

204 CULTURE | How to unlock the power and potential of the Gen-Z workforce. w/AnneMarie Hayek

And now taking care of business your hosts Craig Moen and Shye Gilad.

[00:08] Craig: Welcome to Business Owners Radio episode 204. Our guest today is Anne Marie Hayek, author of the new book, *Generation We: The Power and Promise of Gen Z*. Anne Marie and her team of experts have advised the world's largest companies, organizations, governments and presidential candidates for more than 25 years. Stand by for some great insight for your business. Good morning, Anne Marie. Welcome to Business Owners Radio.

[00:37] Anne Marie: Thank you, Craig. Hi, Shye. Good to talk to you guys.

[00:41] Craig: Oh, it's so great to have you on board today. And fascinating topic, this has so many questions to it from business owners' standpoint, but yet some have a number of employees in this environment. And the world is changing so we have to be aware of any and all information we can get. And your area of expertise just makes for a great conversation and let's get into it. What inspired you to write the book?

[01:07] Anne Marie: Well, the book is called *Generation We: The Power Promise of Gen Z*, and it's all about generation z. I have been a cultural consultant, really a student of culture, a student of community my whole life. When I think back even to my childhood, I was always so interested in how people live, how people think, how that differs across culture. And in my 20s, I worked as essentially a cultural anthropologist and business strategist, where a lot of the world's biggest companies as they were expanding around the world due to globalization. And then in my early 30s, I started Global Mosaic, which is my first company, so 19 years ago. I call it a cultural consultancy, which honestly I made up that name. Sometimes people say, what is a cultural consultancy? But when you're an entrepreneur, you can decide what you'd like to call yourself.

We have worked for the last 19 years with some of the world's largest companies, as well as fast growing startups, even presidential candidates, and helping them understand culture and how culture evolves. That can be

everything from how we think differently about health and wellness, how we think differently about aging, how our work continues to evolve. And as part of that, we've done a lot of generational work. I'll be the first person to say that generations and studying generations is not a perfect science. There's some art to it, for sure. But looking at generations, looking at cohorts of people and what was happening in our world politically, economically, socially, culturally, as a group of people was coming of age does impact their worldview — how they look at the world, their value systems, their ideas about our future.

And so I've been studying, as part of cultural consultant, boomers and gen X and millennials. We've all been obsessed with millennials for the last 15 plus years. And about three years ago, our clients started asking us to do work with generation Z. I found this to be the most fascinating, compelling and powerful generation that we had done work with. When we started doing this work, I started reading everything I could get my hands on that had been published about Gen Z. What I really discovered is there was a very false narrative that was being shared around gen Z. And I think, for many of us, if you think of gen Z, which were born between the ages of 1997 and about 2010, so they're around 10 or 11 years old now through 23, maybe just turning 24. And they're a powerful generation. We didn't even think about who they were a few years ago, and then in the last three years, we had in 2018, we had the Parkland shootings in Parkland, Florida. We saw Emma Gonzalez and David Hogg and these kids stand up and call BS and challenge our gun regulation and challenge our government and stage a protest in DC a month later, where over a million people mobilized. And then shortly after that, we saw Greta Thornburg, right, again, the climate strikes. A youth-led climate strike in which 7.6 million people around the world participated, which was youth-led. And then on the heels of that the Black Lives Matter Movement, and Z's incredible presence in that, and we just continue to see them to be incredibly involved in all of these issues. And a lot of people are asking who are they? What do they want? What makes them so activist? And at the same time, we tend to discount them. We tend to think about them as being obsessed with their phones, staring at their screens all the time. If you do a Google Image Search, you see

them staring at their screens, pages and pages of teenagers staring at their screens. We talk about their cancel culture, that maybe they're trying to cancel everybody or that they're always angry at older generations. But there's so much that hadn't really been studied around who they really were, what makes them who they are, and what do they really want.

And so I spent a year and a half doing research, collecting data from over 10,000 Z's across the US, interviewed over 1,000 Z's, and hired an entire team of people to work with my new company called Z Speak, that are Gen Z themselves between the ages of 18 and 24, to help me in writing this book and telling the real story of who Gen Z is. So I'm really excited to share this generation and a deeper story about who they are with the world.

[05:29] Craig: Looking at what started this process, as far as every generation has some uniqueness to it, and is based on how they grew up, what they experienced, and what was right for them, tell us a little bit about from a Gen Z world what was different in their childhood and upbringing and their environment that created a difference for them?

[05:51] Anne Marie: Well, and I think one of the things, probably the largest thing is that they are digital natives. And that has been written about them, that they are digital natives, that they're the first generation to truly grow up being connected digitally. Oftentimes, we think of millennials as also being very digitally savvy, but the truth about millennials is that the median age of a millennial when the iPhone came out was 19. And we also talk about the millennials as being the Instagram generation, but the median age of a millennial when Instagram came out was actually 22. So millennials really didn't grow up with technology and with access to everything happening in the world. Their online access, their utilization of phones, and Instagram, and everything else has primarily been their 20s and beyond. Whereas for Z's, many of them weren't even born yet when the iPhone came out in 2007. And by the time they were in kindergarten, all of the big apps that we think of including Facebook, and Instagram, and Snapchat, and YouTube, everything except TikTok, which came about a few years later, already existed. And so from the time that they were very young, certainly by elementary school, if not younger, they were connected by their devices.

Now, again, we tend to trivialize this as older generations and say, "Well, they're just staring at their phones, they're tuned out, they're disconnected." But it's actually the exact opposite—that they're the first generation that from a very, very young age has had access to all that is happening in the world. Now, that has its pros and its cons. It has created high levels of stress and anxiety for this generation for sure. It has also created a high level of awareness and engagement from a very young age. So we saw the highest youth voter turnout numbers in the 2020 presidential election that we've recorded in the modern, you know, polling era. We see them showing up, and really taking a leadership role on so many of these issues like climate, for example. The three largest climate organizations in the US are all youth-led, were all created by Gen Z's or slightly older.

The other thing that is really powerful about this connectivity is the way that they have been connected as a generation from a young age. They're the most unified generation. They're actually the largest generation on the planet. And in our country right now, they make up 27% of our population. They're now larger than the millennial population, larger than the boomer generation. But it's actually not their size that makes them so powerful. It's the fact that they're so united, and they're so united because they are the first generation that has been connected to each other digitally from a really young age.

I love the analogy, the movie Avatar. I don't know if you remember the movie Avatar with the blue people on the planet. And remember how they would connect in to that home tree, and they upload and download their memories and their experiences that created this kind of shared consciousness. I love talking about gen Z and their devices and their phones that way. It's like they're tapped in almost as an umbilical cord that is uploading and downloading their experiences. And they're sharing their stories all the time. Their primary app is TikTok versus, for example, for gen Z and boomers it's Facebook, for millennials it's Instagram. Those apps are different in that we tend to just see when we open our feeds the people that we follow or maybe some sponsored content, whereas on TikTok, the algorithm is very different. And so they do see the people they follow, but they land on a "for you page" where the algorithm crowdsources the short

15-second stories that are receiving the most likes around the country and around the world. So what that means is that Z's open up TikTok app every morning, and they see stories from other young people their age, not just their friends or people they follow but from all over the country and all over the world. And so it really creates this generation that is very united, and that has access to other people their age regardless of their geography, regardless of their political affiliation, regardless of their gender, regardless of their race or ethnicity. And so they feel very, very unified. And that's the reason that they show up in mass and create these kinds of mobilizations, whether they are foiling a Trump rally or whether they are crashing -- state of Texas created an online tip line where people are to report anyone who may be seeking or performing abortions. And currently, gen Z's are attempting to crash that by just dumping memes of Shrek and all kinds of other content onto that tip line. So they really mobilize in mass so powerfully as a generation.

And one thing that's really fascinating that we found is as we did research on key issues, and their worldview, and their opinions on different things across thousands of Z's across the country, across red state and blue state and urban and rural areas, we found that there was no statistically significant difference in their positions based on red state or blue state or urban or rural area, because their worldview is being formed by these conversations and this dialogue and this exposure they're having with each other across diverse perspectives online versus, as for previous generations, being limited to the conversations you're having around your dinner table and the people that you're just surrounded by in your immediate geographical parameters, which is extraordinarily powerful. So they're such a united generation as well, which is really what makes them a power block. If they were just the largest generation, that would be important itself, but the way that they're really united and the way that they can organize so effectively as a power block makes them incredibly influential and impactful.

[11:53] Craig: Anne Marie, I'm really interested in what their perspective is regarding businesses of all sizes. How do they view this and how do they view their involvement in businesses?

[12:05] Anne Marie: So, one of the primary reasons that it makes sense for all of us to pay attention to Z's is because they are very much upping the demands and the requirements for our companies and for our organizations. We are seeing that happen already despite their young age. The median age of a gen Z, by the way, is only 17. The majority of them can't vote yet. The eldest are just turning 24 this year, so they're just really beginning to join the workforce. But as consumers already, they're voting with their dollars. And this is something that we know about gen Z's is that because they're so digitally savvy, the things that matter to them like sustainability, like diversity and inclusion, those kinds of things, which matter so much, and the far majority of Z's say that they preference companies that are operating in ways that are sustainable, and that are diverse, and that are inclusive, and will steer away from companies who they don't feel are acting progressively in those areas. Because they are digital savvy, they know, they know.

They will go onto Google, they'll go onto a company's website, they will go beyond the advertising, the communication that shows people different racial and ethnic backgrounds, and they'll actually look and they'll see what does a company's board look like in terms of diversity and inclusion? What does a company's executive suite look like? They really do talk about this. For example, one of the TikTok videos — TikTok is made up of these 15 second videos that mostly Z's create — and one of the ones that went viral last year was a young teenager who actually looked at the CEOs of the Fortune 100 companies, and exposed in this 15 second video that of those 100, Fortune 100 CEOs, only three were women, only a handful were men of color, and that roughly 90 of them for white men, and that there were more white male CEOs named Michael than there were female and male of color CEOs out of these Fortune 100. And this is the kind of thing that goes viral and that all these Z's see. So they're actually paying attention to this. And they really know, and they go beyond just the external communications.

Here's what's really powerful as well — if companies do not adapt and do not respond to these demands to becoming more sustainable, becoming more diverse, becoming more inclusive, Z's will not only turn away from

those companies, but now that they are entering their 20s, they are creating their own companies that represent those values. So, a great case study is a company called Parade. It's an underwear brand. The founder is Cami Tellez, at 21 years old, two and a half years ago dropped out of college, and decided that there wasn't an underwear brand that represented gen Z values of sustainability, diversity, inclusion, body positivity. And so she set out to create one. Just last week, Parade successfully, her company after two years, she's now I think just turned 24 years old, in their series B raised another 20-40 million, something like that. Her company's now valued at about \$140 million. They are committed to, as I said, sustainability. They showcase people wearing their underwear across the gender spectrum, including transgender people. They include people of various body shapes and sizes. It's very body positive.

During the same timeframe, Victoria's Secret, which used to be very popular amongst older generation, but Victoria's Secret has intentionally been very slow to address some of their transgressions around where and how they manufacture their products. I think it was two years ago, when Les Wexner, who was the CEO, was receiving criticism that their runway shows lacked gender diversity or body diversity. And he actually came out and said that he would rather cancel their runway shows than ruin the fantasies of the men that they design those shows for. In response and largely led by youth, they boycotted Victoria's Secret, the stock fell 40% and Les Wexner was forced to resign. So, it's not only that gen Z's have a lot of power as consumers, but again, increasingly, they are now setting out to create the companies that will steal your lunch if you don't adapt to these increasing demands in areas like sustainability, diversity, inclusion, body positivity, et cetera.

[17:29] Shye: You know, it's so interesting, because we're thinking about it from this customer facing challenge and yet there's this whole other piece, too, which is as employers, how do we embrace the power of this potential workforce?

[17:43] Anne Marie: Absolutely. Fast Company just asked us to write an article about how to attract and retain gen Z. And as I said, the median age of gen Z is 17, and the eldest are just turning 24. So it's really only been

very recently in the last year or two or so that gen Z has been entering the workforce. And we worked with in preparation for researching and writing that Fast Company article, we did research with a bunch of Z's. With them, we looked at the job postings that they were seeing on their feeds, and their comment was that they didn't resonate with most of the job postings and were even offended by the job postings, because they were still very much directed to a millennial culture. And again, to those of us who are gen X or boomers, really, to any of us who are over the age of probably are upper 30s, for example, we might say, "Well, aren't these just younger versions of millennials?" But they're actually very different. The way that they were raised is very different. Their orientation is very different. What they want from a workplace is very different.

And as I said earlier, you know, millennials really grew up in more of a bubble and that's not their fault. I mean, they didn't have access to everything that was happening in the world. They didn't have access to all the news and all the media and all that is real and that is raw, and they do tend to be more, as we say, the Instagram generation. And we know Instagram is very much about things looking patinaed and perfect. And so when millennials were entering the workforce, employers leveraged some of that. They offered a lot of perks, baristas and rooftop gardens, where you could have your lunch and game rooms and various things like that, things that are very Instagrammable, really, honestly, that very much created a picture of what you might want your employer or your workplace to look like.

[19:50] Shye: The shareable like faux culture moments, right, that even with best intentions can look probably kind of manufactured.

[19:58] Anne Marie: Well, and to be fair too, millennials entered the workforce during the height of startup culture. So that was that whole Googlezation of workplaces, and everyone was adding baristas and game rooms and all of those kinds of things. That was very much was going on. But as we know, it was also very much a work 24/7 hire and fire. There were a lot of perks, but the discontinuation of a lot of benefits.

Now you think about the way that gen Z was raised. Gen Z was raised, as I said, in this world where they had access to digital, they had access to

everything that was happening in the world from a very young age. They saw George Floyd's head on the ground. They have witnessed mass shootings. They watched the wildfires. They see the people hanging onto the plains in Afghanistan. They have lived through economic crises. I mean, they have lived through so much that it is raw and real. Gen Z is not at all a bubble generation, and they have lived through and continue to live through so much instability that they actually want stability. They want what is real and substantive from their employers. So when they see a job listing that says, "Hey, girl, boss, you like coffee? Wanna have your lunch on a cool rooftop?" they see right through the superficiality of that, and it's very offensive to them, because they feel that they're not being treated as someone with substance and savvy. And they want straight talk. They want you instead to spend your money not on perks but on therapy benefits, attention to mental health of their employers.

They also have destigmatized, because they're such a collaborative collective generation, as I said, who are talking to each other and sharing stories online on their social media platforms all the time. They had destigmatized conversations around salary and benefits. And they are sharing their salaries. They're sharing their hourly wages. They're sharing their experiences with benefits. They are coaching each other on how to demand more. And so it is a different employee. These gen Z's want something different from millennials, and they will see right through the old job offerings that are more millennial in orientation.

The other thing that's incredibly important to them is, which we haven't talked about, and really differentiates them is they're the creator generation. You may have heard about the creator economy. The creator economy, which is growing, there are 52 million creators now, people who are online who are creating content in some way or creating online stores or creating filters for Instagram or creating whatever they're creating online. And so when we think about the way we've used social media, we may be post pictures, and then we consume a lot of content from the other people that we follow. But for Z's, they've always created. Being on TikTok means creating a 15 second video and putting it out there. They grew up not watching Saturday morning cartoons but watching YouTube videos.

YouTube videos democratizes content creation. It's no longer an animator in Hollywood, it's people in their bedrooms and basements who are creating their own content.

And so even if you look at the video games that they used, Minecraft, if you know anything about Minecraft, it's just a blank slate, there are no rules. The whole idea is to build your own world and to pursue whatever that vision is. And so Z's are such creators that 76% of them actually hope and believe that they can create their own vision in the world, and so they want to create. They don't just want to be slotted into an organization. They want to know that you are going to ask them for their opinion, that you are going to utilize their creative skills. You're going to allow them to flex their creative muscle.

And because the creator economy continues to grow, and Z's know, this has been documented that all you need is 500 followers to be able to monetize your following online, depending on what you do and if you're smart about doing that. Z's have told me over and over and over again, if they can't find a company that is able to provide them with the salary, the benefits, the opportunity to flex their creative muscle in the way that they would like to, they would rather make a go of it on their own. And they will often put together maybe three different side hustles, gigs, an attempt at being a creator online and monetizing that, because it's so important for them to be creative. It's what they've done their entire life.

[24:49] Shye: So how then does an employer, especially a small business owner, who may have limited resources in terms of the kinds of perks and things that they can offer and also may not seem relevant to many of these gen Z creators, especially if it's a bricks and mortar business, how do they appeal to them? How do they establish any kind of a meaningful relationship? If this generation is being effectively mentored by the internet, do they still need their gen X counterparts?

[25:21] Anne Marie: It's a great question. I'm gen X, I would like to say yes. But I mean, it's really an excellent question. Because we work with a lot of large companies in helping them begin to incorporate gen Z, and gen Z culture, and gen Z employers into their mix. But I myself run a small company. My company, Global Mosaic, and now my new company is Z

Speak, all together, we have 11 employees. So we are a small company. When I started Z Speak a year and a half ago, I made the commitment because that company was going to be based on gen Z, that I was only going to hire people who were gen Z. And so as I said, they're all between the ages of 18 and 24. And what we ended up doing for a lot of smaller companies, I would say, and actually larger companies as well is Z's want to be engaged. So certainly one option is to employ them. But I would also say that Z's, because they are innovative in the way that they think about contributing to the world and contributing to companies and being creators, and oftentimes have multiple gigs going, it also can add so much value to our organization to engage them in a more limited capacity as a contract worker, for example, or even as an advisor.

What we've been doing increasingly, for example, working right now with an entrepreneur in California, who is just creating a new sustainable fashion brand. This entrepreneur engaged with us and we created a gen Z advisory board made up of about half a dozen Z's between the ages of 16 and 23, who were passionate about sustainability, who were passionate about fashion and about an evolution away from fast fashion, and what that looks like and what that means. And this advisory board, she compensated on an hourly basis. And they have been working with her throughout the course of 2021 as she creates her business model and as she creates the business. And so it's a really interesting way to think about it. Here you have 16 to 23 year olds -- and by the way, she was a top 30 under 30. She's an incredibly successful entrepreneur of her own right, but she is taking the time to listen to these 16 to 23 year olds, because it is these young people, as I said, who are really creating the requirements for the companies of the future. And so she wanted to make sure that from the beginning that her company was in fact representing what they were demanding. What did sustainability look like? Does that mean that all of my fabrics have to be sustainable or does it mean something more than that?

I think that, again, oftentimes we tend to trivialize youth and we tend to think what can a 16 year old, 17 year old, 18 year old, 19 year old, 22, 23 year old really know? I run my business. I know my industry. But again, these Z's have so much exposure and they have so much power. They

right now, as I said, are relatively young, with the eldest just turning 24, the median age 17. But it's projected that by 2030, they will have more spending power than millennials and even more spending power than boomers because boomers are starting to retire, whereas Z's are just really ramping up right now. And on top of that, we have the great generational wealth transfer, which is coming and which the next two decades it's projected in the US alone, \$30 trillion will be transferred from their parents and grandparents, the silent generation and the boomers to millennials and to gen Z. So, they will have so much collective spending power and have control of so much of the money that is being invested and that is being spent not only in the US but all over the world, that any company that is really looking to the future and looking to continue to thrive in the future really does need to look to Z's in whatever capacity they can, even if it's in an advisory capacity, to understand what they need to be doing so that they are meeting those requirements, and that they will continue to grow and that they won't be punished in the way that Victoria's Secret was, for example.

[29:51] Shye: Yeah. I mean, wow. It's so much to navigate because it is such a distinct and meaningful change in the way that this generation has learned about the world around them. And you know, if you think of the changes that have happened in their lifetime, it's kind of phenomenal, right, and a lot of people are going to be left behind if they don't figure this out. I mean, from what I'm hearing, it sounds like the biggest challenge for employers, if you want to be able to attract these younger generation workers, is that the value proposition for them has really changed, and that they have a lot of incentives and ability to monetize themselves, monetize their hobbies, monetize their interests that simply did not exist certainly 20 years ago, certainly when they were born, and were only starting to exist in maybe the last 10 years, and they are natively swimming in this place. And like you said, they will eat your lunch if you don't pay attention.

And you know, we hear of the success stories already. You were talking about the fundraising. And if you're telling me three-quarters of this generation basically sees that they're going to be able to create their own future and their own space in the world, what we're talking about is a very

entrepreneurial spirit, and perception of the world around them. So, if we want to bring them into the workplace, it's almost like a relationship has to be more around how are we mentoring them? How is their experience working with us going to help enable the other things that they want to do in the world? Which is maybe how we should have been thinking for a long time about our relationship with any humans. But I think that that to me feels like a place employers should go.

[31:31] Anne Marie: I absolutely love what you just said. And the reason the book is called Generation We is because they have such a collective orientation, right? They, again, via the way that they've been connected online from a young age, the way that they interact with each other and collaborate with each other online, they are much less competitive generation, they're much more collaborative and collective generation. What follows from that is that they thrive from having that kind of relationship with their employers in the way that you just talked about. It's very much a mentorship, it's very much a work together, it's a very much see them as humans, see them for their ideas, see them as valuable contributors from a young age.

I also think that there's a huge benefit to employers though because even though 76% of Z's say that they believe that they can be successful entrepreneurs, we all know that that is much harder done than said, so 76% of them are not going to be successful entrepreneurs but they certainly have a very entrepreneurial spirit and have a lot more experience in creating content, creating ideas and putting them into the world from a young age than any other generation has. So, they do have an incredibly strong entrepreneurial bend. That said, again, they are creating stability, they like to be part of a collective, they like being part of a team, they like working together to create things as well. That's very much a part of their culture. And so, as opposed to millennials, not whole kind of startup culture which is very much a higher fire, there wasn't very much loyalty. I mean, that was very much a time when a millennial would work for a company for 6 months, 12 months, take what they needed or wanted out of it, and then move on to the next place. That was the hustle, that was romanticized. That's what you saw people writing about and posting about. Whereas

again, for Z's, because they lived in such an instable world, if in fact they are in a company environment, a corporate environment where they do feel that they are being mentored and they do feel that they are being seen, and they do feel that they're contributing in a meaningful way, they crave that, and they talk about wanting loyalty, wanting stability, wanting longer term employment.

So, it'll be interesting to see, again, they're very young. We don't have a lot of data to look at yet. But based on what we know about them and based on what they've expressed in terms of their interests and wishes from a work environment, I would expect that we would see much more loyalty for the investment that employer makes into gen Z than we did a decade or two ago with millennials.

[34:28] Craig: Anne Marie, thank you so much for joining us today at Business Owners Radio.

[34:32] Anne Marie: Thank you so much for having me, Craig and Shye. I love talking about this topic. As you can see, there is so much more research and publishing that we've done in this area. If you're interested in learning more, you can go to the website AnneMarieHayak.com, A-N-N-E-M-A-R-I-E-H-A-Y-E-K.com. There you can learn more about gen Z, you can learn more about our research, our ongoing research. You can take a quiz around gen Z. You can download a free chapter of the book *Generation We* if you'd like to learn more. And my wish is just simply that even though this book is really focused on one generation, gen Z, really, I wrote the book to inspire more cross generational understanding and more cross generational conversation, because there's so much that we can all learn from each other. And what I would impress, if you were to take anything from this is that these young people, despite their age really have a lot of wisdom and have a lot of ideas and have a lot of value to add. And so don't discount them, engage them in conversation, engage them in conversation as an employer, engage them in a conversation as a parent or as a grandparent. We all have a lot to learn from each other.

[36:00] Craig: Our guest today has been Anna Marie Hayek, author of the new book, *Generation We: The Power and Promise of Gen Z*. Anne Marie is a cultural consultant, generational expert, and social agitator who deeply

understand society's evolutions. She founded and leads two companies—Global Mosaic and Z Speak, with a passion for navigating the cultural movements shaping our world. You can find out more about Anne Marie as well as find links to her content and book all at our website at businessownersradio.com.

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