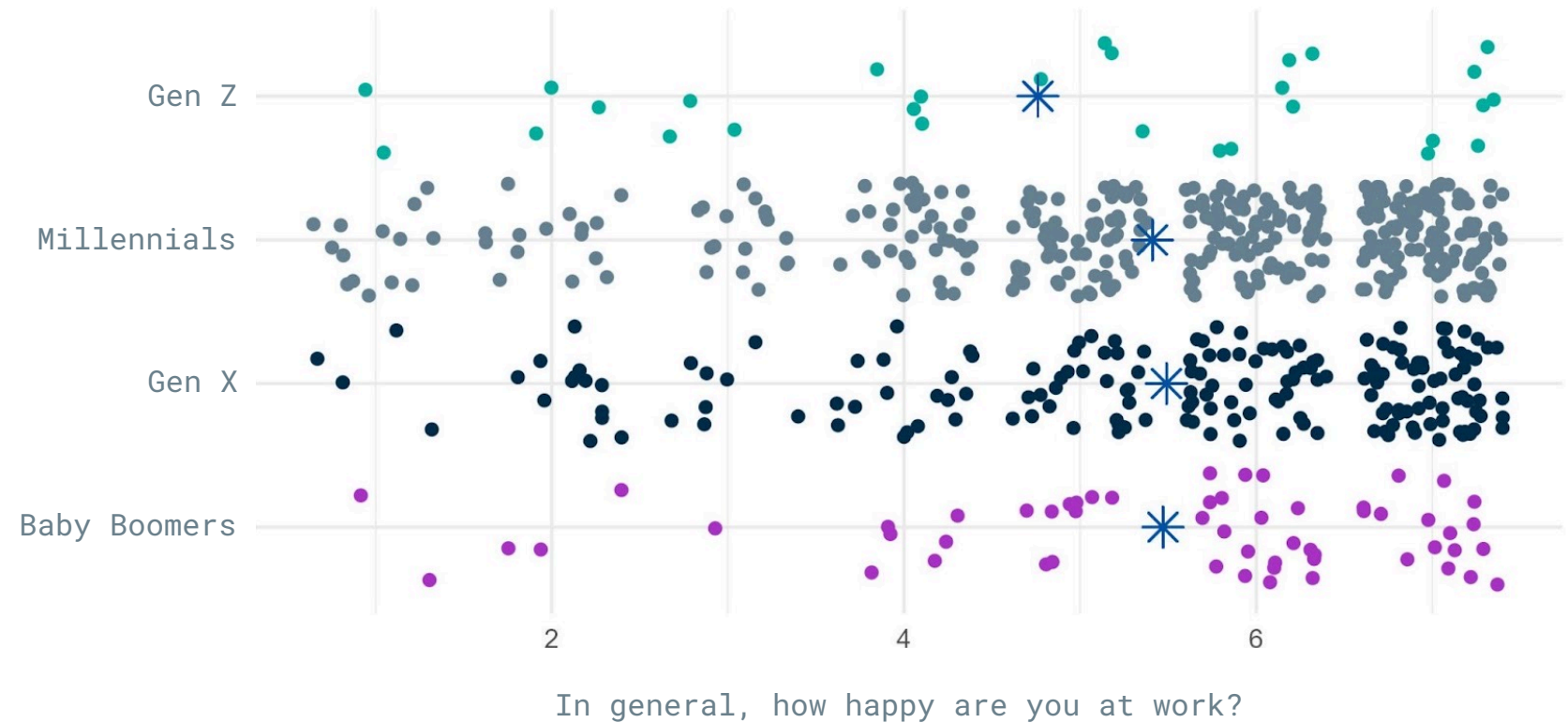


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How Satisfied is Each Generation at Work?

Do different generations report different workplace happiness?

Group averages represented by asterisks.



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How Happy is Each Generation at Work?

In line with our results on workplace satisfaction, Baby Boomers, Gen X, and Millennials are similarly happy at work. But Gen Z lags behind, reporting being more unhappy and less happy than any other generation.

	<i>Unhappy at work</i>	<i>Happy at work</i>
<i>Baby Boomers</i>	9%	69%
<i>Gen X</i>	13%	76%
<i>Millennials</i>	13%	76%
<i>Gen Z</i>	26%	59%

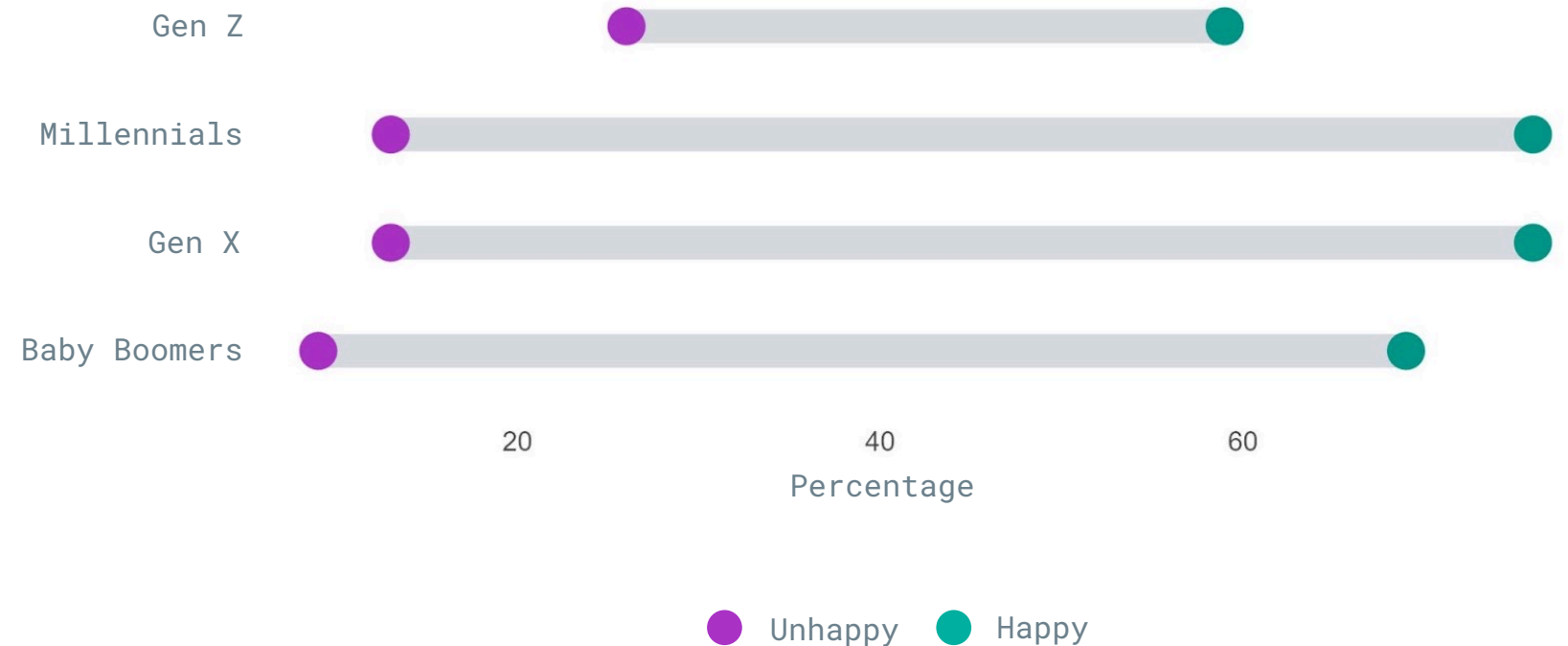
Though it is reassuring to know that more people are happy at work than unhappy, it's evident that Gen Z feels vastly different from all the others. Why might this be?

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How Happy is Each Generation at Work?

What percentage of each generation is happy and unhappy at work?

The percentage of employees in each generation who reported being either Unhappy (rated as very unhappy, unhappy, or slightly unhappy) or Happy (rated as very happy, happy, or slightly happy).



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Theories on Gen Z's Workplace Happiness


There are several reasons Gen Z may be unhappier than their senior generations. The most obvious one is that Gen Z is still entering the workforce. It's reasonable to assume that Gen Z is generally working entry-level roles. In fact, almost every entry-level role will be filled by Gen Z by 2030. The nature of entry-level roles can create job dissatisfaction, particularly for a technologically advanced workforce looking for professional development.

Gen Z may also be less happy in general than other generations. The Mental Health Million Project seems to support this theory. Their recent report shares that Gen Z is alarmingly low in measures of mental well-being. This is likely due to the major disruption to education by the COVID-19 pandemic, unprecedented rates of student loan debt, social media's impressive ability to make its users doom scroll, and rising living costs.

So, what exactly makes each generation happy and unhappy at work?




What Makes Each Generation Happy at Work?



Next, we examined how different generations rated workplace features. We asked our survey respondents to denote on a scale of 1-7 (1 = highly disagree and 7 = highly agree) how they felt about statements like “My manager brings out the best in me” or “I feel irritated at the thought of starting my workday.” We then looked at the statements most correlated with workplace happiness.



How to Manage Baby Boomers' Workplace Priorities



Baby Boomers tend to place a high value on job security and, as a result, tend to remain with their employers longer than other generations. This strong sense of organizational loyalty is often linked to their desire for influence or decision-making power within their company, possibly due to their long-term tenure and early career experiences during economic prosperity.


With this in mind, it's unsurprising that Baby Boomers most highly value having their voices heard at the workplace, above and beyond other perks younger generations might value, such as flexible working hours or unlimited paid time off.

50% of Baby Boomers
agreed with the statement

*I like telling people
what I do for a living*

highlighting this generations'
career-centric mindset.

How to Manage Gen X's Workplace Priorities



Although Gen X and Millennials share a workplace priority, it is noteworthy that Gen X's second-highest priority aligns with the Baby Boomer's top work-related belief. This suggests that Gen X is a more nuanced generation than the others. According to a study, Gen X believes that "Working hard makes one a better person," which is similar to Baby Boomers' belief that "Work should be one of the most important parts of a person's life."

These findings indicate that both generations place significant emphasis on their work identities. However, Gen X can differentiate their work from their personal identities. This compartmentalization is evident in Gen X workstyles. They greatly value the ability to "forge their own paths" and preach autonomy. This generation values self-direction and is happy to self-supervise their projects.




91% of Gen X agreed with the statement

My manager trusts me

Making them the most trusted generation.

How to Manage Millennials' Workplace Priorities




Millennials are deeply mission-driven in their careers. They seek opportunities that will allow them to “give back” or have some higher purpose. This intention is evident when we note that the most highly correlated sentiment with workplace satisfaction is “I am proud of the work I do.”

Millennials are known to value more “fun” workplaces (and are said to be the reason playground-esque offices such as Google’s were born) and strongly espouse the “Work to live, not live to work” mentality. For this reason, Millennials are also more likely to leave their jobs, in stark contrast to previous generations, who are typically deeply loyal to their workplaces.

42% of Millennials highly agreed with the statement

I am proud of the work I do

How to Manage Gen Z's Workplace Priorities



Though Millennials are more likely to job-hop than older generations, Gen Z is the most likely to job-hop. According to our analyses, they are the generation most likely to quit if they are unhappy with their workplace. There are a few reasons why this might be the case. The most practical reason is that Gen Z employees are younger, so they have less to lose if they make lateral moves across organizations. Gen Z employees are also very self-confident and constantly seek new learning opportunities.

Gen Z's workplace happiness is most highly correlated with the statement, "My work environment brings out the best in me." Gen Z wants to clock in somewhere that will offer work-life balance and complement and nurture their talents. If they don't find this, they are happy to leave.

17% of Gen Z highly
Agreed with the statement

*I think about quitting
my job*

about 10% more than all other
generations.

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Which Generations Work to Live? Which Live to Work?

Though these generational differences exist, there is some debate about how to split the generations. For instance, researchers are consistently divided on where Millennials end and where Gen Z begins. This is known as the “cusp” phenomenon, where people born in “gray area” years, such as 1995, report not identifying with any generation.

We compared the two most distant generations, Baby Boomers and Gen Z, on how central they view their work to their identities. Data shows that Baby Boomers highly identify with their careers. Baby Boomers have internalized their jobs, making them part of their identities. Therefore, they typically are loyal to their organizations and view work as a lifestyle. On the other hand, Gen Z prioritizes work-life balance more than any generation in the workforce. This priority naturally makes them identify less strongly with their careers.

40% *of Baby Boomers Highly Disagree with the statement
“My work is unimportant to my identity”*

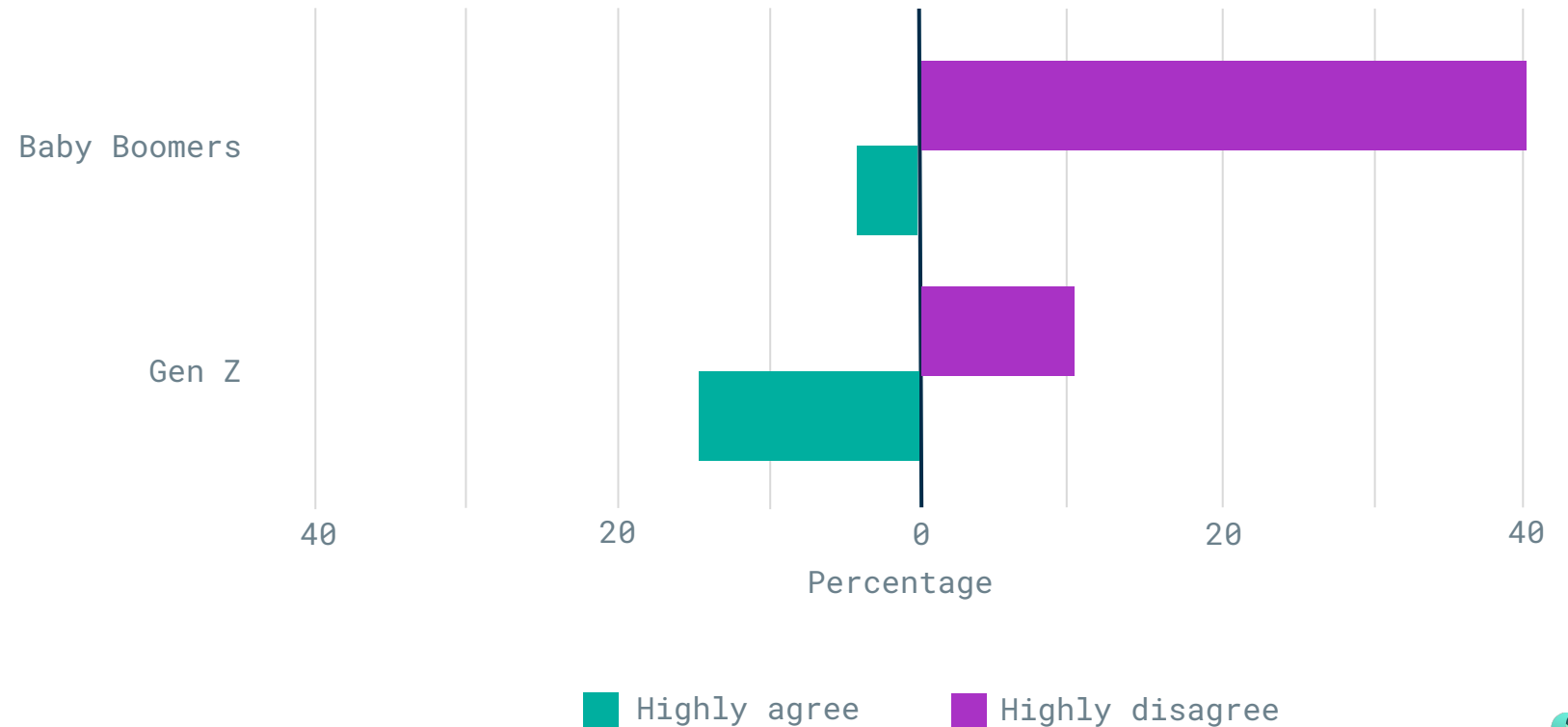


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Which Generations Work to Live? Which Live to Work?

Baby Boomers strongly identify with their work

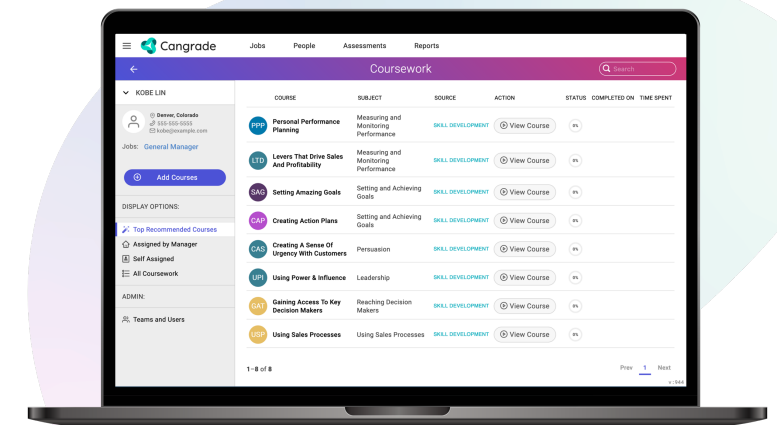
Participants were asked how much they disagreed with the statement “My work is unimportant to my identity.” It is evident that older generations believe work is a central part of their lives, whereas Gen Z feels differently.



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Engaging Gen Z at Work

So how do we retain and attract Gen Z? Research shows that Gen Z exceedingly prioritizes learning and professional development opportunities in their jobs. Not only do they expect development opportunities when beginning new roles, but they also expect continual learning in their careers through supervisor mentorship. Providing Gen Z with these opportunities through coaching, mentoring, workshops, and more can be a powerful strategy to increase retention.



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Summary

Effective management involves understanding the characteristics of each of the four generations in the workforce and leveraging them to build a more well-rounded team.

Baby Boomers value loyalty and having their voices heard, while Gen X thrives on autonomy and self-direction. Millennials are purpose-driven and seek opportunities to give back, while Gen Z places great importance on skill advancement and mentoring. By recognizing and utilizing the strengths of each generation, employers can create a more productive and harmonious workplace.

Hiring is complicated by many factors - skills, team dynamics, and timing, among countless others. Telling you that generational differences exist just adds to that endless list. Couple this information with Cangrade's data-driven [Pre-Hire Assessment](#) to build the strong and healthy team you need to succeed.

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