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Open for Business

Why the Expectation of Openness
is Changing the Workplace

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Summary and Highlights

The business landscape is changing fast. That much is obvious. Business models are being disrupted, industry mainstays unseated and old certainties upended on a near-daily basis.

Technology is unlocking new possibilities. But it's also creating new expectations - especially at work.

Meeting these expectations is crucial to Workplace's mission to give the world a place to work together. In order to better understand them, we've partnered with behavioural insights agency Canvas8 to explore how the changing expectations of the next generation workforce are reshaping the future of work.

We're starting with Openness.

By 2020, Gen Y will make up 35% of the workforce. This generation has grown up with open communication platforms like Facebook and Instagram. Now, they're bringing that same expectation of openness to work.

In this first report, we uncover why understanding what Gen Y wants in a job, as well as an employer, is becoming key to future-proofing businesses.

And with qualities like openness, honesty and trust this generation's top priorities, businesses are having to adopt more transparent ways of working.

Gen Y

want the transparent experiences they get as consumers online to carry over to their experiences as employees.

Gen Yers

are seeking the same qualities in a job that they'd want in a friendship – openness, honesty, quality communication and trust. These traits help form a powerful sense of community.

By 2020,

Gen Yers will make up over 35% of the global workforce.

ManpowerGroup, 2017

Only 23%

of employees feel that their boss exhibits traits of honesty and approachableness, yet these qualities are the most valued in an employer.

Real Business, 2017

“Employers used to hold all the cards. Now, that balance of power is shifting towards the employee.”

Joe Wiggins

Head of Communications, Glassdoor

Introduction

“Gen Yers have grown up with technology and they’re used to having their voices heard,” says Joe Wiggins, Head of Communications at Glassdoor – an online job marketplace allowing employees to review companies. “But now they want the transparent experience they get as consumers online to carry over to them as an employee.”^[1] Although currently the average office comprises up to five generations, experts predict that by 2020 Gen Yers will make up more than 35% of the global workforce.^[2]

These great expectations – from the 42% of Gen Yers who would like a dog-friendly office to the 40% who say they’d take a pay cut if they could travel the world working – mean Gen Yers are on the hunt for the perfect placement, as the dynamic of a job shifts from ‘work to live’ to ‘live to work’.^{[3][4]} And companies are having to try harder to keep Gen Yers; 41% say they expect to stay in a job for less than two years, compared with 17% of Gen Xers and just 10% of Baby Boomers.^[5]

But why is ‘meaning’ more important than money for Gen Y? How is being constantly connected shaping their expectations of the workplace? And how are workplaces evolving to respond to Gen Yers’ demands for a more open working environment?

Transparent Reputations

Gen Yers' value a good work-life balance and financial security, more so than fame or fortune. ^[6] In fact, an improved 'quality of work life' – gleaned from purposeful work, a work/life balance or company culture – is worth an average \$7,600 pay cut. ^[7] Most importantly though, Gen Yers' passion to make a positive contribution to the world means that a job is becoming more than just a nine to five – it's a signifier of one's identity.

"It's your own personal brand; it ties into who you are, how people judge you and how you're represented," says Wiggins. ^[1] Being so intrinsically linked to the self, people aren't just interested in what a job entails, but rather the bigger picture around what they'll be buying into – from the company's core values to sabbatical opportunities and if there's a free bar on a Friday. As a result, job seekers are acting more like consumers when it comes to their careers, with qualities like honesty and openness becoming valuable commodities.

Whether it's Adobe Systems Inc. announcing it has closed its gender pay gap or global fashion retailer C&A publishing details of more than 2,000 of its supplier factories, companies are becoming increasingly open about previously 'behind-the-scenes' information. ^{[8][9]} With 81% of people choosing an employer that values open communication over one that offers perks, like free food and gym memberships, this attitude is helping to attract talent. ^[10] "Employers used to hold all the cards," says Wiggins. "Now, that balance of power is shifting towards the employee." ^[1]

With Gen Yers not afraid of speaking up, employers are having to listen and take on board their feedback. Be that through responding to comments on online review platforms, like Glassdoor, or by using apps like LifeWorks, which helps companies address worker complaints from concerns around recognition to work-life balance. And with three in five people (62%) saying that their perception of a company improves if an employer responds to both positive and negative feedback online, being transparent about a company's flaws, as well as its strengths, is important.^[11]



Lifeworks

Lifeworks taking worker complaints into consideration in a world where 72% of workers change jobs because they don't feel recognised. Whether it's issues around recognition, pay or a work-life balance, the app offers a social platform for employees to directly or anonymously recognise efforts or other workers, while a network of counsellors allows people to deal with their work stressors through coaching.

New Pecking Orders

Gen Yers don't just want a company's commitment to openness to be communicated through mission statements or revenue statistics, they want it reflected in the workplace environment, too. As a result, offices are physically evolving to reflect modern workplace hierarchies – or rather the lack of. "Technology is allowing people to work wherever they want," says Nic Pryke, Design Director at Oktra – a leading London office design company. "To reflect this, offices are being designed around tasks as opposed to traditional workplace hierarchies."^[12]

Not only does this open environment make people better at their job – 88% of highly-engaged employees say they can choose where to work depending on what they're doing – but the lack of traditional hierarchy is also helping bosses feel more approachable.^[13] And with nearly 85% of Gen Y saying they'd feel more confident if they could have more frequent conversations with their managers, removing these physical boundaries in the workplace is creating a more open environment for people to work together more efficiently.^[14]

Take HomeServe – a UK-based home emergency repairs business – as an example. "The leadership team doesn't have their own offices, they spend time working in the call centres or going out on the road with engineers," says Wiggins. "They're seen as real people who want to hear from other real people, no matter their level or function, which is why they're voted one of the best places to work."



HomeServe

Rated as one of the top 10 places to work in the UK, the success of HomeServe – the nation's leading home assistance company – has largely been born out of its openness, both in how the company communicates but also in the physical manifestations of the office environment. Martin Bennett – one of Glassdoor's highest-rated CEO's – frequently spends time working alongside employees in the call centre or with engineers on the road, which helps the management appear more approachable and more 'human'.

Honesty is the best policy

Although just 23% of employees feel that their boss exhibits traits of honesty and approachableness, these qualities are the most valued in an ideal employer. ^[15] This lack of soft skills in management teams – from emotional intelligence to empathy – is negatively impacting working relationships, with just 25% of people thinking that CEOs treat employees well. ^[16]

“To be progressive, you’ve got to replace old structures of command or control with real relationships built on effective communication,” explains Kim Scott, founder of Candor Inc. and author of *Radical Candor* – a book arguing for brutal honesty in the workplace. “There are two ingredients to this: first, you have to be able to show that you care personally and second, you have to be willing to challenge people directly.” ^[17]

For communication to be truly effective, people have to be able to do both of these things at the same time. “This allows you to create a culture of feedback, build more cohesive teams and, ultimately, achieve better results,” Scott argues. ^[17] But there’s a clear gap in people’s perception of their company’s communication. Research finds that 78% of HR and 61% of line-of-business managers say that access to information in their company is either very good or excellent, yet just 39% of employees say the same. ^[18] With quality, rather than quantity, of communication proven to be a more important indicator of what makes a great leader, there’s great value in building interpersonal relationships between employee and employer; it’s estimated that US businesses lose out on \$11 billion a year from employee turnover. ^{[19][20]}



Glassdoor

Founded in 2007, Glassdoor is an online job hunting platform that also enables employees to review companies, from values and management style to company culture and perks. Catering to the demand for increased transparency, the site boasts insights on more than 740,000 companies and is helping Gen Yers strategically search for a job where they feel they can make a difference.

“Gen Yers have grown up with technology, and they're used to having their voices heard.”

Nic Pryke

Design Director, Oktra

Helping businesses feel more human

“Transparency breeds trust,” explains Wiggins. “It’s a two-way relationship; the employee provides the skills and their time, while the employer provides the money, the benefits and the progression.”^[1] But with a global trust implosion in 2017 seeing people’s confidence in CEOs whittled down to an all-time low – only 37% of people globally consider them credible, a 12% drop from 2016 figures – Gen Yers’ dwindling faith in authority figures is breeding a workforce that’s unengaged.^[21]

Facilitating greater networks of trust via more effective, human communication is becoming paramount to building this engagement. “We’re working on a meetup where our members are encouraged to share their one biggest problem,” says Natasha Guerra, CEO of Runway East – a co-working environment helping London startups grow. “This openness helps create implicit trust between people working here.”^[22]

Workplace mentoring is also growing as a means for colleagues to build trust with one another, and 61% of Gen Yers taking part in such schemes say they’re benefiting from having someone to turn to for advice.^[6] With work now a two-way relationship for Gen Yers, companies like the BBC, Microsoft, PepsiCo, and Vodafone are championing reverse mentoring; the idea that younger employees mentor senior employees. Not only does this aid in the building of a more collaborative, open working environment, but it’s also helping break down the digital skills gap in older workers, which is estimated to be costing the UK economy £63 billion a year.^[23]



‘Internship’ programme from Blaze Pizza

In 2017, Blaze Pizza – a US pizza chain – launched an ‘Internship’ programme looking to hire four Gen Zers who can teach the company’s leadership team about youth culture and social media. Tasked with creating social content on platforms like Snapchat and Instagram, the chain is hoping to get an ambitious bunch on board.

And with 93% of Gen Yers citing up-to-date technology as one of the most important aspects of a modern workplace, leveraging this diversity of knowledge can help increase workplace efficiencies; the most gender-diverse companies are 21% more likely to experience above-average profitability, while the most ethnically diverse businesses outperform others by 33%. ^{[24][25]}

Ultimately, Gen Yers are seeking the same qualities in a job that they'd want in a friendship – openness, honesty, quality communication and trust – because collectively these traits help to form a powerful sense of community. As new generations of employees make their way into the workforce, the gold standard for this level of transparency is set to be challenged even more by ambitious Gen Zers, of whom 76% see themselves as 'owners of their careers' and in control of shaping their own paths. ^[26]



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Credits

Created in partnership with Canvas8, a leading authority on behavioural insights, as well as global experts: Joe Wiggins - Head of Communications at Glassdoor, an online platform where people can look for a job and employees can review companies; Kim Scott - Co-founder of Candor Inc. and author of best-selling book *Radical Candor: Be a Kickass Boss without Losing your Humanity*; Natasha Guerra - CEO, Runway East - A co-working environment helping startups grow; Nic Pryke - Design Director, Oktra - London's leading office design company.

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