

# YOUNG GENERATION IN TECH REPORT



# MANAGING YOUNG TALENT IN TECH: THE NEXT FRONTIER

For many years, the tech industry has faced talent shortages and the focus has been on how to attract the best and the brightest to their companies.

This cohort has, generally speaking, had the pick of the best employers and in this sense have traditionally been among the most satisfied in their roles. Following two years of the pandemic, and the aftershocks of 'The Great Resignation' - with the economy now experiencing turmoil, our survey reveals that the young generation in tech are increasingly feeling disillusioned.

Their needs and expectations have evolved from those of the preceding young generation in tech who took a sense of pride in their roles to the post pandemic young generation that are entering a time of economic uncertainty and overall dissatisfaction.

The results should serve as an important wake up call to an industry that has always had to fight a 'war on talent' in a sector that must be people-centric in order to succeed.

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# MANAGING YOUNG TALENT IN TECH: THE NEXT FRONTIER

In the last decade, tech startups have been an attractive career choice as they enable highly motivated people to join ambitious, mission driven teams and make a significant impact to society.

However, this year, the surveyed cohort of 20 to 30 year olds (Gen Z and young millennial employees) are raising alarm bells and expressing disappointment with their experiences after joining this industry.

Expectations around career progression and mentorship have not manifested. Moreover this is the first time this group has been faced with concerns relating to job security. This is all the more alarming given tech skills have always been in high demand. While largely viewed as positives, flexible and remote working norms also seem to have become a significant source of tension made ever more challenging for those worried about career certainty.

In a market environment as unpredictable and challenging as today's, tech companies need to pay immediate attention to engaging and investing in their talent, in order to retain and develop the high performers who will be fundamental to their success in the long term.

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# 5 KEY TAKEAWAYS

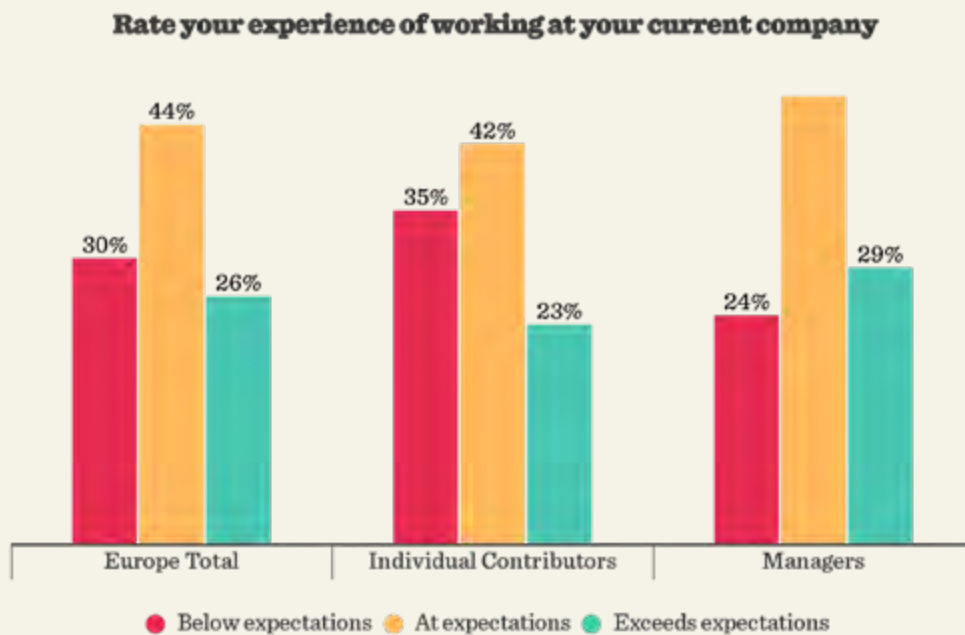
- 1** Poor workplace experience will drive talent away from the tech industry
  - 2** Job security is front of mind in the midst of macro concerns
  - 3** Walking the flexible work tightrope (or Flexible work has its tensions)
  - 4** Managers in this cohort place high importance on the company mission and future potential
  - 5** Employees in Sweden and Germany are significantly more likely to recommend working for their company than UK, Ireland, Spain & Netherlands
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## TAKEAWAY #1

# OVER A THIRD OF YGIT REPORT POOR WORKPLACE EXPERIENCE

Overall 30% of the Young generation in tech (YGIT) are reporting a poor work experience by contrast managers more than individual contributors are reporting that their experience exceeds expectations while a smaller 24% report disappointment.



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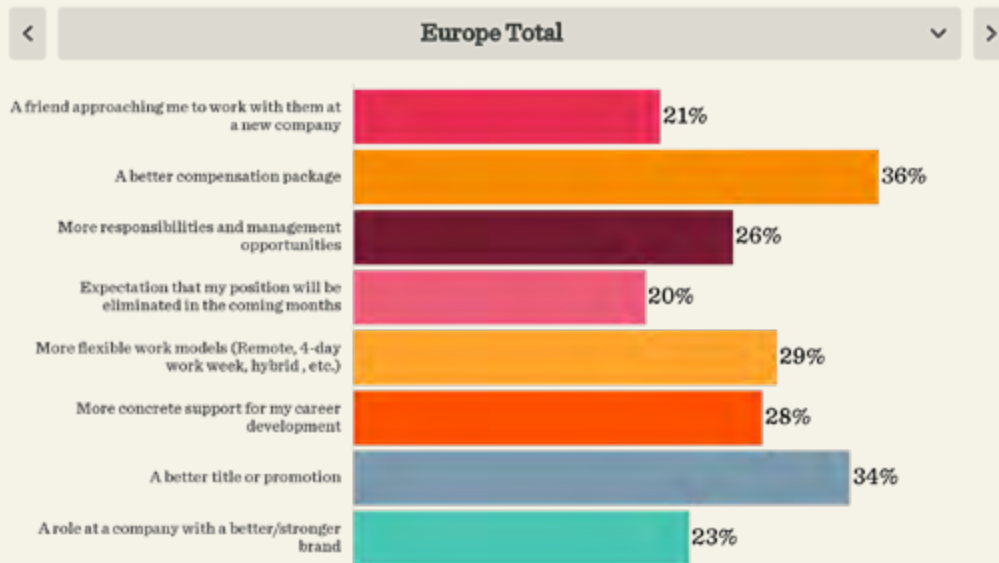


## TAKEAWAY #1

# OVER A THIRD OF YGIT REPORT POOR WORKPLACE EXPERIENCE

Better compensation, a better title or promotion and management opportunities will push YGIT employees away from their current companies. More flexibility for those who don't have it, and a company with a better / stronger brand can be powerful enticements as well.

### What will entice you to join another company?



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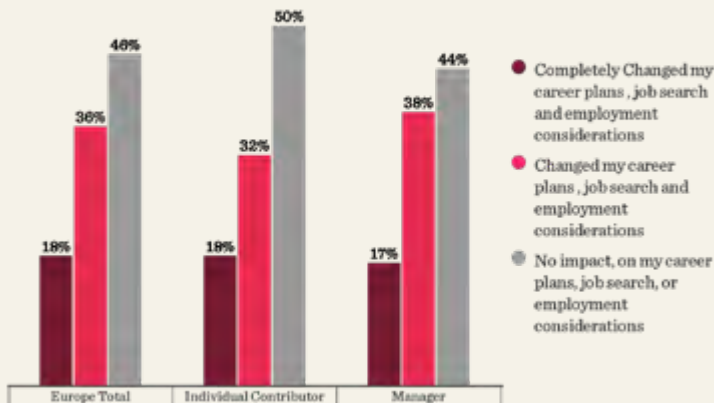
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## TAKEAWAY #2

# JOB SECURITY IS FRONT OF MIND IN THE MIDDLE OF MACRO CONCERNS

Job security is not a given. Macroeconomics are making YGIT think again about how secure their job is and if they should be planning their career accordingly. Employees who do not manage teams are much more impacted than managers of people and teams who are less reactive to the economic downturn.

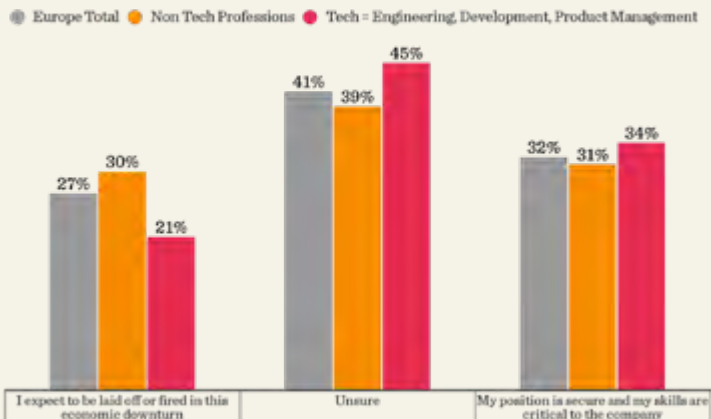
How would you rate the impact of the economic downturn on your career plans?



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Rate the job security of your position



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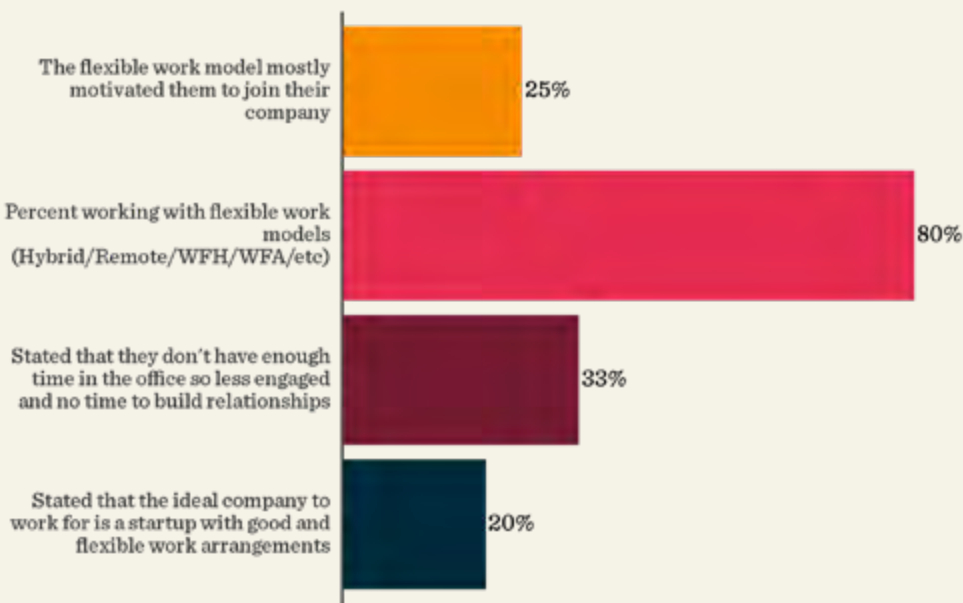
## TAKEAWAY #3

# FLEXIBLE WORK MODELS ARE A SOURCE OF TENSION

While most YGIT are benefiting from flexible work, and many stated that the ideal company to work for is a startup with good and flexible work arrangements, many stated that not being in the office hinders their engagement and working relationships.

Flexible work models are essential for hiring and attracting talent but working with flexible models has its complexities

**Flexible work models pros and cons**



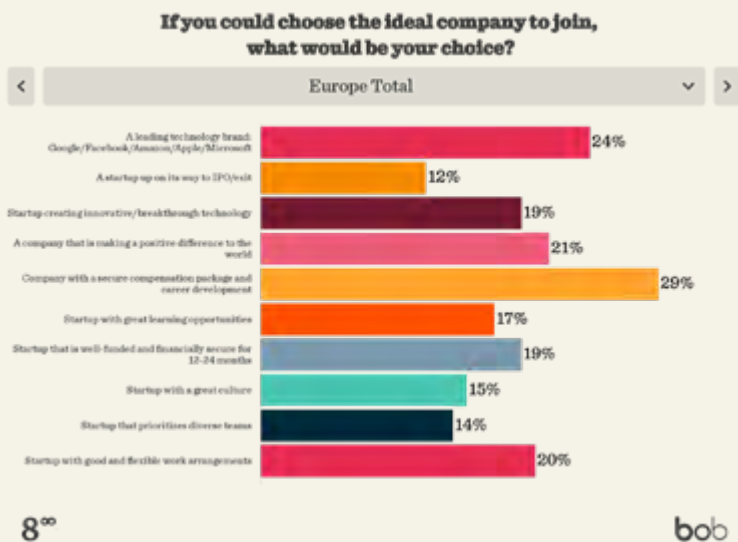
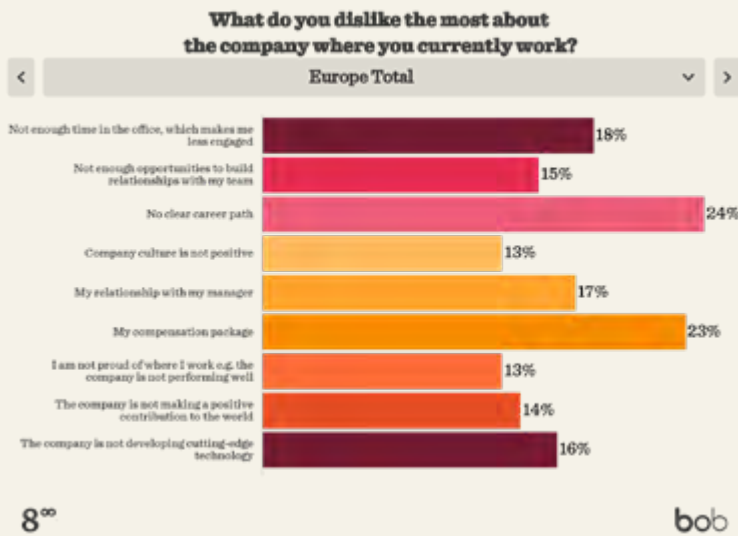
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## TAKEAWAY #3

# FLEXIBLE WORK MODELS ARE A SOURCE OF TENSION



## TAKEAWAY #4

# YGIT MANAGERS PLACE HIGHER IMPORTANCE ON THEIR COMPANY POTENTIAL

Managers of people are more likely to care about the company success, the company's mission and future potential than the employees who do not manage people in teams and are individual contributors.

Extra emphasis on transparency and communications can help employees who are individual contributors be more aware and connected to company success and future potential.

### Managers place higher importance on company success



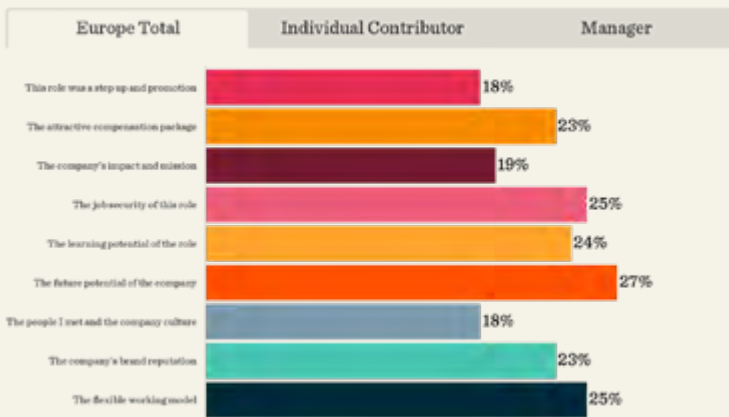
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## TAKEAWAY #4

# YGIT MANAGERS PLACE HIGHER IMPORTANCE ON THEIR COMPANY POTENTIAL

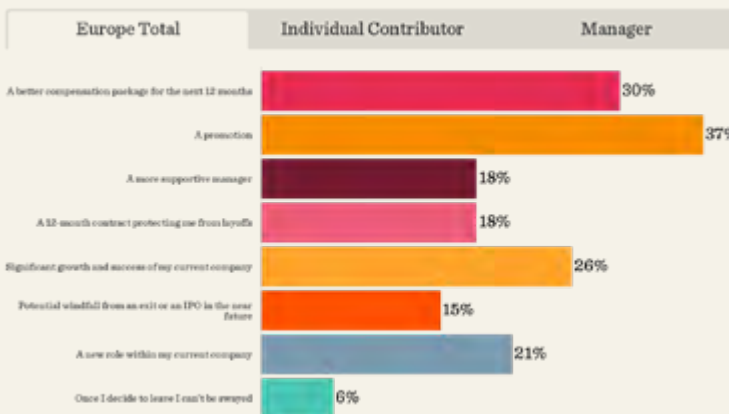
What mostly motivated you to join your current company?



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What will encourage you to say with your current company?



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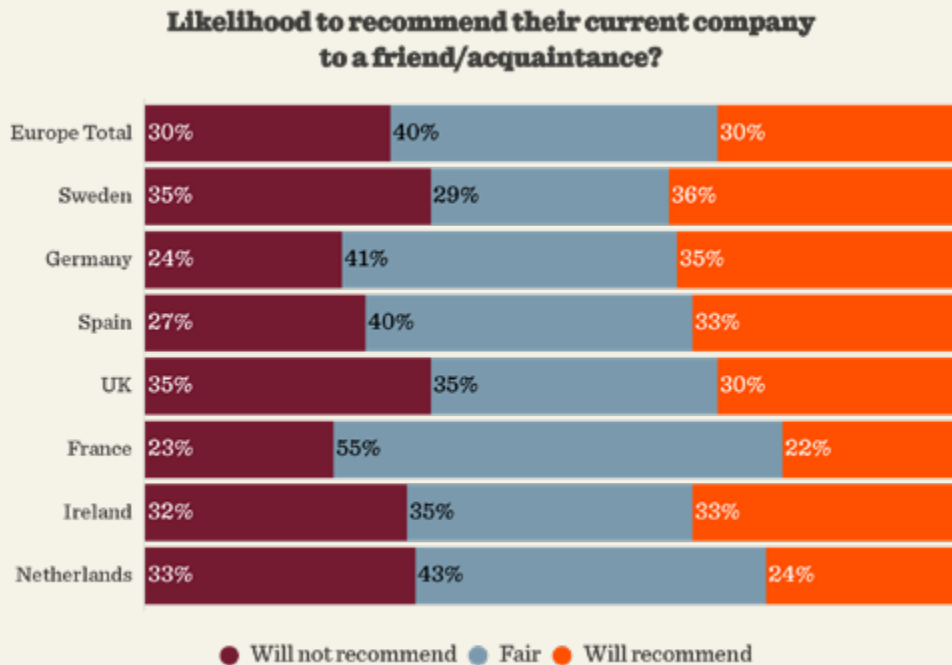
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## TAKEAWAY #5

# EMPLOYEES IN SWEDEN, GERMANY AND IRELAND ADVOCATE MORE FOR THEIR COMPANY

The tech scene sentiment is different between countries. In Sweden YGIT is split, 35% will not recommend working for their company, and 36% will recommend working for their company.

In the UK 35% will not recommend and only 30% will recommend. So while the same percent will not recommend less in the UK, will recommend. In France YGIT are much less in favor or against 23% will not recommend, 22% will recommend.



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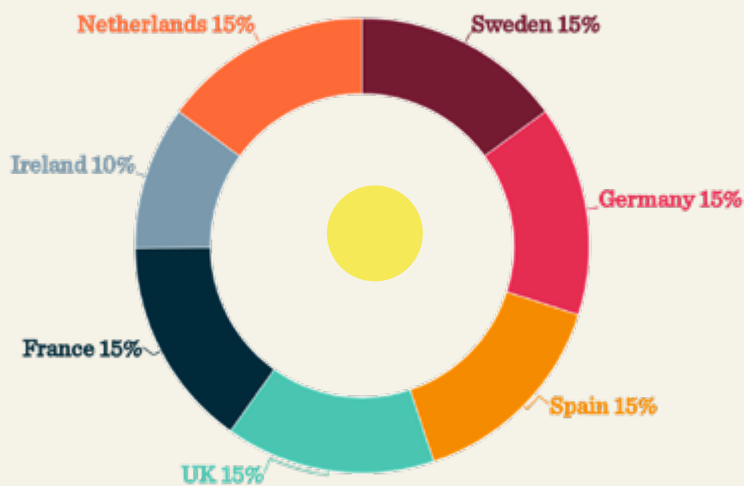
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# ABOUT THE SURVEY

During the months of July and August 2022, we surveyed 2,005 20-30-year-olds across Europe to understand their motivations, what they're looking for from their employers and their expectations for the future at work.

Countries included the UK, Ireland, Netherlands, Germany, Sweden, France, and Spain. HiBob and Eight Roads set out to understand how the young generation in tech (YGIT) experiences the world of work.

Survey respondents by country



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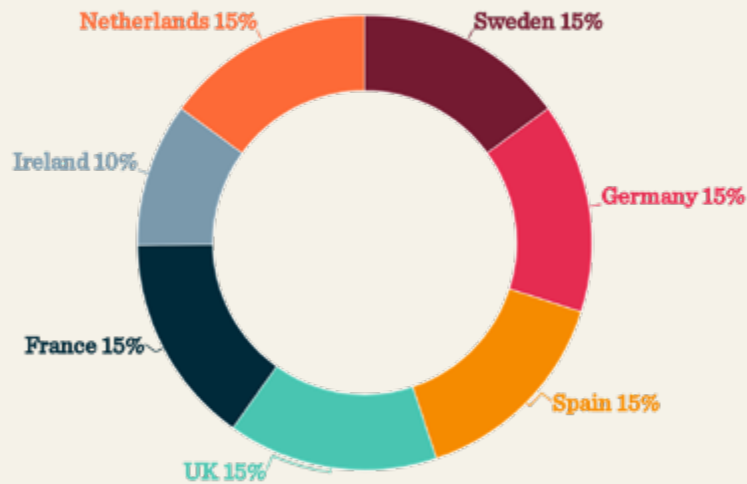
# DEMOGRAPHICS OF THE SURVEY RESPONDENTS

## Respondents by Country of Origin

The research focused on 7 countries in Europe including Sweden, Germany, Spain, UK, France, Ireland and the Netherlands. These countries have a vibrant tech scene with many young employees working in Tech and the purpose was to hear what they have to say about their employee journey in the High Tech Industry.

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Survey respondents by country



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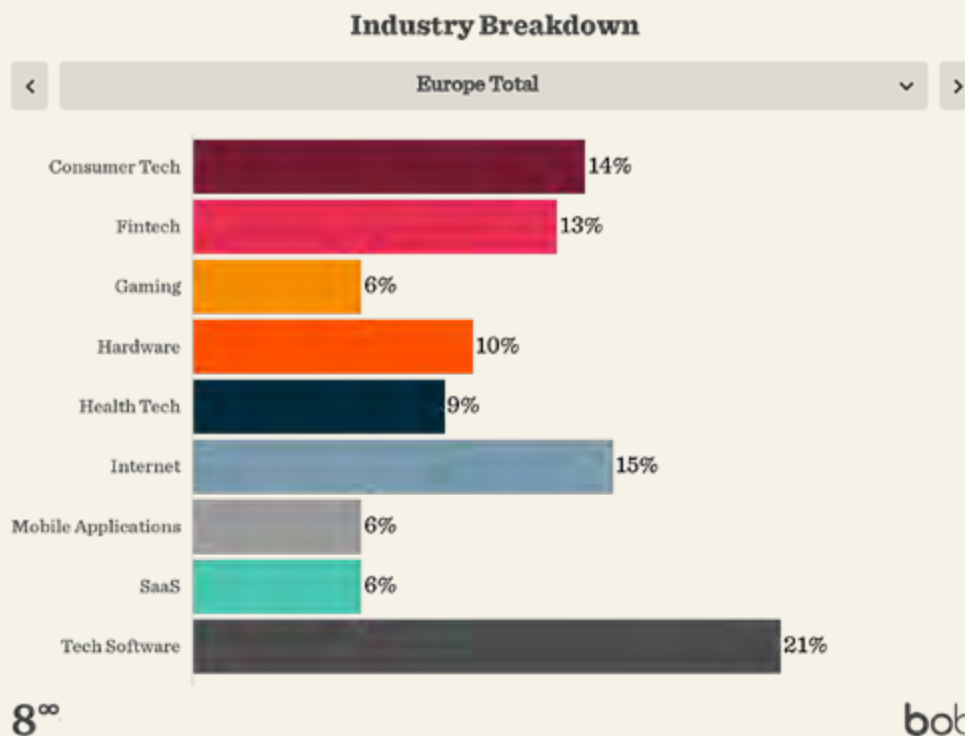
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# DEMOGRAPHICS OF THE SURVEY RESPONDENTS

## Industry Breakdown

We asked the respondents to classify which sub industry their company is part of - the research focused on employees working for these companies for 6 months or more. The breakdown includes Consumer tech, Fintech, Gaming, Hardware, Healthtech, Internet, and Mobile applications. Employees working for communication networks (cellular, cable, internet, or in IT services companies were not included). The purpose was to focus on modern tech companies.



# DEMOGRAPHICS OF THE SURVEY RESPONDENTS

## Company Size

Respondents were asked as to the numbers of employees working at their current company to allow for analysis based on company size, to examine if there are differences between the employee experience based on this metric.



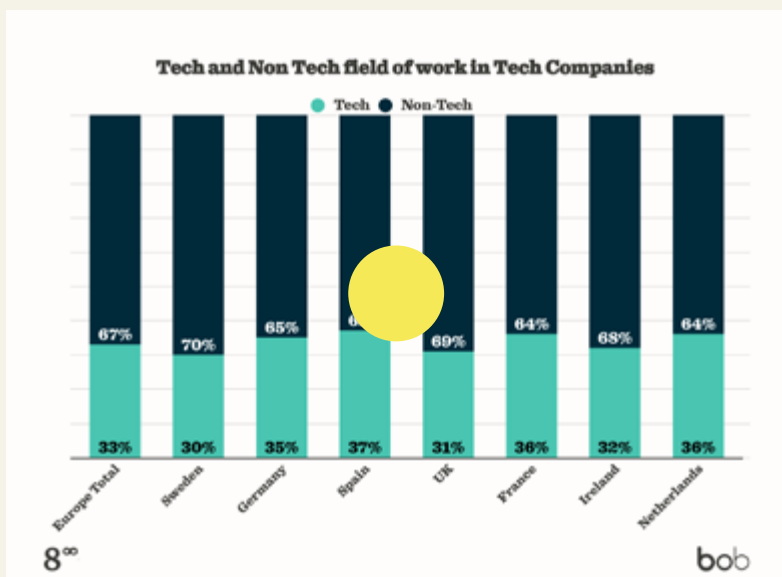
# DEMOGRAPHICS OF THE SURVEY RESPONDENTS

## Field of Work

Respondents were asked what field of work their current job was in, based on the functions they carry out, the research was expected to capture the distribution of fields among young employees in Tech. The analysis was conducted on the difference between the Tech and Non Tech employees since the engineering, developers and product employees are at the heart of the technology and the non-tech employees are at the heart of the business side of their companies.



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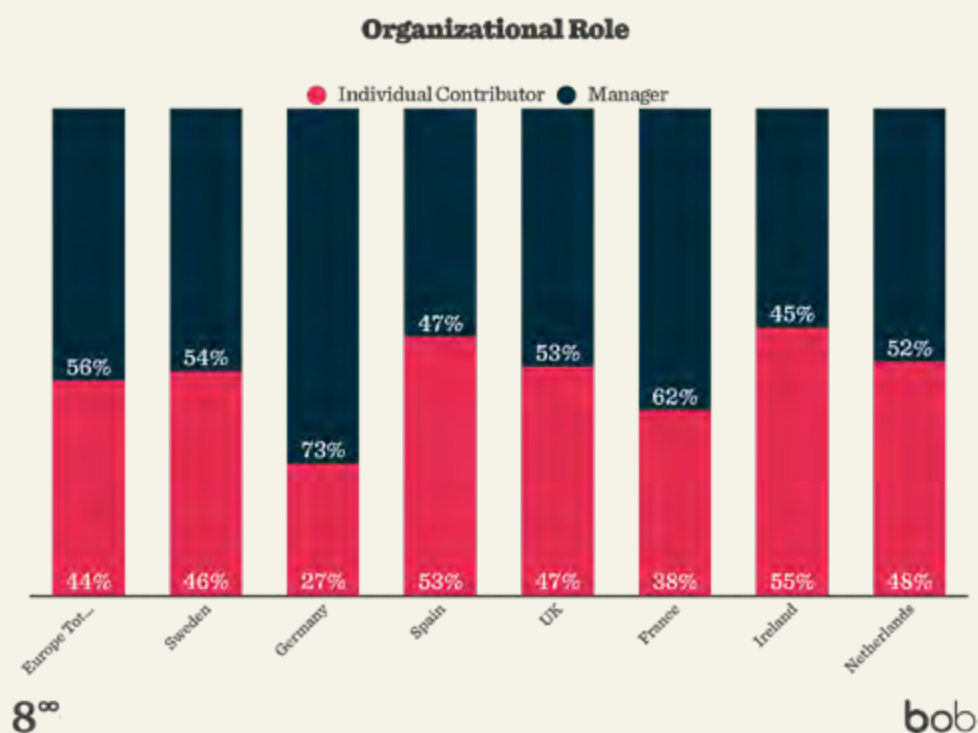


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# DEMOGRAPHICS OF THE SURVEY RESPONDENTS

## Organizational Role

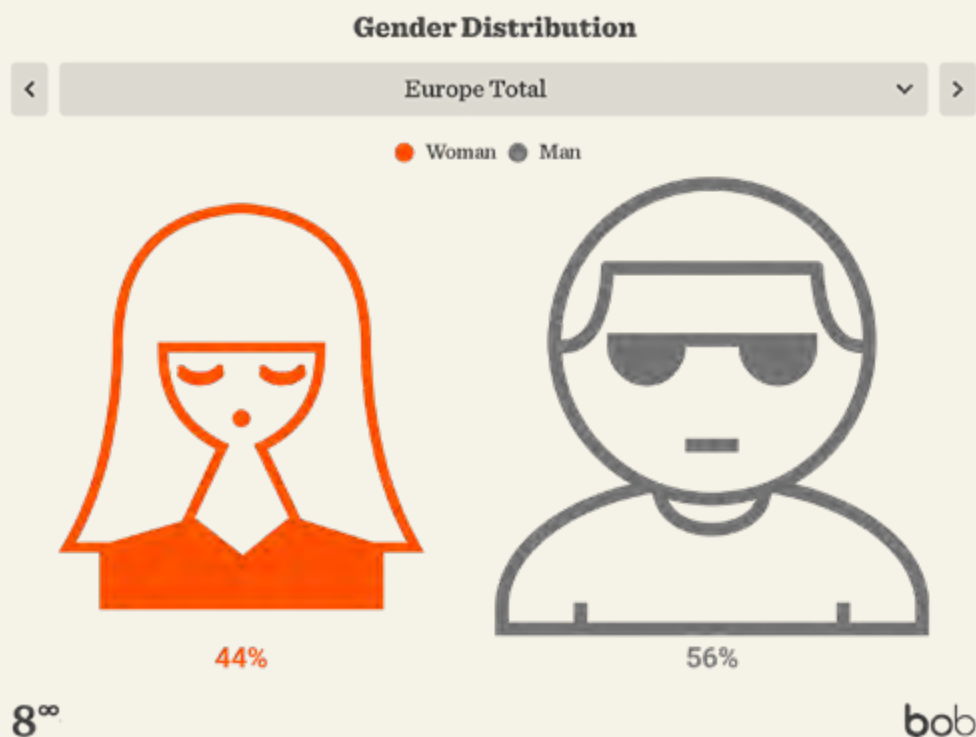
Respondents were asked to report their organizational role. Regardless of their young age many of the YGIT have team lead/managerial positions and others who do not manage teams are considered individual contributors.



# DEMOGRAPHICS OF THE SURVEY RESPONDENTS

## Gender

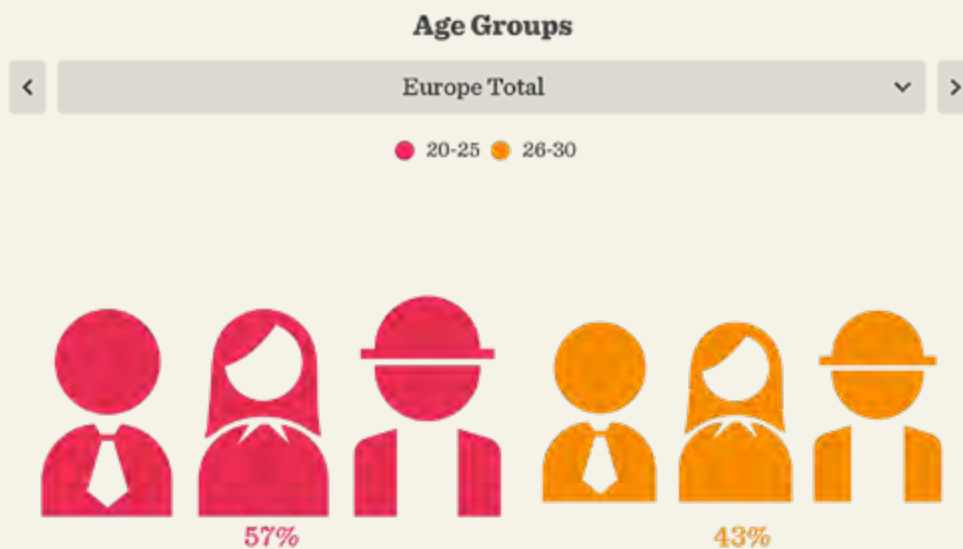
The survey screening recorded gender based on the respondents answers to show the representative distribution between women and men. Most of the people who work in the tech industry are men.



# DEMOGRAPHICS OF THE SURVEY RESPONDENTS

## Age groups

The research focused on two age groups 20-24 and 25-30. These ages are the Young generation in Tech. We purposely wanted to understand the point of view of these tech employees.



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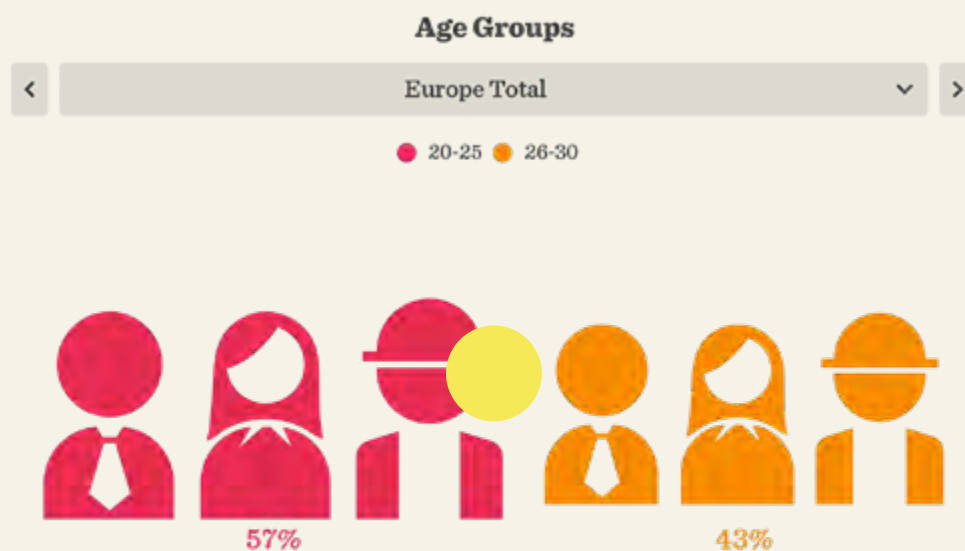
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# DEMOGRAPHICS OF THE SURVEY RESPONDENTS

## Parental Status

63% of the survey respondents in this cohort were not parents to children. This was an expected result based on their age.



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# YGIT RESEARCH QUESTIONS

Understanding the young generation working in tech in 2022 requires a full employee lifecycle questionnaire, the research needed to cover their overarching workplace perspectives and then their experiences with their current role and company.

The research attempted to understand what prompts them to join, what encourages them to stay and what leads them to leave. There are activities the tech company can do and there are beliefs and behaviors unique to this generation of tech workers. The research also attempts to understand how the current market downturn is affecting their perception of their job and workplace.

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## **A. YGIT WORKPLACE POINT OF VIEW**

- 1.** Workplace conditions valued most
  - 2.** The ideal company of choice
  - 3.** Past experience in changing companies
  - 4.** How many times do they expect to change companies in their career
  - 5.** The reasonable tenure
  - 6.** What is the correct approach to a smart career path
  - 7.** How do they rate the economic downturn on their career path
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## **B. CRITERIA FOR JOINING THE CURRENT COMPANY**

- 1.** Awareness about their current company and how they found their job
  - 2.** Motivations to join their current company
  - 3.** Flexible work models offered when joining
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## **C. CURRENT COMPANY WORK EXPERIENCE**

- 1.** The current work experience
  - 2.** The current job security
  - 3.** Work / Life Balance experience
  - 4.** How does the company support career development
  - 5.** The company referral program
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## **D. INCENTIVES FOR STAYING WITH THEIR CURRENT COMPANY**

- 1.** How long to they expect to stay with their current company
  - 2.** How likely is it that they will recommend their company to a friend
  - 3.** How to encourage staying with the current company
  - 4.** What do they like most about their current company
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## E. REASONS FOR LEAVING

1. How often are they approached about a new role by other companies
  2. What will entice them to join another company
  3. What do they dislike about their current company
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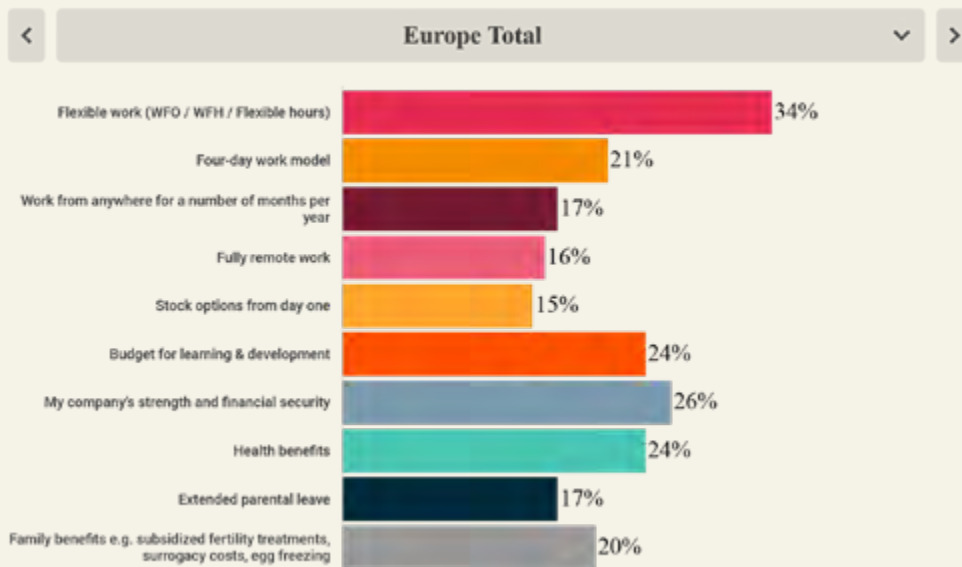
## FINDINGS

# A. YGIT WORKPLACE POINT OF VIEW

### A1. Workplace conditions valued most

Tech companies in Europe offer various work conditions that are common among modern companies. Some of these progressive work conditions were offered to the young generation in tech (YGIT) ( as well. Flexible work has become the most valued followed by the company' strength and financial security. YGIT is aware of the market conditions and the company's strength is important to them.

#### A1. What workplace conditions do you value the most?



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Respondents could choose multiple answers

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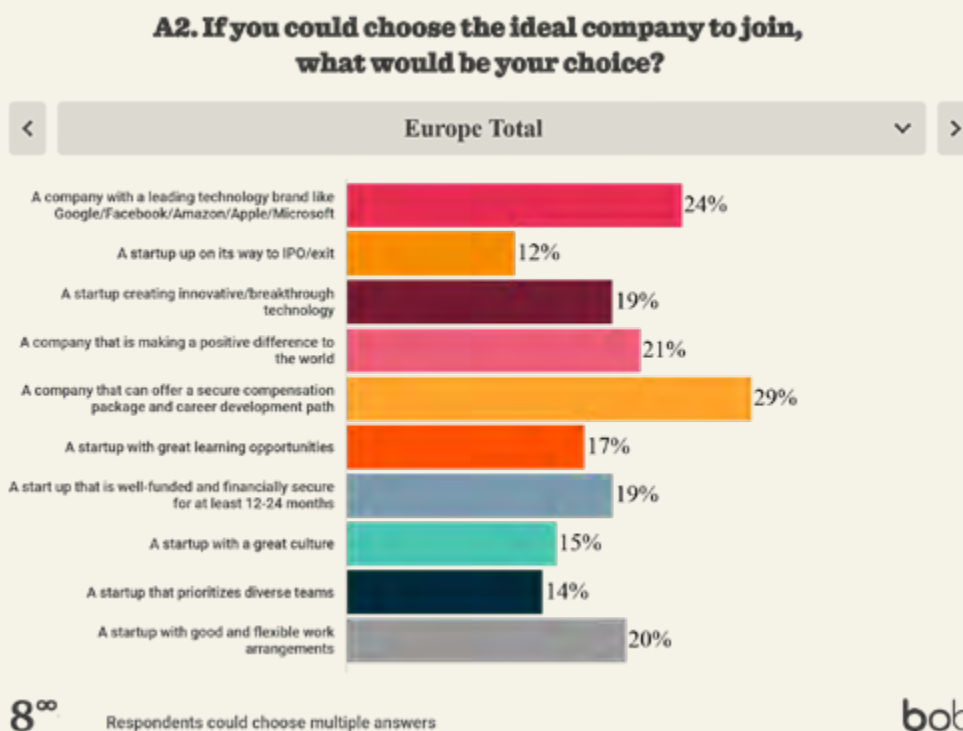


## FINDINGS

# A. YGIT WORKPLACE POINT OF VIEW

## A2. The ideal company of choice

Respondents were asked to share their perspective on the ideal tech company for them to join if they could choose the one they wanted. The top answers are showing again that the market conditions are affecting this generation's need for job security and that an ideal company to join is a company that can offer a secure compensation package, a leading tech brand, or a start up well funded financially secure for 12-24 months.



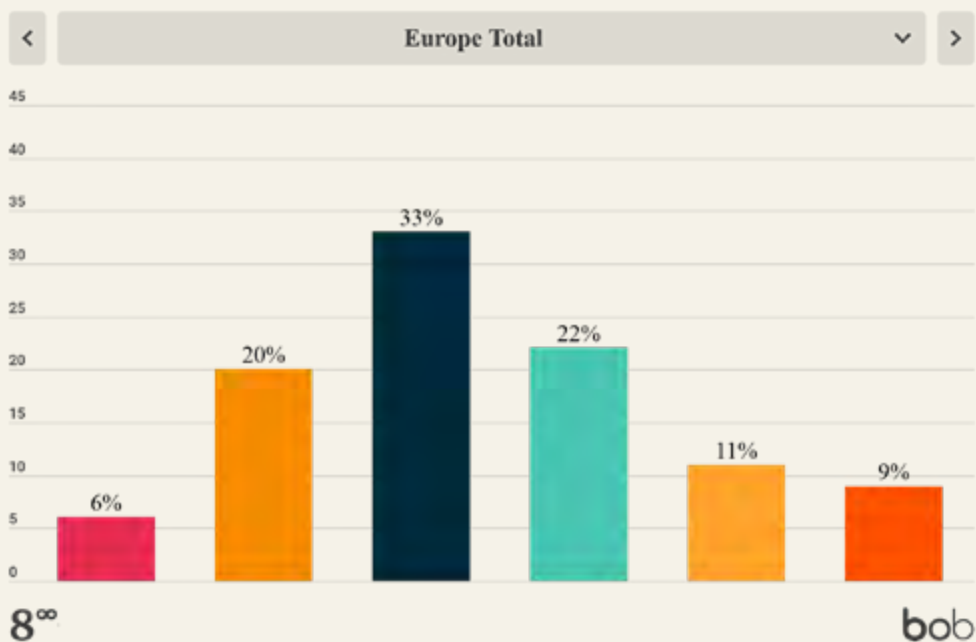
## FINDINGS

# A. YGIT WORKPLACE POINT OF VIEW

### A3. Past experience changing companies

This cohort of young professionals is generally not resistant to changing workplaces. It is highly likely that young professionals that choose the tech industry as their place to develop their work careers are less apprehensive about changing their full time employment. The research directly asked how many companies they have worked for as full time employees before the current company. 33% of the respondents have worked for 2 companies before their current company, 22% have worked for 3 and 20% worked for 1. They have experience in looking for a job, finding one, accepting one and moving on. 75% have previous work experience with 2 - 5 other companies worthy of note as they are all only 20-30 years old.

#### A3. How many companies have you worked for as a full time employee?



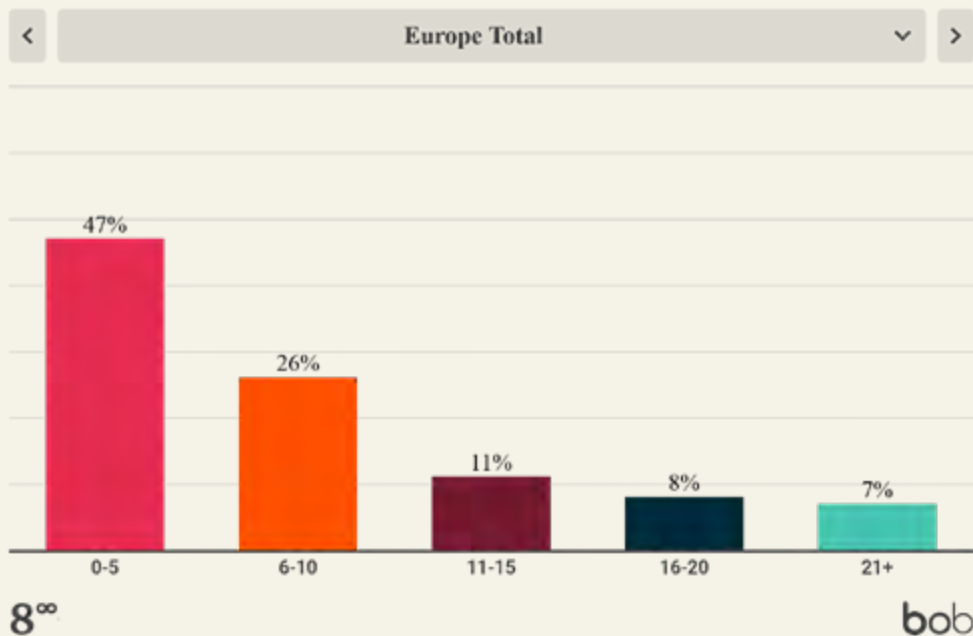
## FINDINGS

# A. YGIT WORKPLACE POINT OF VIEW

### A4. Future expectations of changing companies

When examining future career strategies YGIT expects to change companies in the future as well. 47% believe that they will work for 0-5 companies in the future, 27% believe that they will work for 6-10 companies and 11% believe that they will change to 11-15 companies. A simple calculation of at least another 40 years of career management means that they are planning to switch companies between every 2.5 years and every 6 years. Their future predictions show a desire to stay longer with a company than they have done so in their past.

#### A4. How many times in your career do you expect to change companies?

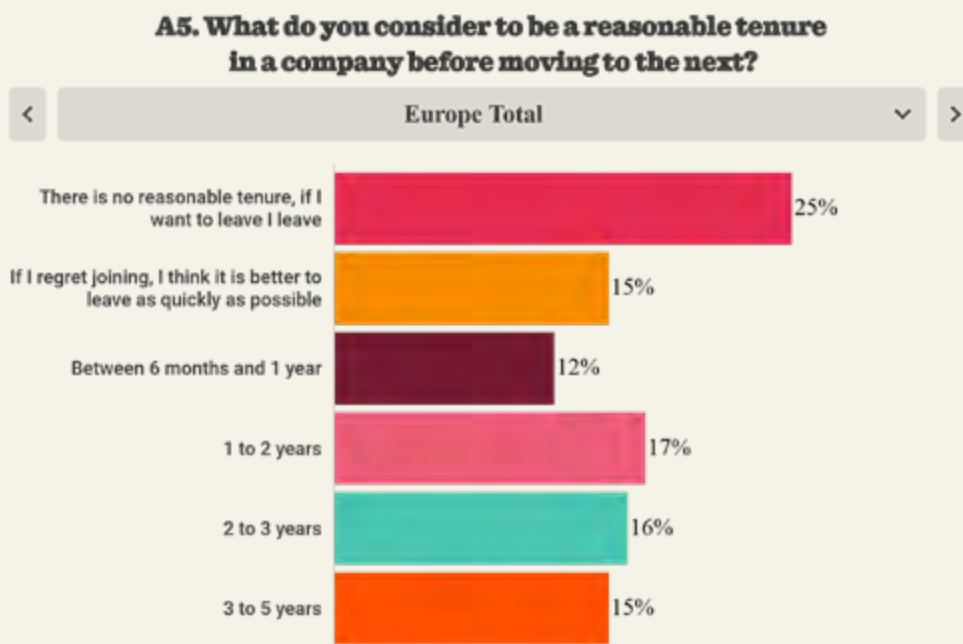


## FINDINGS

# A. YGIT WORKPLACE POINT OF VIEW

### A5. The reasonable tenure

An interesting finding is that 25% of the YGIT do not believe in staying at the company if they find they don't want to. In the past it was considered inappropriate to leave the company without at least staying for a year. In addition, 15% say that they should leave as soon as possible if they feel the role was not working out as anticipated.. It is interesting to see that 48% of the respondents believe that a reasonable tenure should be between 1 year and 5 years and 52% of the respondents effectively do not adhere to the concept of a reasonable tenure at all.



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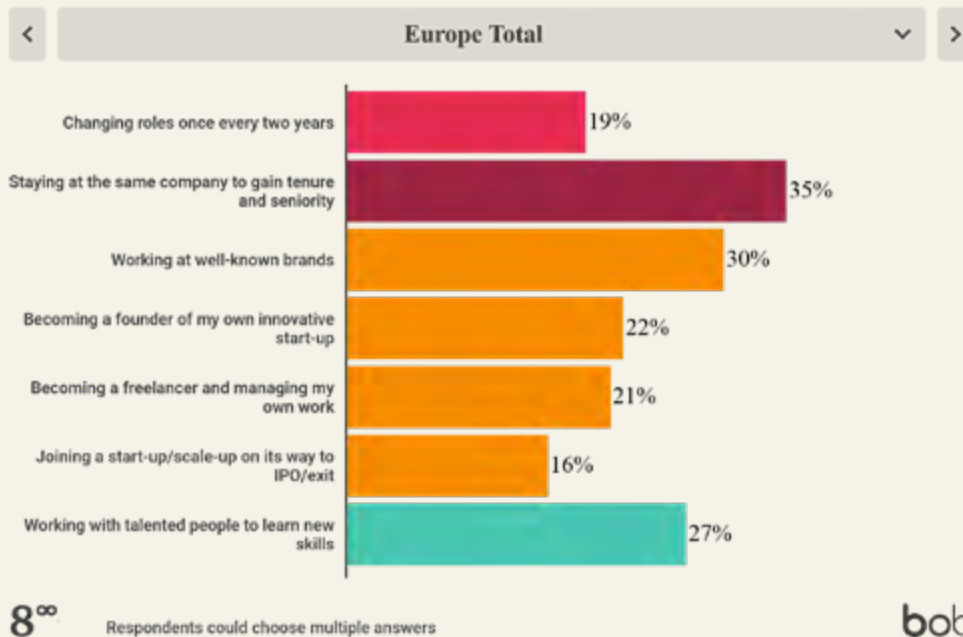
## FINDINGS

# A. YGIT WORKPLACE POINT OF VIEW

### A6. YGIT approach to a smart career path

This question was placed in order to report the perceived approach of YGIT to building careers correctly. Is there an inherent belief that switching companies is the way to move up in one's career? Is owning your own company the right way to go? The top 3 answers again are pointing to a career with higher job security and more certainty. 35% said staying at the same company and gaining tenure and seniority is a smart career approach and 30% said working at well known brands is the best approach. Third most important is the strategy of working with talented people and learning new skills for them. Least chosen was the path of joining a startup on its way to an IPO or Exit. Once again, it seems like the YGIT is thinking about job security and certainty when thinking strategically about career moves.

#### A6. What is the correct approach to a smart career path?

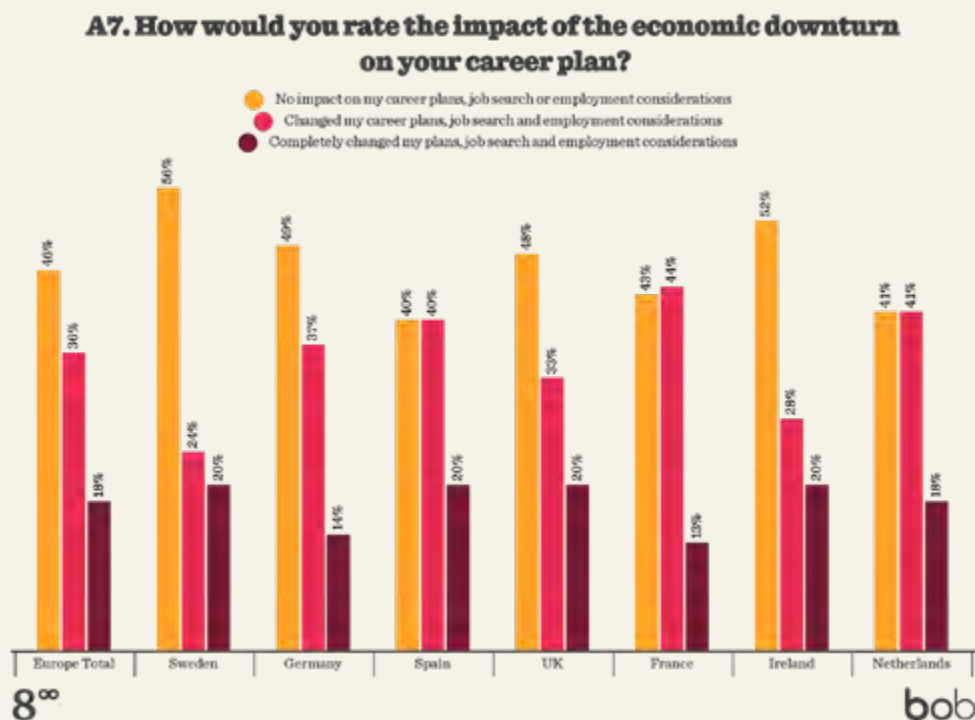


## FINDINGS

# A. YGIT WORKPLACE POINT OF VIEW

### A7. The effect of the economic downturn on career decisions

Respondents were asked to rate the impact of the economic downturn on their career plans on a scale of 1 to 10 where 1 equals no impact on career plans, job search, or employment considerations and 10 equals a complete change to their plans. 46% expressed low impact and 54% expressed high impact or a complete change of plans, once again, it appears that the YGIT cohort is expressing the uncertainty in these economic times.



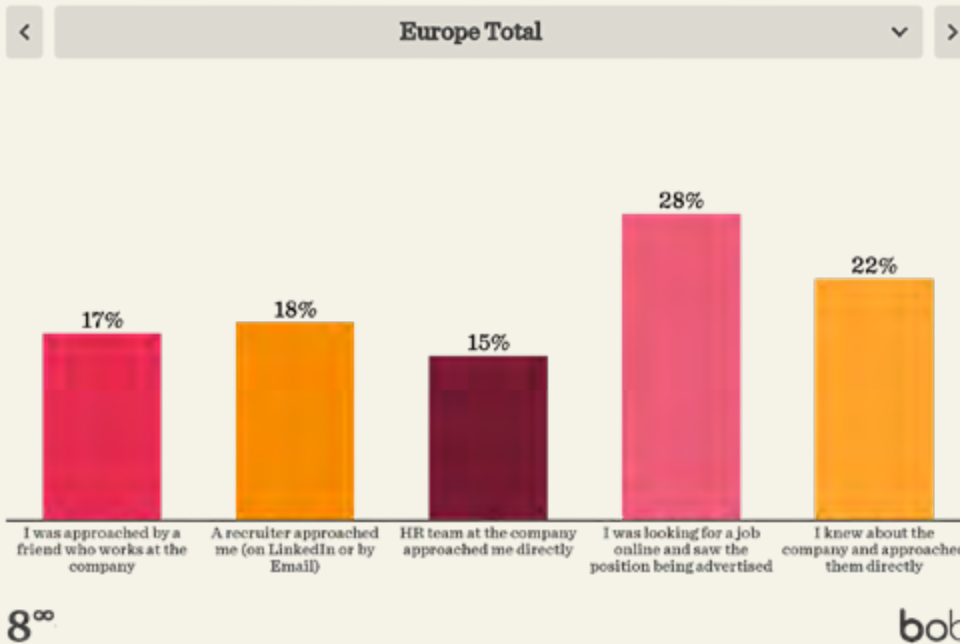
## FINDINGS

# B. CRITERIA FOR JOINING THEIR CURRENT COMPANY

### B1. Awareness about their current company and how they found their job

YGIT uses modern methods to find the company they want to join. Identifying the right company and the right motivations has been critical to their career success. The importance of skilled employees in the tech industry is evident from the amount of outreach directed at YGIT. Overall, 50% actively reached out to join the company to apply for their role while 50% were approached by their friends, HR or recruiters.

#### B1. How did you hear about your current employer?



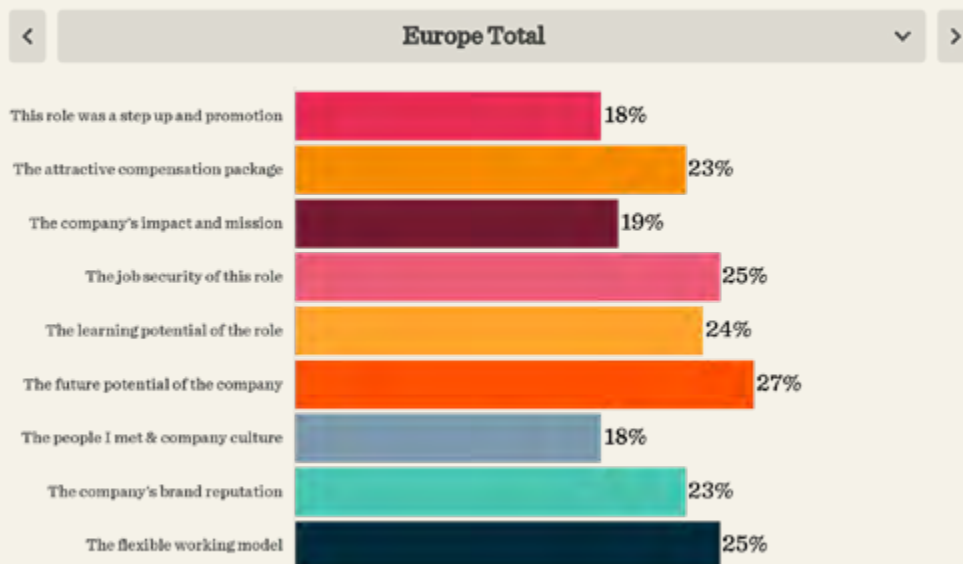
## FINDINGS

# B. CRITERIA FOR JOINING THEIR CURRENT COMPANY

## B2. Motivation to join their current company

When asked to select the motivation that led them to choose their current company, there were many answers suggesting many drivers. Since there is an even split of 50/50% between respondents approached by those hiring, and individuals who proactively reached out to their company, it is interesting to see that 27% mentioned the future potential of the company as an important motivation for them and 25% mentioned job security as being a critical factor. Together 52% selected the company they ended up working for because they believed it was a safe choice for them. Ranking next in importance and motivation (25%) is the flexible working model they were offered. Flexibility is key to motivating YGIT talent.

### B2. What mostly motivated you to join your current company?



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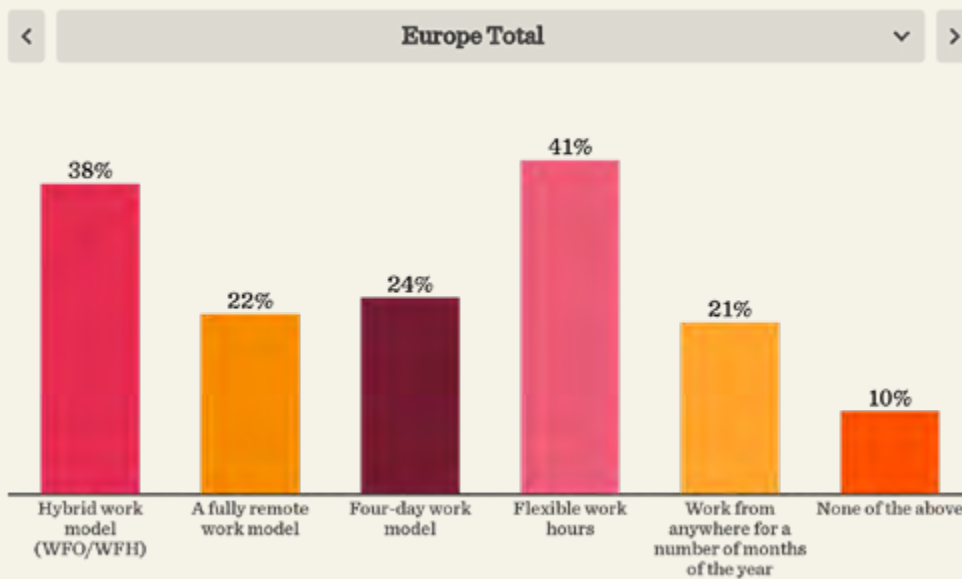
## FINDINGS

# B. CRITERIA FOR JOINING THEIR CURRENT COMPANY

### B3. Flexible work models offered when joining

In the last few years several flexible work models have been offered to tech employees. Most common are flexible work hours - a proven work model - with 41% of the respondents working to this condition. In addition, 38% were offered hybrid work that allows them to work from home or work from the office alternately. This flexible model became especially popular during the Covid pandemic when many were required to work from home and today post pandemic, the hybrid model provides the flexibility of less commuting and more focus time at home. Interestingly, the 4 day work model was offered to 24% of the respondents. This is considered an excellent model to promote work-life-balance. Some companies offer 2 weeks a month of 4 days, and 2 weeks of 5 days, a hybrid approach to the 4 and 5 day work week.

#### B3. What were the flexible work models offered when you joined?



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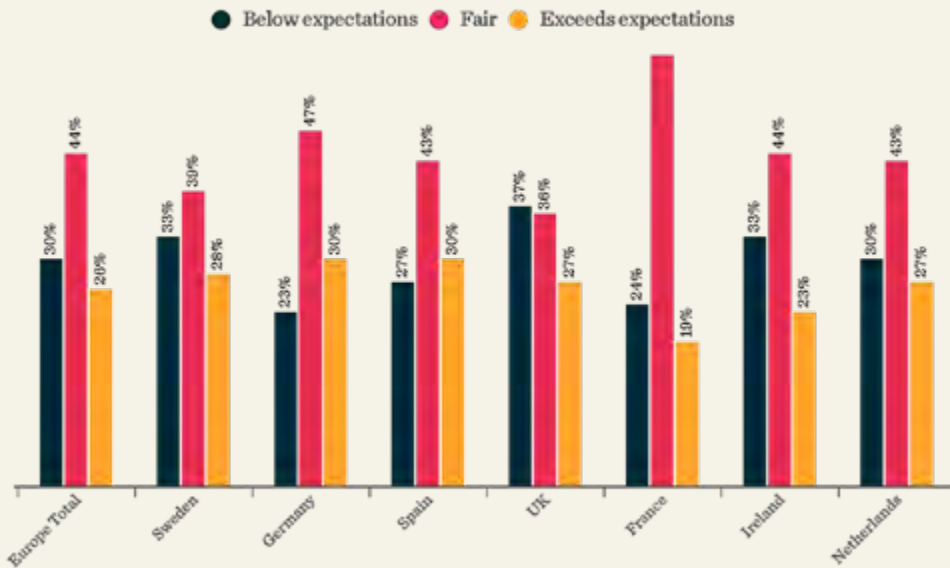
## FINDINGS

# C. CURRENT COMPANY WORK EXPERIENCE

### C1. Current work experience

The current work experience disappointment level is at 30% and at the same time 26% are saying that their work experience exceeds expectations. About a third of YGIT say they have a disappointing experience at their current job.

**C1. Rate your experience of working at your current company**



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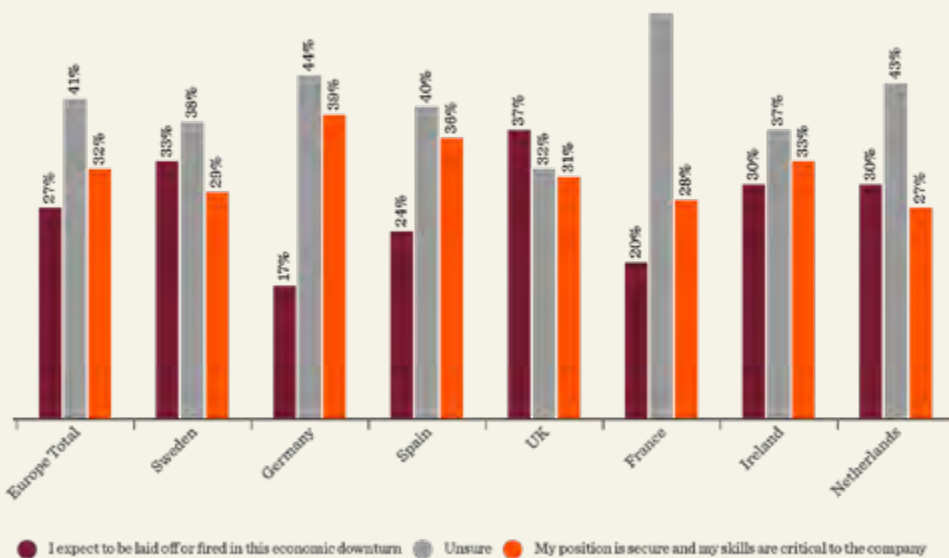
## FINDINGS

# C. CURRENT COMPANY WORK EXPERIENCE

## C2. Current job security

YGIT is aware of the economic downturn in the market and 27% mentioned that they expect to lose their job during this time. This is a similar portion to the ones mentioning that their work experience is below expectations. At the other end, 32% are very confident in their role and are sure that their skills are critical to the company.

C2. Rate the job security of your position



## FINDINGS

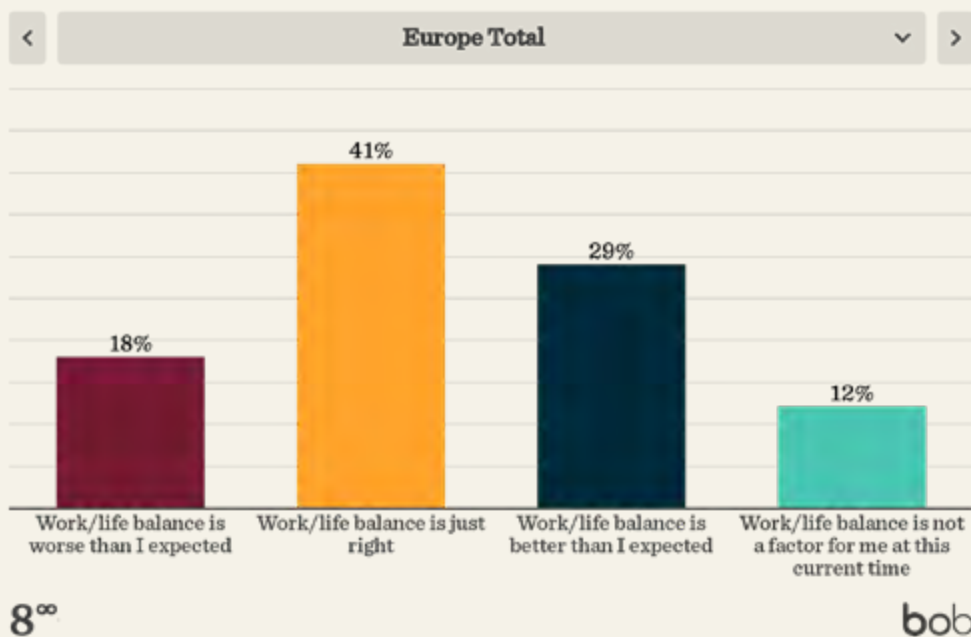
# C. CURRENT COMPANY WORK EXPERIENCE

### C3. Work / Life Balance experience

In general YGIT knows what they are getting into when joining a tech startup or scale up. Long hours and stressful days are part of the industry culture. However, with flexible hours and hybrid work models, work-life-balance is achievable.

Overall, most respondents are satisfied with the work-life- balance they are achieving. 41% said it is just right, 29% are saying that it is much better than they expected and 12% say it is not a factor for them at this time. Altogether it is safe to say that 82% are comfortable with the balance between work and personal time. . Less supported are 18% who say that their work-life-balance is worse than they expected.

#### C3. How do you feel about work/life balance at your current company?



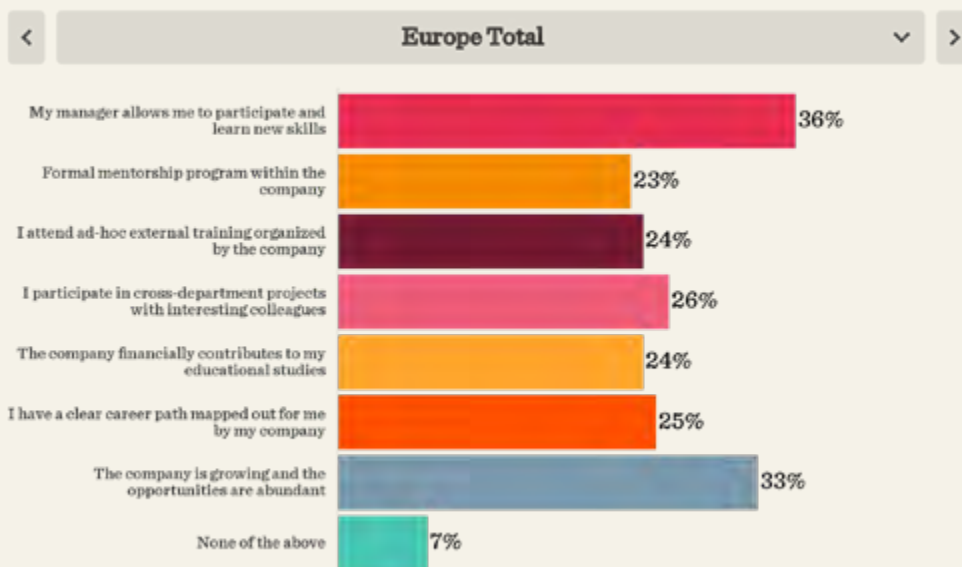
## FINDINGS

# C. CURRENT COMPANY WORK EXPERIENCE

### C4. Career development support

The top 3 career development support programs for this cohort are not formal programs, instead they are dependent on the company culture of the organization. 36% said their company supports their development when their manager allows them to participate and learn new skills (good management), when the company is growing and opportunities are abundant. 33% say they see career development support and 26% see cross departmental projects with interesting colleagues as a career development opportunity. It is interesting to see that formal programs for development are much less prevalent. Only 25% say that they have a clear career path mapped out for them by the company. Knowing that 50% get approached for new opportunities by other companies, it would be wise for employers to invest and prioritize formalizing career progression paths for YGIT working for them.

#### C4. How does your current company support your career development?



8<sup>oo</sup> Respondents could choose multiple answers

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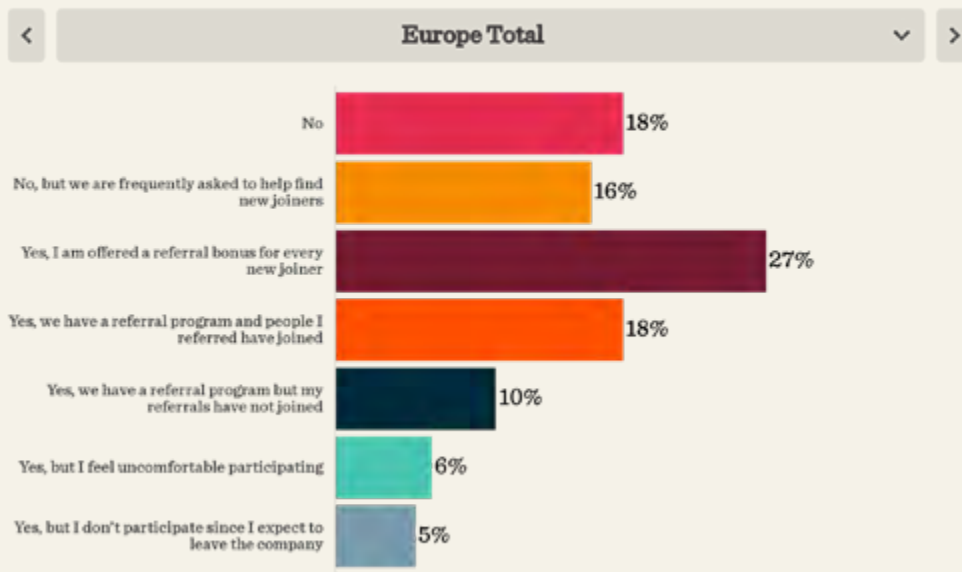
## FINDINGS

# C. CURRENT COMPANY WORK EXPERIENCE

### C5. The company referral program

A company referral program success is many times a sign of employee engagement. Employees who are willing to reach out to their friends and bring them to their tech company are considered very engaged and are often rewarded with a bonus for this extra effort. Bringing your friends to your company is the highest sign of satisfaction. Since attracting talent is not an easy task it is good practice to bring in people who are skilled, and your friends at the same time. Companies that don't have a referral program are missing out on the opportunity to benefit from their employees' networks. 28% mention that they are active participants in the referral program, these are engaged employees helping their company recruit new hires. 11% are employees that do not participate in the referral program which means they are not comfortable bringing their friends to the company and are probably not planning to stay.

#### C5. Does your company offer a referral program to encourage you to bring new joiners?



8<sup>∞</sup> Respondents could choose multiple answers

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## FINDINGS

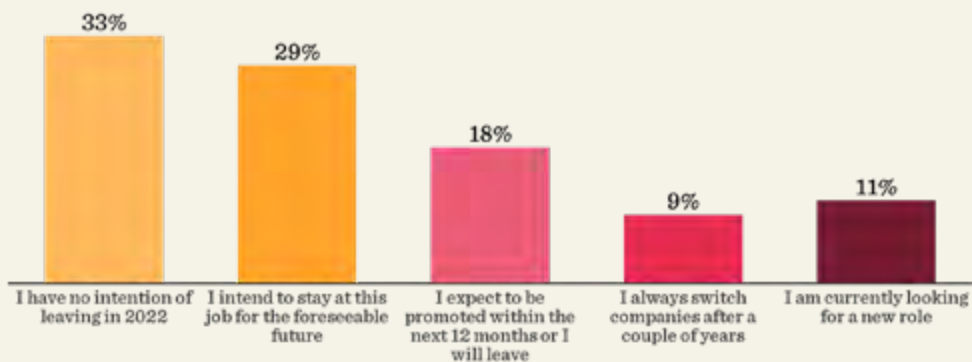
# D. INCENTIVES FOR STAYING WITH THEIR CURRENT COMPANY

### D1. Expectations of staying with their current company

While 33% of respondents are saying they have no intention of leaving their company in 2022, we are approaching Q4 and 2023 is just around the corner. In addition, 18% are expecting to be promoted or will leave and 9% claim to switch companies every couple of years. The ones very likely to leave soon are the 11% that report that they are currently looking for a job. Overall only 29% are really committed to staying at their current job for the foreseeable future.

#### D1. How long do you expect to stay with your current company?

< Europe Total >



8<sup>°</sup>

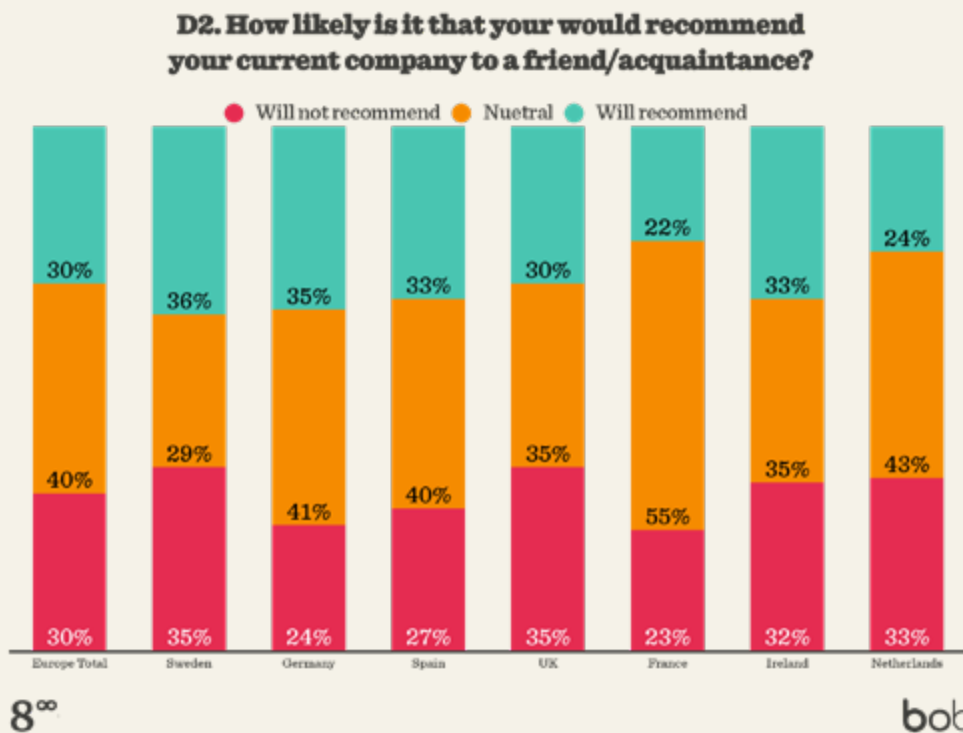
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## FINDINGS

# D. INCENTIVES FOR STAYING WITH THEIR CURRENT COMPANY

## D2. Likelihood to recommend their company to a friend

While 33% of respondents are saying they have no intention of leaving their company in 2022, we are approaching Q4 and 2023 is just around the corner. In addition, 18% are expecting to be promoted or will leave and 9% claim to switch companies every couple of years. The ones very likely to leave soon are the 11% that report that they are currently looking for a job. Overall only 29% are really committed to staying at their current job for the foreseeable future.



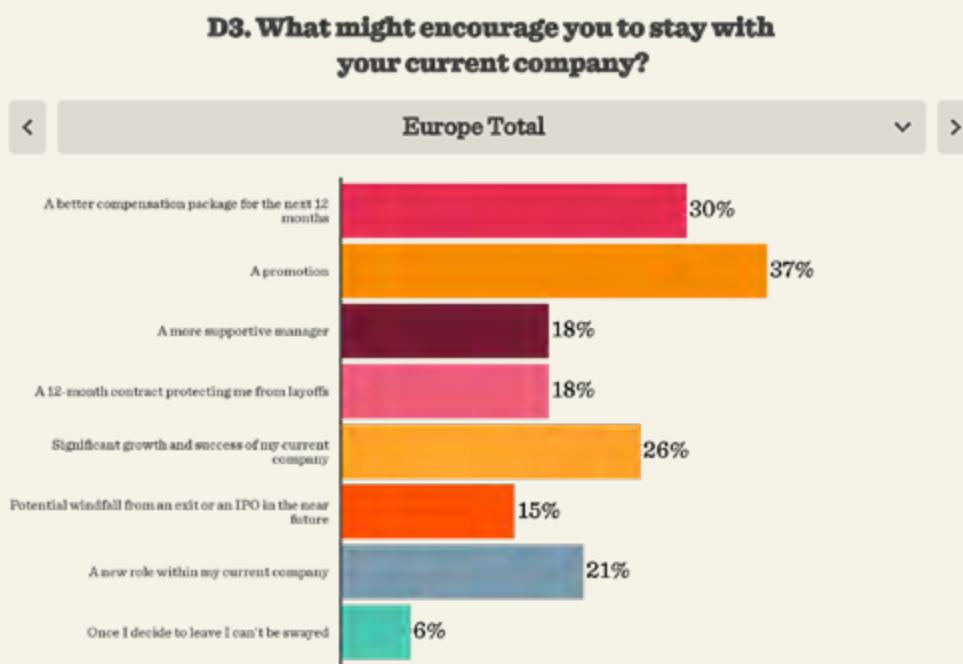


## FINDINGS

# D. INCENTIVES FOR STAYING WITH THEIR CURRENT COMPANY

### D3. What will encourage YGIT to stay with their current company

Acutely aware of the economic conditions, the cost of living and the possible downturns, when choosing between actions that the company can take to encourage them to stay with their current company, 37% say they would expect a promotion, 30% say they would expect a better compensation package and 26% see a future with the company when their company is successful and growing. Only 15% think that potential windfall from a near future IPO or Exit will keep them. It is clear that near term concerns are stronger.



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Respondents could choose multiple answers

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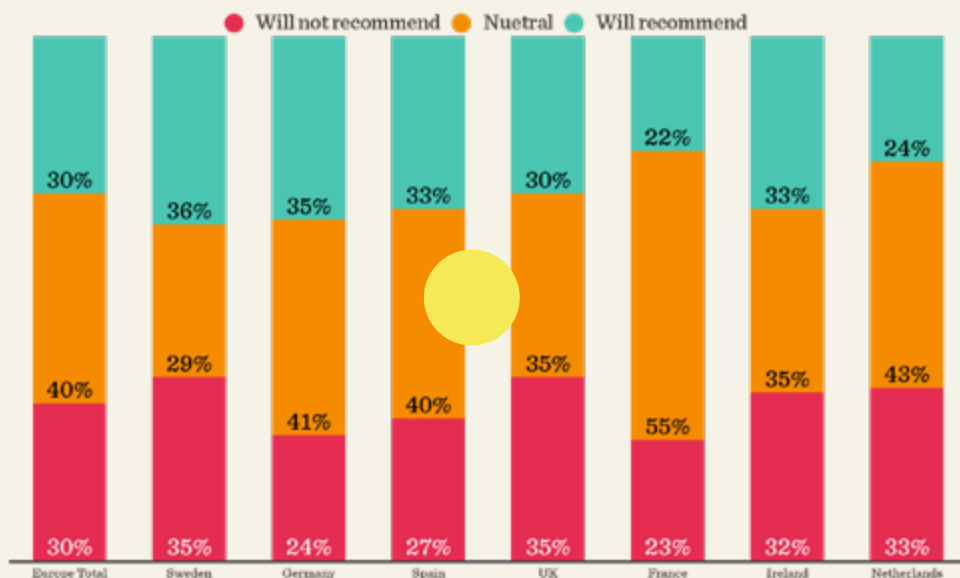
## FINDINGS

# D. INCENTIVES FOR STAYING WITH THEIR CURRENT COMPANY

### D4. What do they like most about their current company

YGIT actually values the experience they have with their co-workers. There is a cycle of friends joining, friends bringing friends and making the work experience better thanks to these relationships. The top 3 things they like most about their company are: relationships with co-workers (35%), their role, and what they do (33%) and their immediate team (24%). Even though it is popular to think that YGIT is here because of their compensation package, it is only true for 20% of the respondents.

#### D2. How likely is it that you would recommend your current company to a friend/acquaintance?



8<sup>°</sup>

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## FINDINGS

# E. REASONS FOR LEAVING

### E1. What do they dislike about their current company

Interestingly enough when asked what they dislike most about their company 24% attributed this to the lack of a clear career path. YGIT expects the company to work with them and build a path they can work towards. 23% are not satisfied with their compensation package and 18% complain about their relationship with their manager. Interesting to note are the 17% that are unhappy about not having enough time in the office, and 15% about not having enough opportunities to build relationships with their team. Both answers chosen represent the perils of remote, hybrid and work from anywhere models where many employees don't meet others face to face.



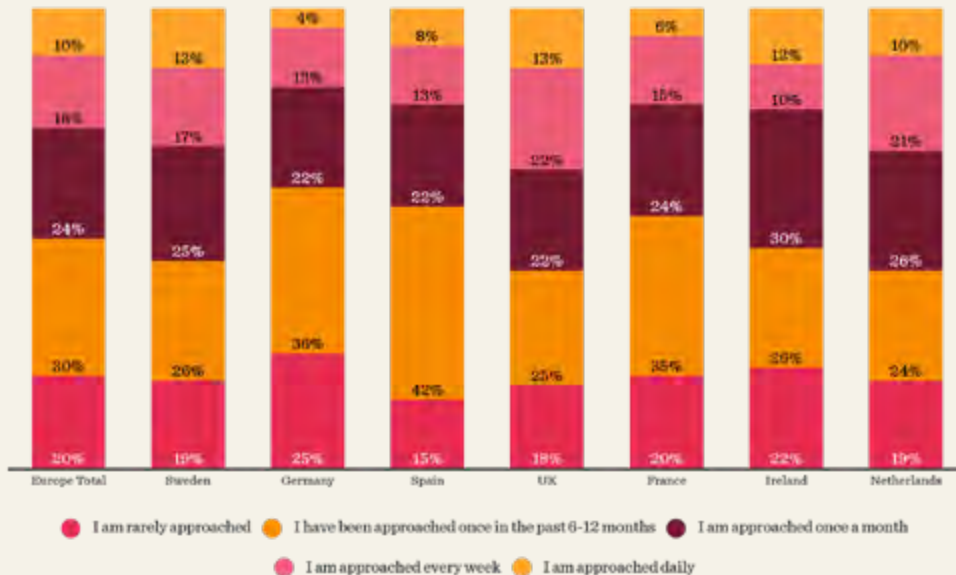
## FINDINGS

# E. REASONS FOR LEAVING

## E2. How often are they approached about a new role by other companies

The talent market never sleeps and while employees work at one job they are approached frequently by their friends and or recruiting teams in other companies. The extent to which this happens is intense. 50% are approached between daily, weekly and monthly. 50% are either approached rarely or once in the past 6-12 months. So even the most engaged employees can be enticed if they don't have a clear career path or a good relationship with their manager.

### E2. How often are you approached about a new role by other companies?



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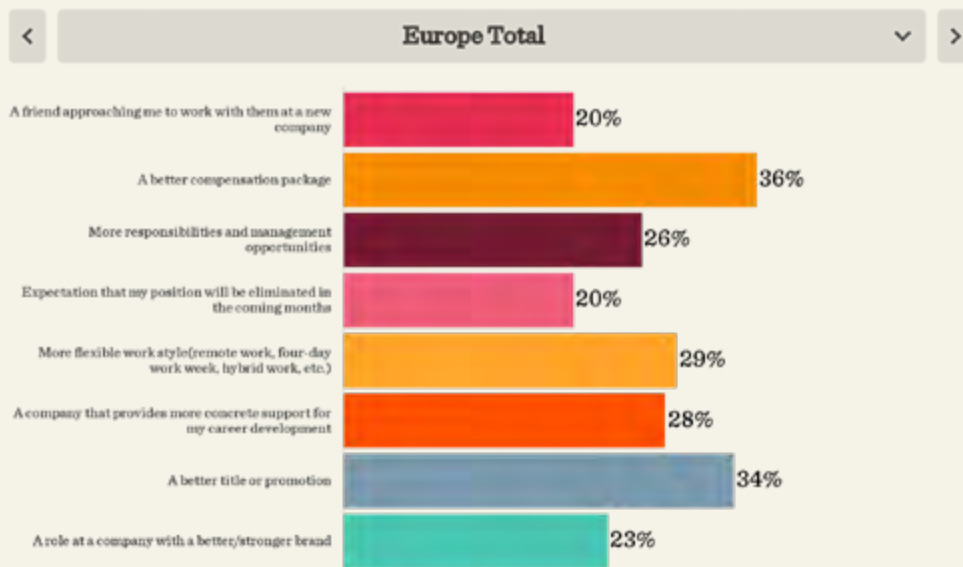
## FINDINGS

# E. REASONS FOR LEAVING

### E3. What will entice them to join another company

Enticement is the word. When 50% are approached by other companies between daily and monthly, 36% say they can be enticed with a better compensation package, 34% say a promotion or a better title and 29% say that more flexible work is a true enticement for them. The new world of work includes flexible working models that should not be ignored.

#### E3. What might entice you to join another company?



8<sup>oo</sup>

Respondents could choose multiple answers

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# SUMMARY AND CONCLUSIONS

The YGIT cohort is the future of tech. Understanding what makes their workplace motivations and the best way to help them manage their careers will help the tech industry craft programs to retain them, develop them, give them a sense of security and belonging.

This economic downturn, the first in their professional experience, can intimidate professionals at startups developing new technologies and products. Job and compensation security should not be overlooked or underestimated, as they are important considerations for today's YGIT when it comes to deciding whether to stay in their current roles, and be the engine for company growth. People managers in tech need to plan and invest the time in building clear career paths for this cohort starting out with their prospects in the workplace.

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