

YOUNG GENERATION IN TECH REPORT



MANAGING YOUNG TALENT IN TECH: THE NEXT FRONTIER

In the last decade, tech start-ups have been an attractive career choice as they enable highly motivated people to join ambitious and mission driven teams.

Traditionally the skillsets of young workers in tech roles have benefited from being in great demand, and as such have had the pick of the best employers. This has historically put them among the most satisfied employees in their roles and with their companies. Following two years of the pandemic, and the aftershocks of 'The Great Resignation' - this year, the surveyed cohort of 20 to 30 year olds (Gen Z and young millennial employees) are feeling insecure as the report reveals more than half of the young generation in tech ('YGIT') surveyed are considering changing career due to the economic downturn and their desire for job security.

While largely viewed as an industry benefit, 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. 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.



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.

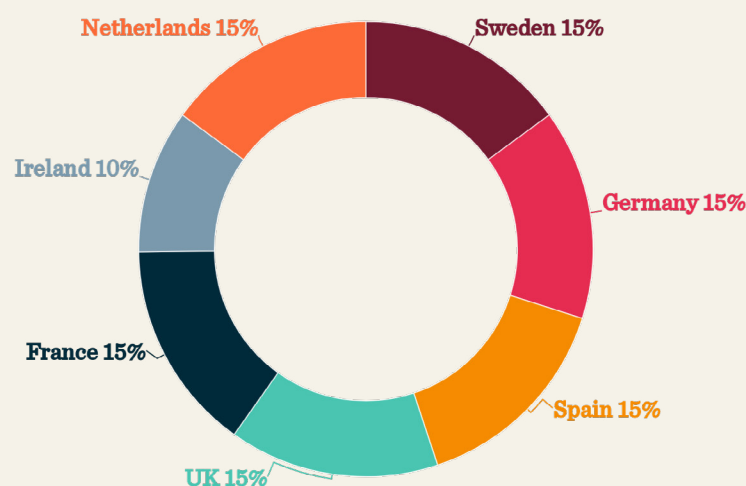
Countries included the UK, Ireland, the Netherlands, Germany, Sweden, France, and Spain. HiBob and Eight Roads set out to understand how YGIT experiences the world of work.

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.

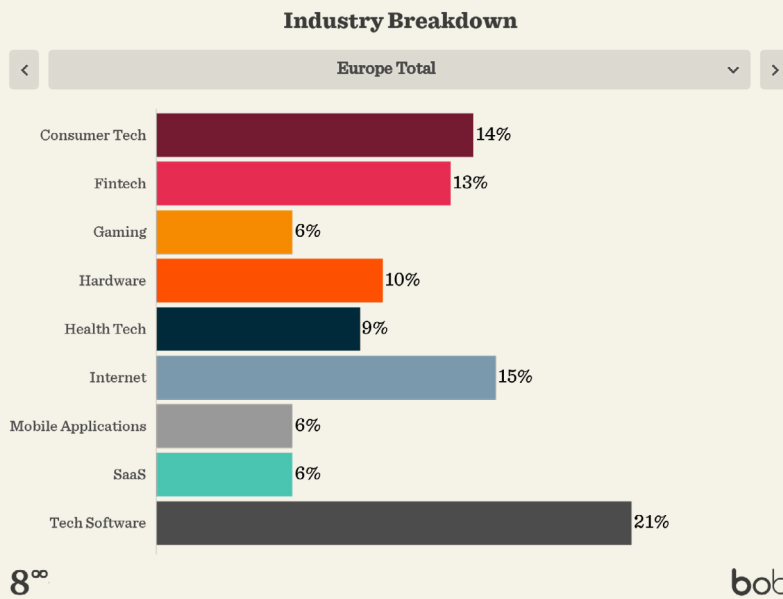
Survey respondents by country



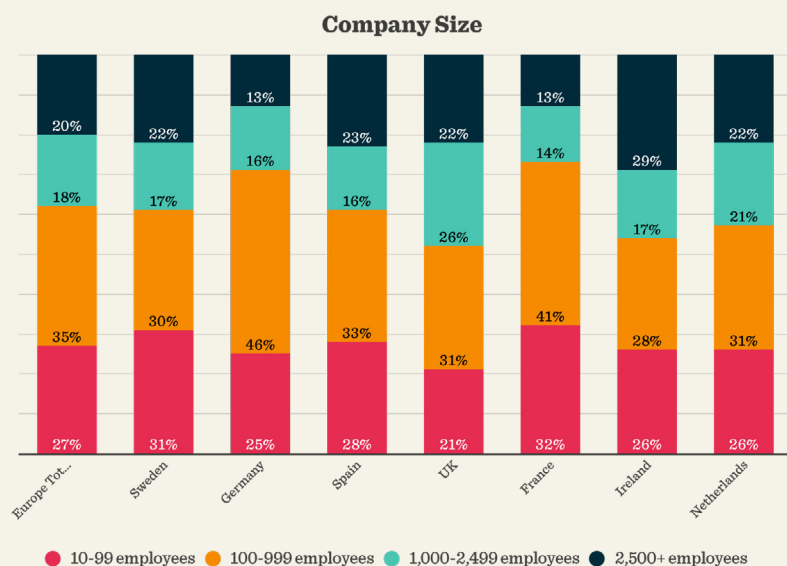
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INDUSTRY BREAKDOWN AND COMPANY SIZE

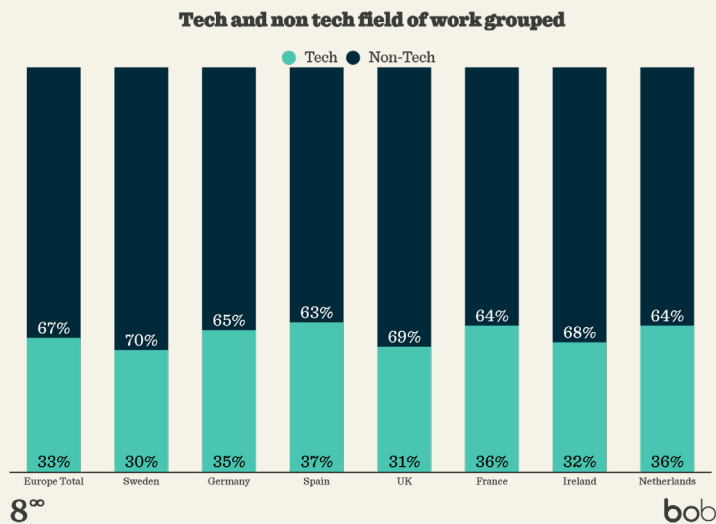
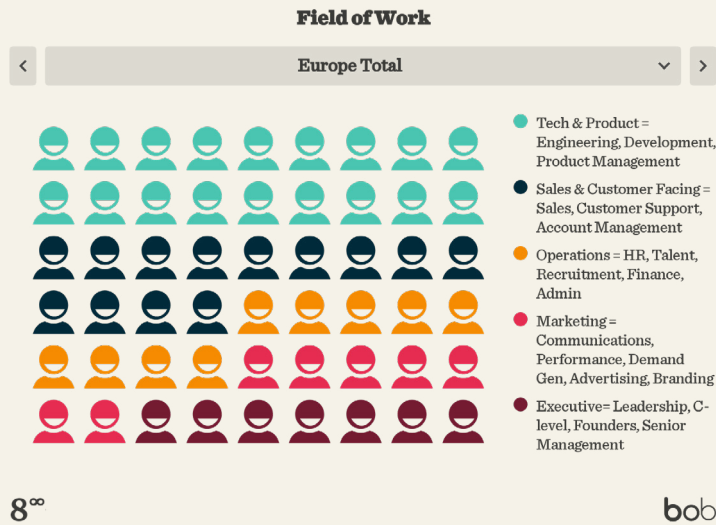


We asked the respondents to classify which sub industry their company is part of - the research focused on employees working for these companies for 6 months or more. The breakdown includes Consumer tech, Fintech, Gaming, Hardware, Healthtech, Internet, and Mobile applications. Employees working for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



Respondents were asked how many employees work 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.

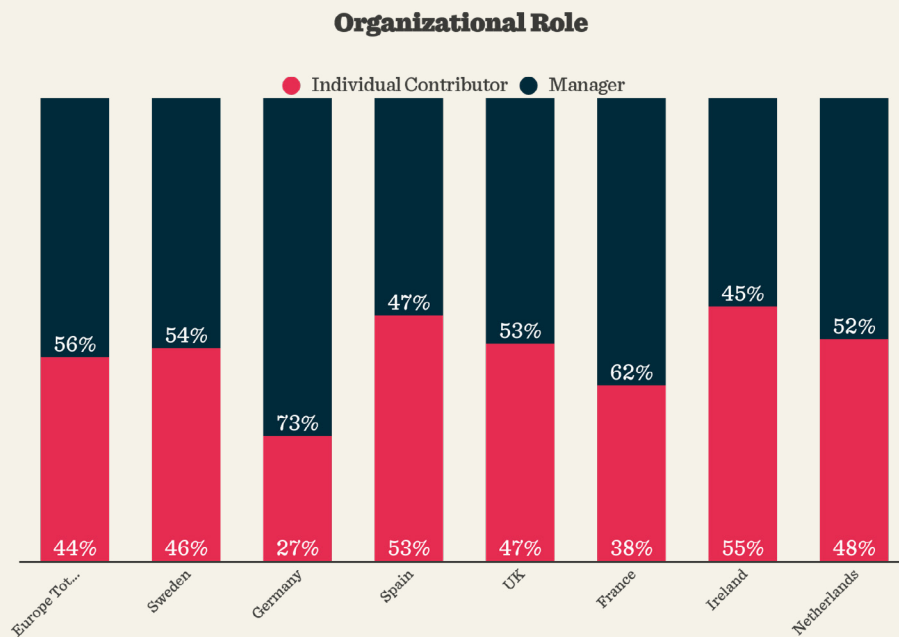
FIELD OF WORK



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.

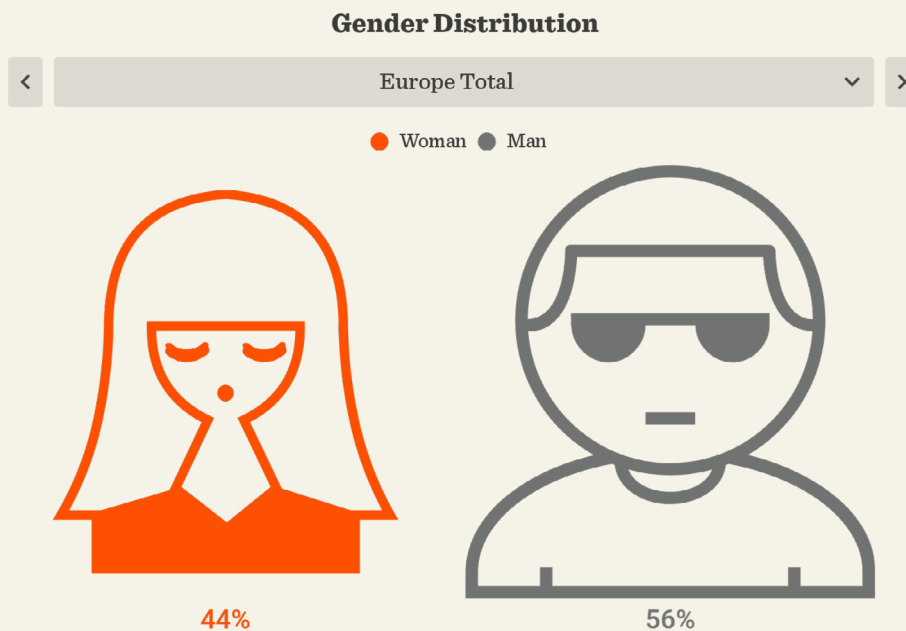
The analysis was conducted on the difference between the Tech and Non Tech employees since the engineering, developers and product employees are at the heart of the technology and the non-tech employees are at the heart of the business side of their companies.

ORGANISATIONAL ROLE AND GENDER

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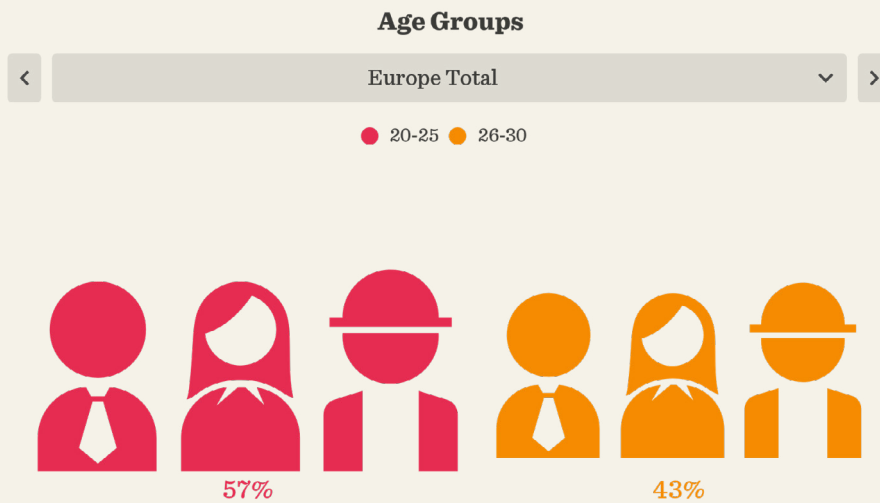
Respondents were asked to report their organisational role. Regardless of their young age many of the YGIT have team lead/managerial positions and others who do not manage teams are considered individual contributors.

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The survey screening recorded gender based on the respondents answers to show the representative distribution between women and men. 56% of the respondents are male in this survey.

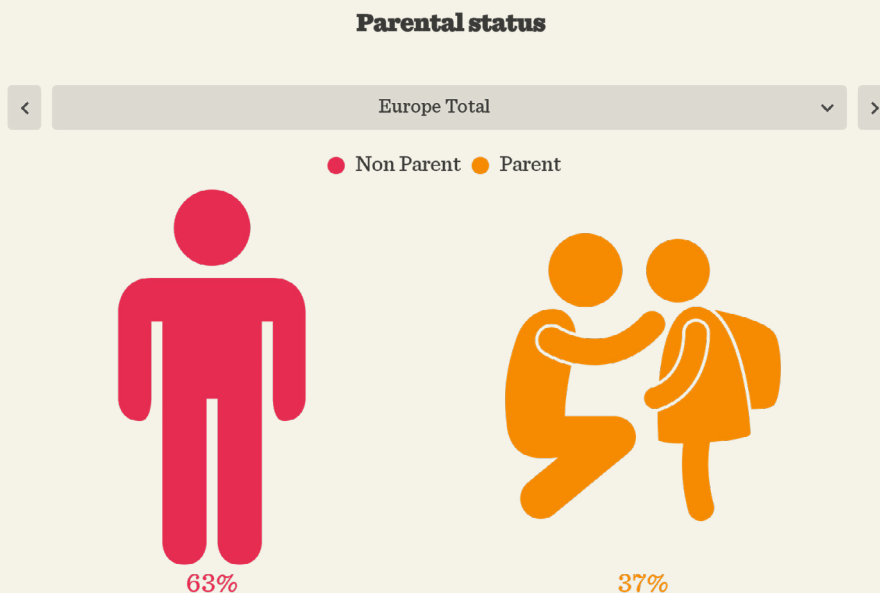
AGE GROUPS AND PARENTAL STATUS



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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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63% of the survey respondents in this cohort were not parents to children.

KEY TAKEAWAYS

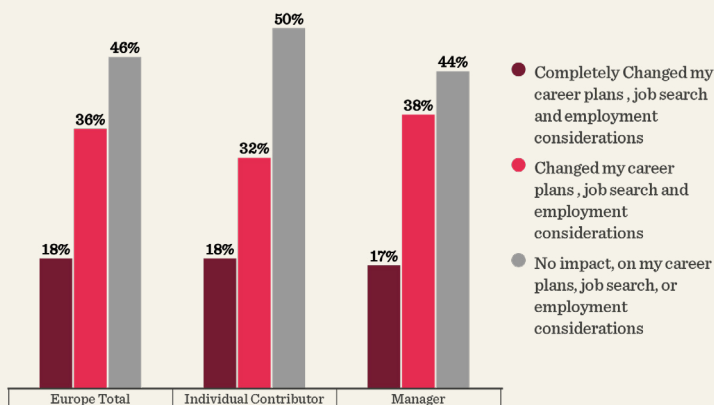
- 1** JOB SECURITY IS FRONT OF MIND IN THE MIDST OF MACRO CONCERNS
 - 2** 35% OF INDIVIDUALS AND 30% OVERALL REPORTED THEIR WORK EXPERIENCE IS BELOW EXPECTATIONS
 - 3** FLEXIBLE WORK MODELS ARE A SOURCE OF TENSION
 - 4** MANAGERS IN THIS COHORT PLACE HIGH IMPORTANCE ON THEIR COMPANY'S POTENTIAL
 - 5** EMPLOYEES IN SWEDEN, GERMANY AND IRELAND ARE STRONGER COMPANY ADVOCATES THAN IN UK, FRANCE & NETHERLANDS
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TAKEAWAY #1

JOB SECURITY IS FRONT OF MIND IN THE MIDST OF MACRO CONCERNS

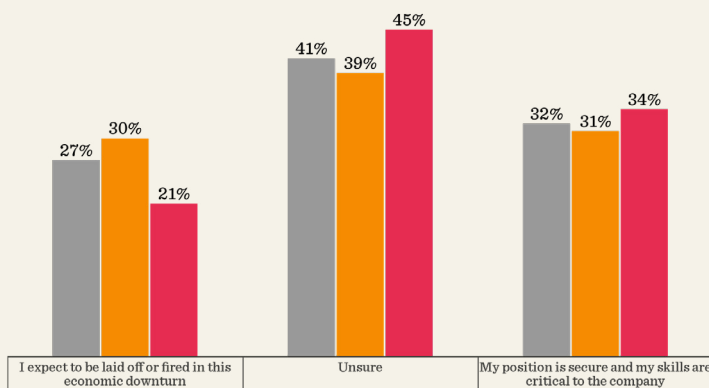
How would you rate the impact of the economic downturn on your career plans?

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Rate the job security of your position

● Europe Total ● Non Tech Professions ● Tech = Engineering, Development, Product Management

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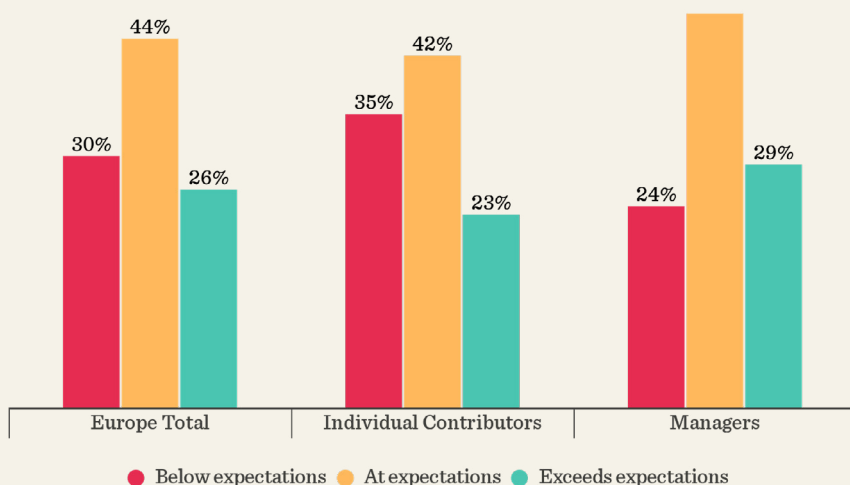
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The current macro environment is making YGIT place job security at the forefront of their career considerations.

TAKEAWAY #2

35% OF INDIVIDUAL CONTRIBUTORS AND 30% OVERALL REPORTED THEIR WORK EXPERIENCE IS BELOW EXPECTATIONS

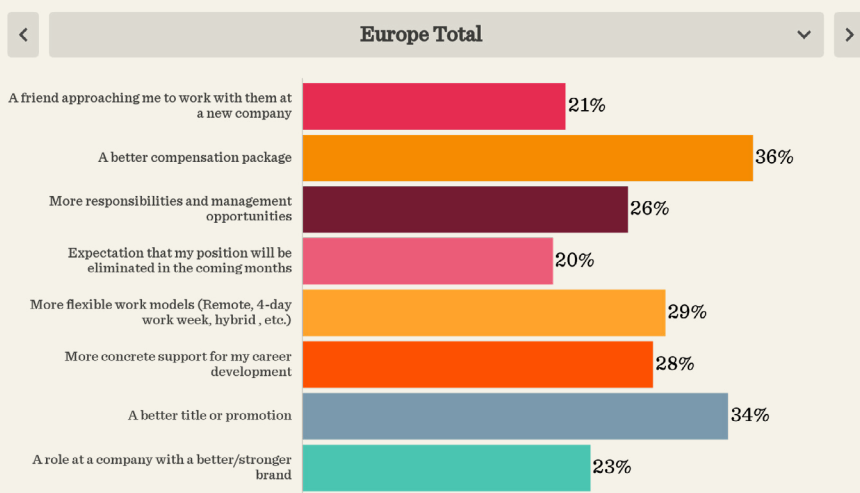
Rate your experience of working at your current company

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Over a third of individual contributors reported bad workplace experience and 24% of managers are dissatisfied.

What will entice you to join another company?

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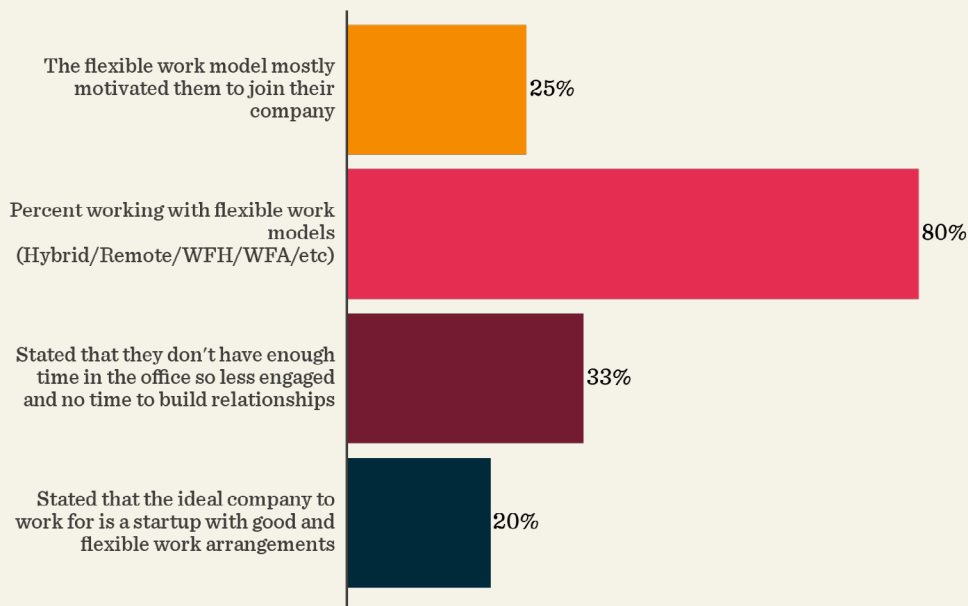
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Better compensation, a better title or promotion and management opportunities will push YGIT employees away from their current companies. More flexibility for those who don't have it, and a company with a better / stronger brand can be powerful enticements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

TAKEAWAY #3

FLEXIBLE WORK MODELS ARE A SOURCE OF TENSION

Flexible work models pros and cons



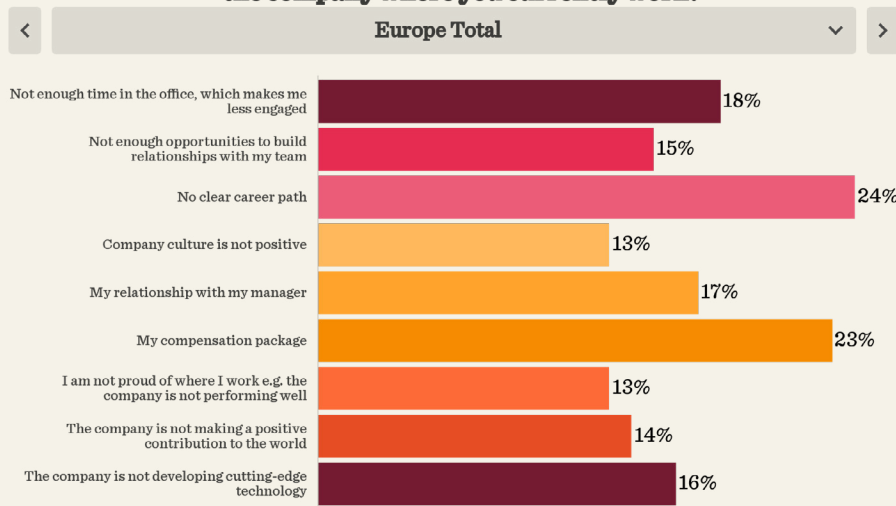
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While most YGIT are benefiting from flexible work, and many stated that the ideal company to work for is a start-up with good and flexible work arrangements, many stated that not being in the office hinders their engagement and working relationships.

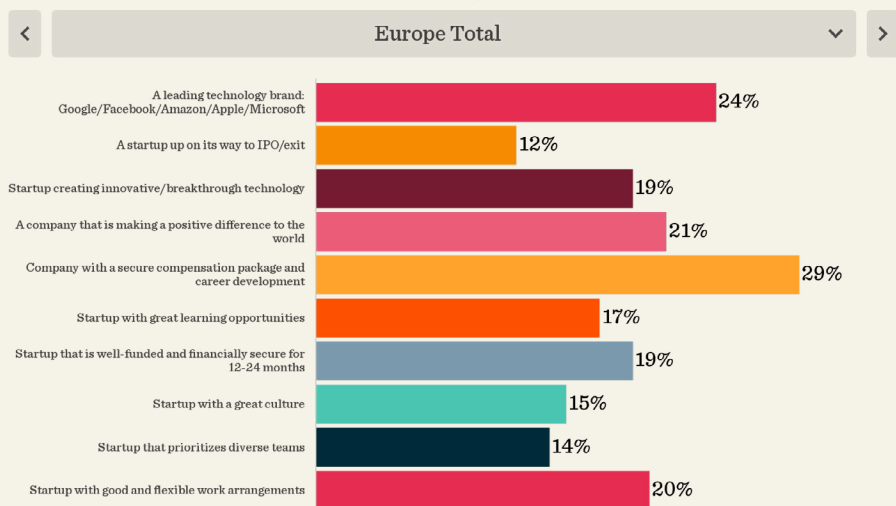
TAKEAWAY #3

What do you dislike the most about the company where you currently work?

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If you could choose the ideal company to join, what would be your choice?

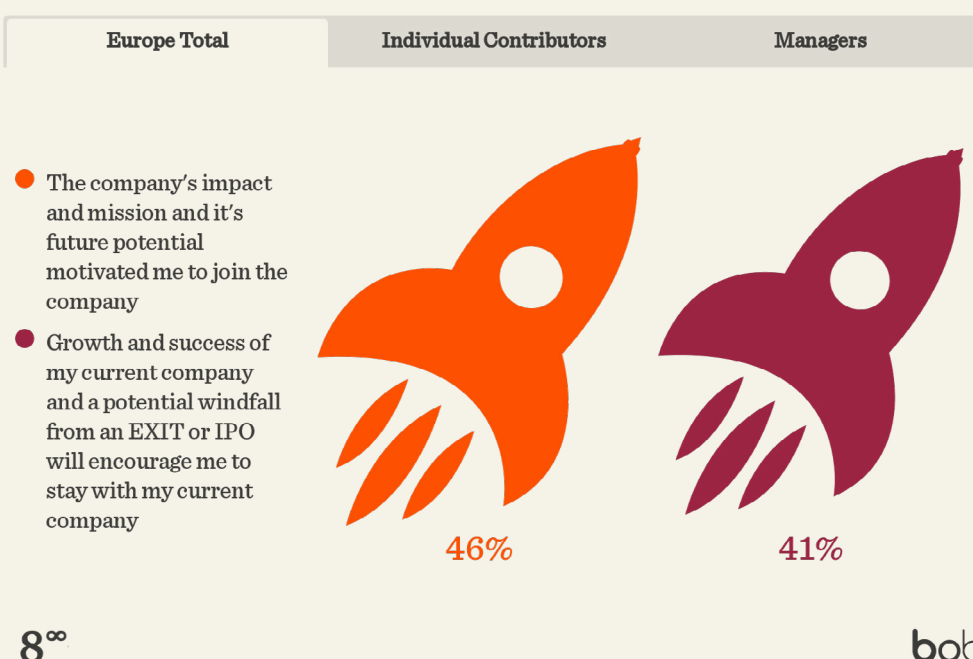
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TAKEAWAY #4

MANAGERS IN THIS COHORT PLACE HIGH IMPORTANCE ON THEIR COMPANY'S POTENTIAL

Managers place higher importance on company success

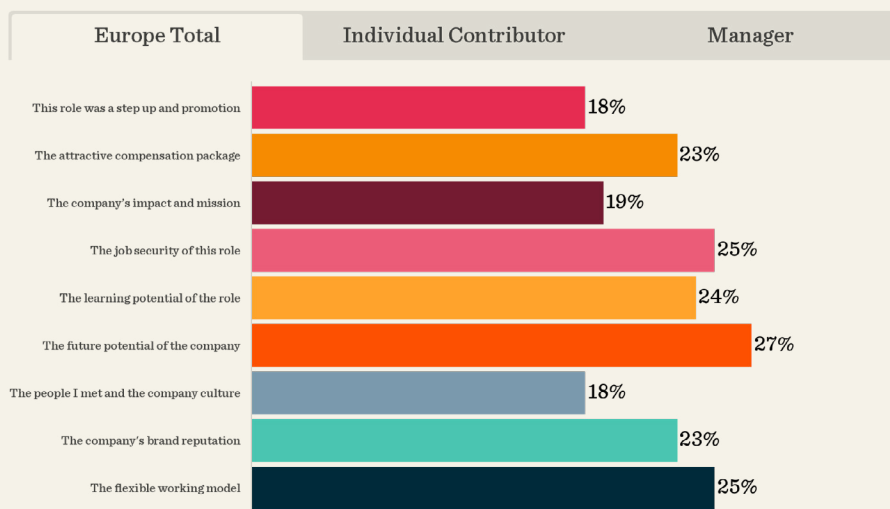


Managers of people are more likely to care about the company success, the company's mission and future potential than the employees who do not manage people in teams and are individual contributors.

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

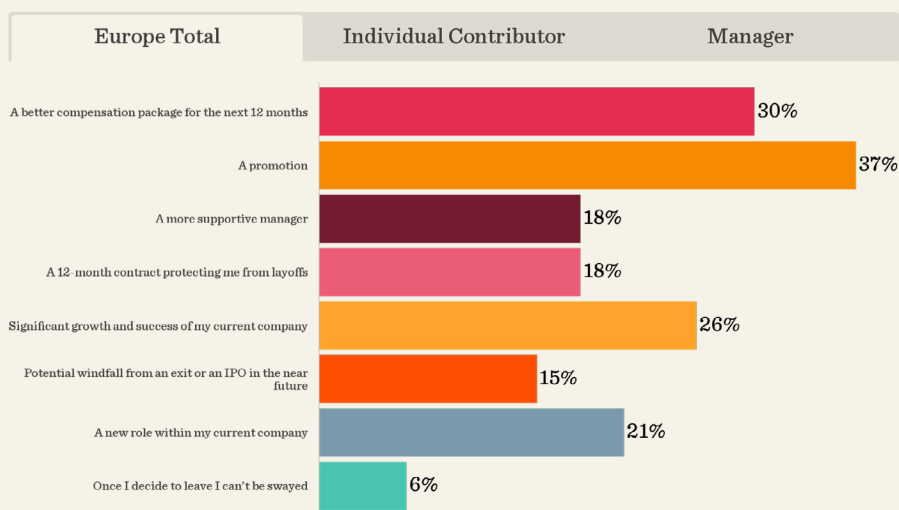
TAKEAWAY #4

What mostly motivated you to join your current company?

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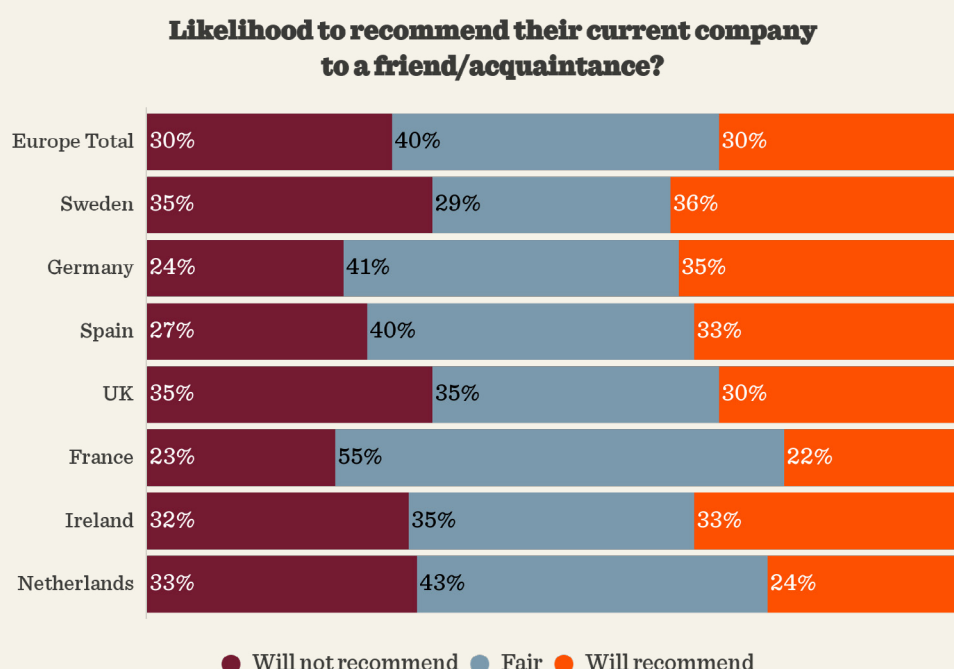
What will encourage you to stay with your current company?

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TAKEAWAY #5

EMPLOYEES IN SWEDEN, GERMANY AND IRELAND ARE STRONGER COMPANY ADVOCATES THAN IN UK, FRANCE & NETHERLANDS

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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. In France YGIT are much less in favour; only 22% will recommend working for their company.

YGIT RESEARCH QUESTIONS

The research questions were categorised into five sections representing the workplace journey for YGIT.

- A.** YGIT WORKPLACE POINT OF VIEW
 - B.** CRITERIA FOR JOINING THE CURRENT COMPANY
 - C.** CURRENT COMPANY WORK EXPERIENCE
 - D.** INCENTIVES FOR STAYING WITH CURRENT COMPANY
 - E.** REASONS FOR LEAVING
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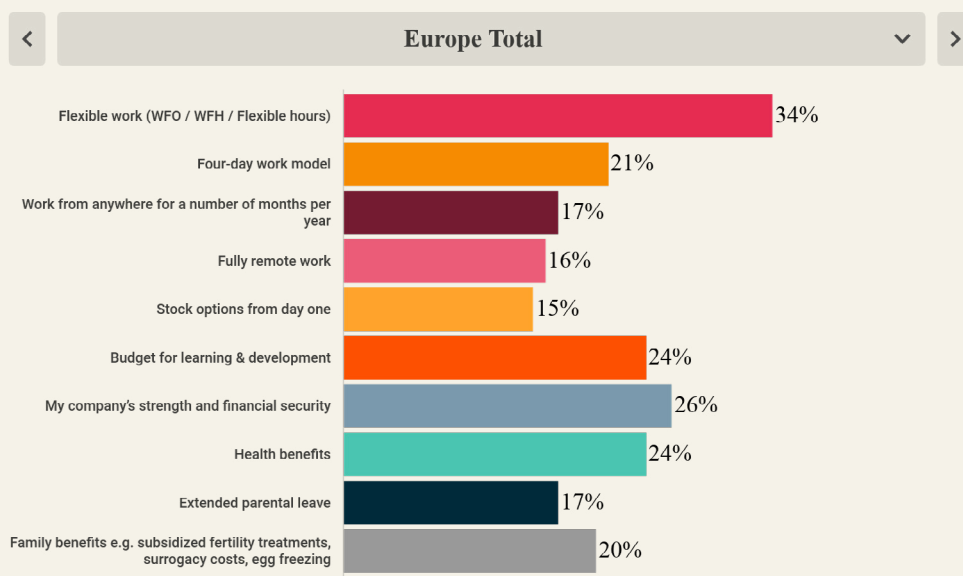


FINDINGS

A. YGIT WORKPLACE POINT OF VIEW

1. Workplace conditions valued most

A1. What workplace conditions do you value the most?

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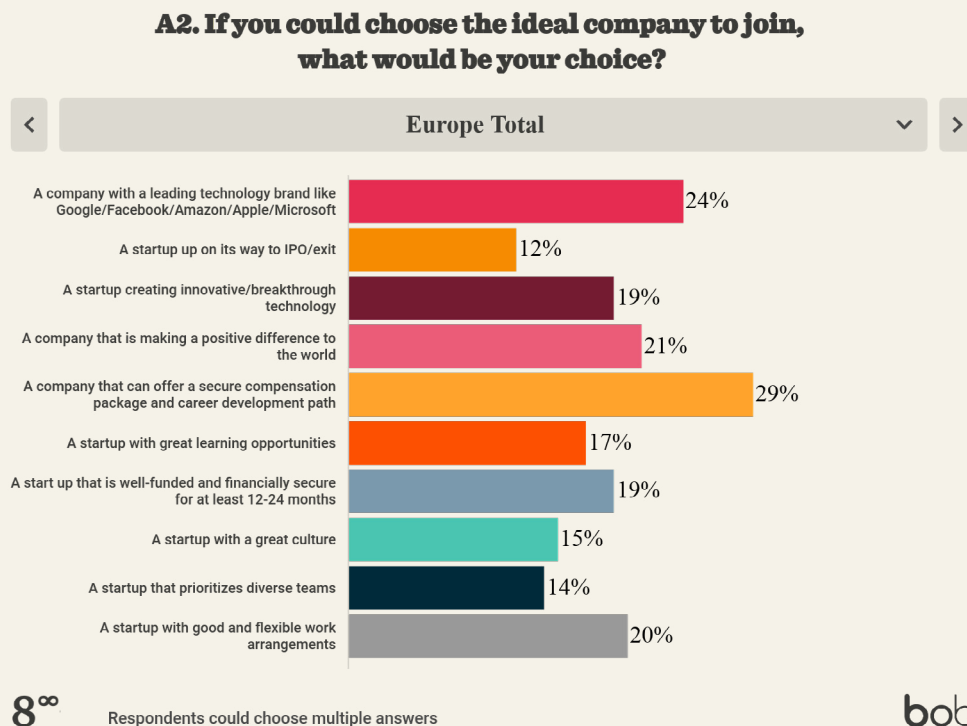
Respondents could choose multiple answers

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Tech companies in Europe offer a variety of progressive workplace & employment models. A combination of these conditions are being offered to YGIT. Of them, flexible work has become the most valued benefit followed by the company's strength and financial security. YGIT is also aware of the market conditions and the company's strength is important to them.

FINDINGS

2. The ideal company of choice



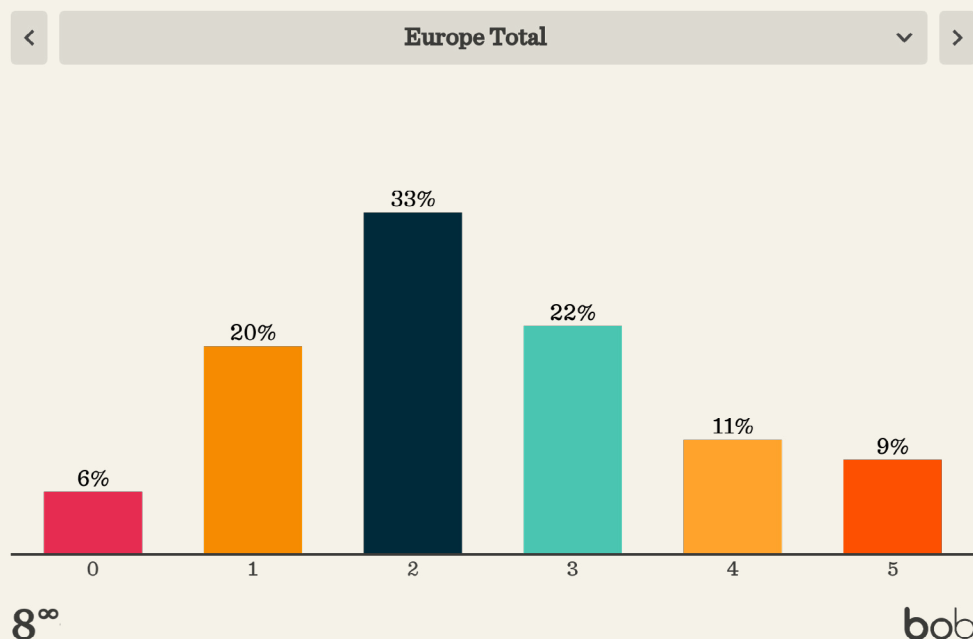
Respondents were asked to share their perspective on the ideal tech company for them to join if they could choose the one they wanted.

The top answers again show that current market conditions are affecting this generation's need for job security, and that an ideal company to join is one that offers a secure compensation package, is a leading tech brand, or a well funded start up that is financially secure for 12-24 months.

FINDINGS

3. Past experience changing companies

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



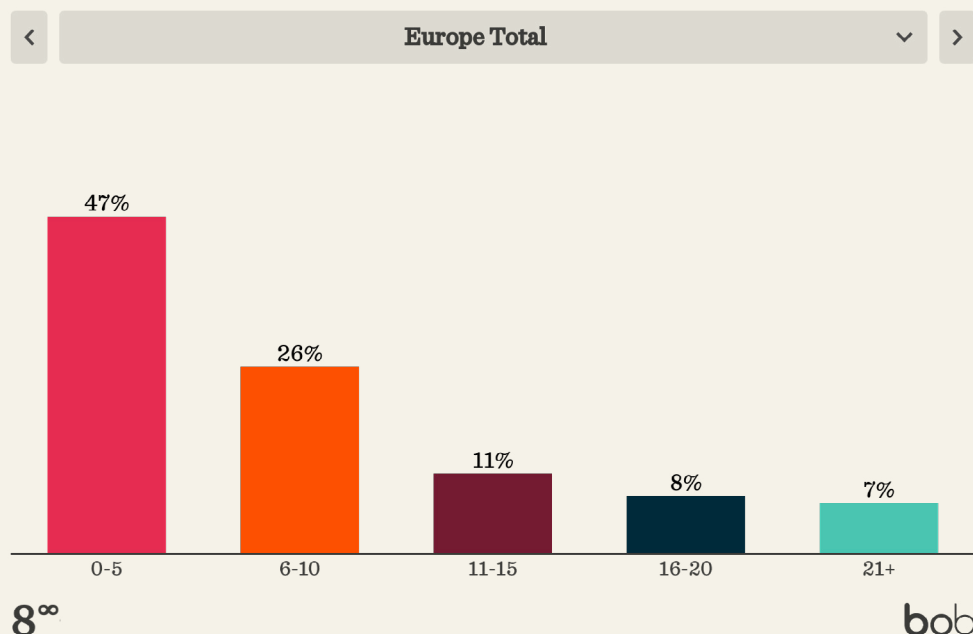
This cohort of young professionals is generally not resistant to changing workplaces. It is highly likely that young professionals that choose the tech industry as their place to develop their careers are less apprehensive about changing their full time employment.

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.

FINDINGS

4. Future expectations of changing companies

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

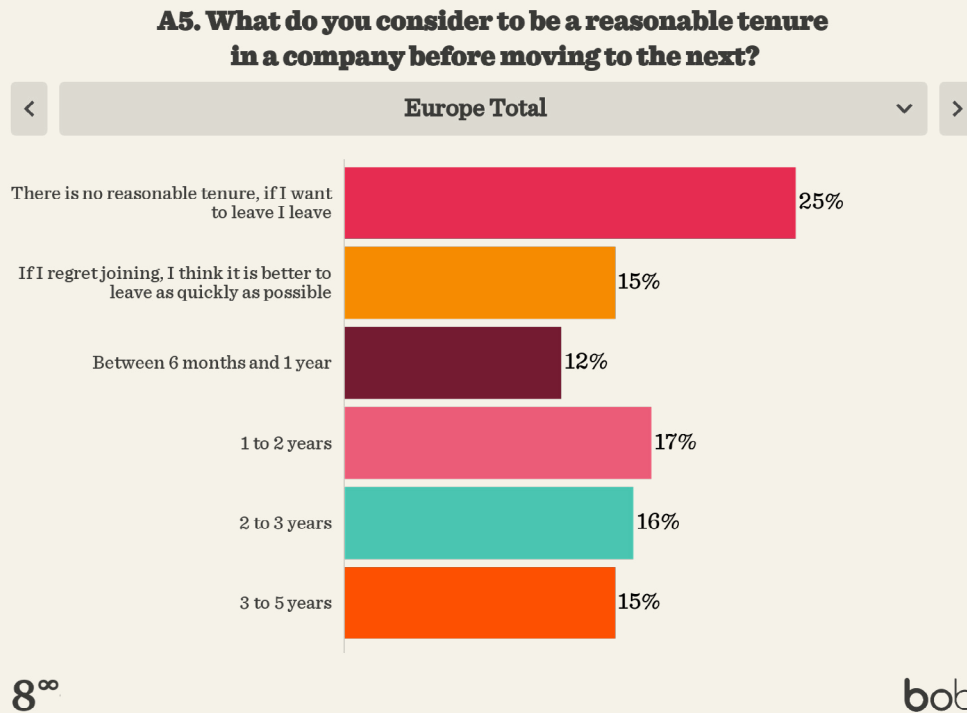


When examining future career strategies YGIT expects to change companies in the future as well. 47% believe that they will work for 0-5 companies in the future, 27% believe that they will work for 6-10 companies and 11% believe that they will change to 11-15 companies.

Since 20-30 year olds have another 35-40 years of managing their working careers (until the current retirement age of 65-70) and the expectation of more than 50% is to switch between 6-20 companies, dividing the number of years left in their career by the number of companies they expect to change, the prediction is that they will stay with a company between 2 and 6 years.

FINDINGS

5. Reasonable tenure



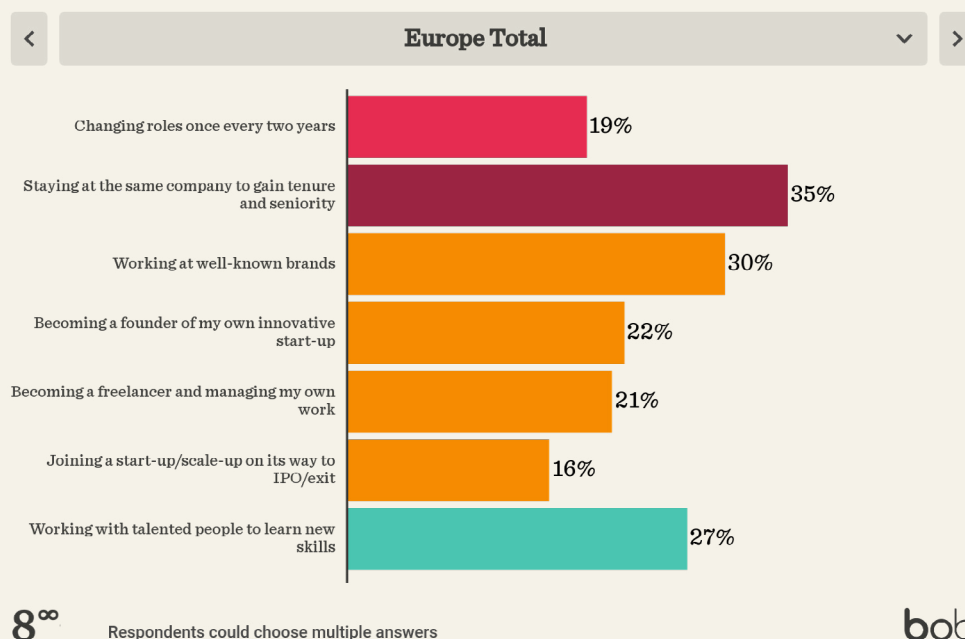
An interesting finding is that 25% of the YGIT do not believe in staying at the company if they find they don't want to. In the past it was considered inappropriate to leave the company without at least staying for a year.

In addition, 15% say that they would 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 is between 1 year and 5 years while 52% of the respondents effectively do not attach a set timeframe around what a reasonable tenure should be.

FINDINGS

6. YGIT approach to a smart career path

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



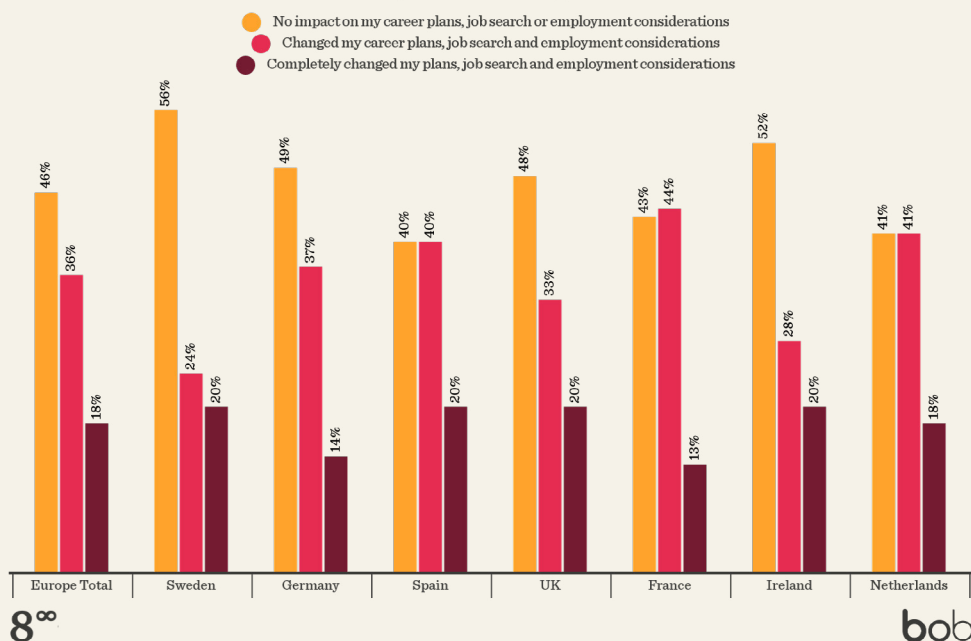
This question was placed in order to report the perceived approach of YGIT to building careers correctly. Is there an inherent belief that switching companies is the way to move up in one's career? Is owning your own company the right way to go? The top 3 answers again are pointing to a career with higher 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 start-up 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.

FINDINGS

7. The effect of the economic downturn on career choices

A7. How would you rate the impact of the economic downturn on your career plan?



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.

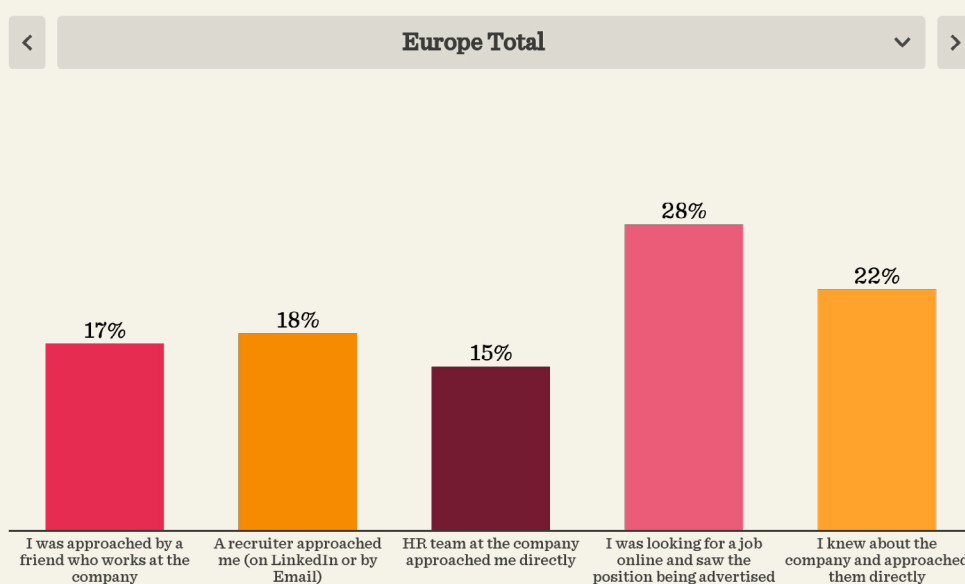
46% expressed low impact and 54% expressed high impact or a complete change of plans. Once again, the majority of this YGIT cohort are demonstrating the impact that current macro volatility has on their career decision making.

FINDINGS

B. CRITERIA FOR JOINING THEIR CURRENT COMPANY

1. Awareness about the current company and how they found their job

B1. How did you hear about your current employer?



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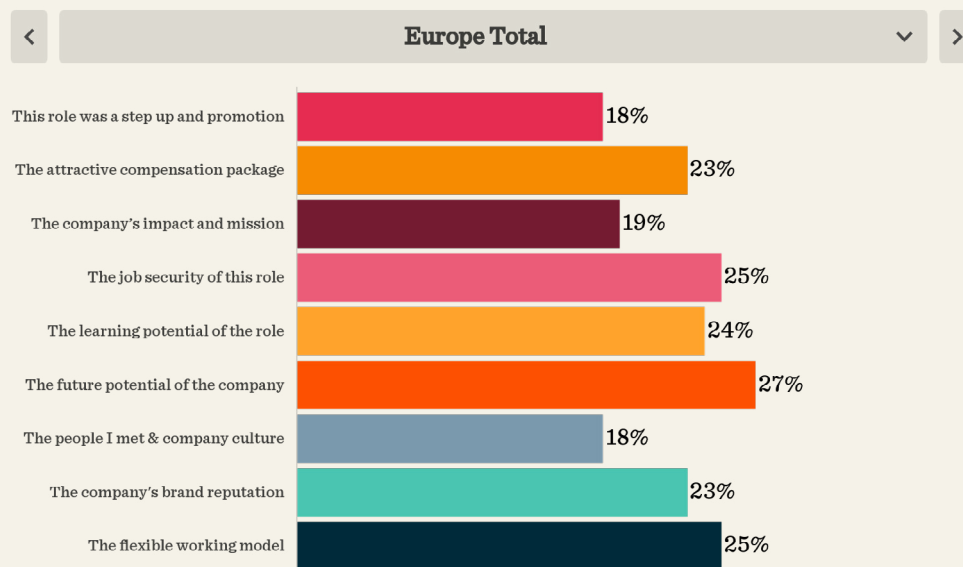
YGIT uses modern methods to find the company they want to join. Identifying the right company and the right motivations has been critical to their career success.

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.

FINDINGS

2. Motivation to join the current company

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

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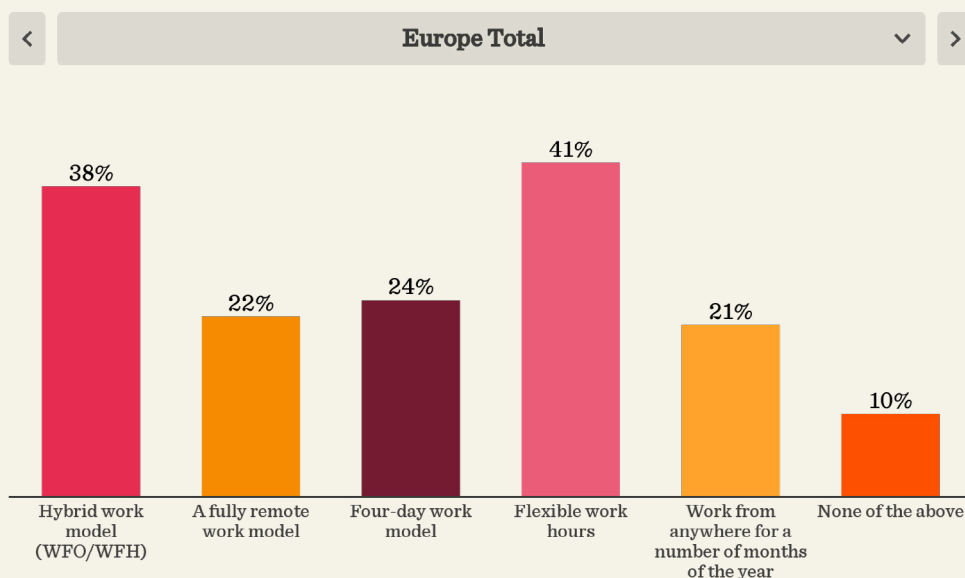
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When asked to select the motivation that led them to choose their current company, there were many answers suggesting many drivers. Since there is an even split of 50/50% between respondents approached by those hiring, and individuals who proactively 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. Next ranking motivation to join is the flexible working model that was offered. Flexibility after job and company security is key to motivating YGIT talent.

FINDINGS

3. Flexible work models offered when joining

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

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In the last few years several flexible work models have been offered to tech employees. Most common are flexible work hours with 41% of the respondents working in this way. In addition, 38% were offered hybrid work that allows them to work from home or work from the office alternately.

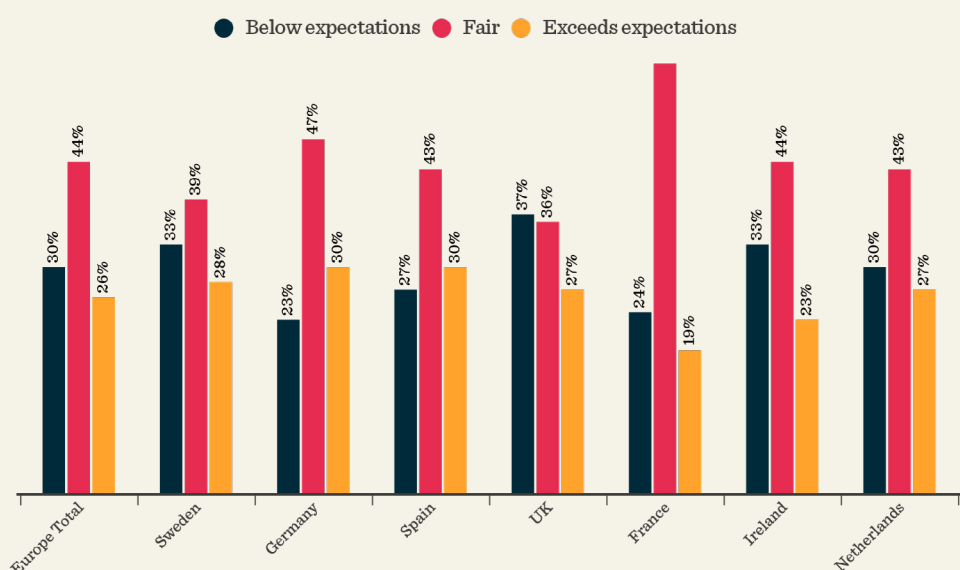
This flexible model became especially popular during the Covid pandemic when many were required to work from home and today post pandemic, the hybrid model provides the flexibility of less commuting and more focus time at home. Interestingly, the 4 day work model was offered to 24% of the respondents. 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.

FINDINGS

C. CURRENT COMPANY WORK EXPERIENCE

1. Current work experience

C1. Rate your experience of working at your current company



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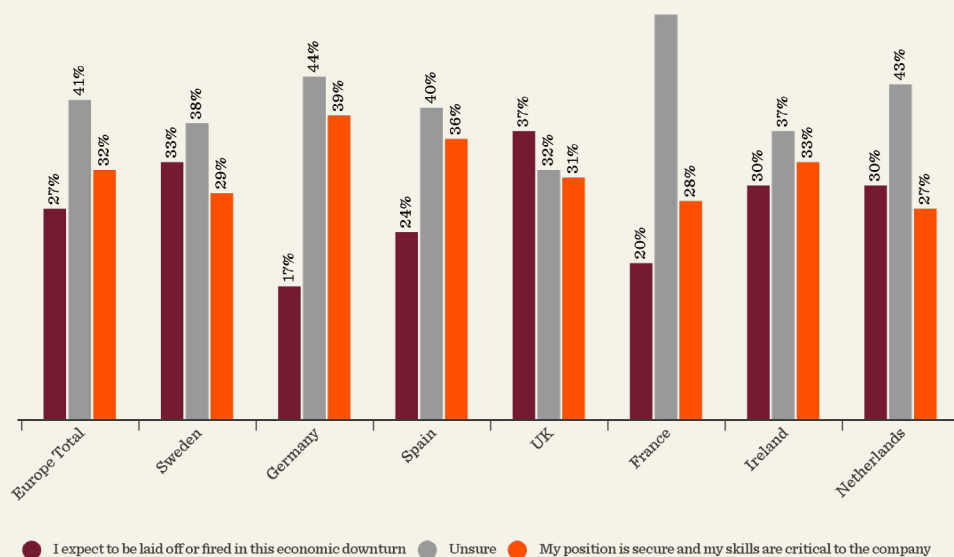
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YGIT report significant variability in work experience, with about a third disappointed overall while 26% say their experience exceeds expectations.

FINDINGS

2. Current job security

C2. Rate the job security of your position



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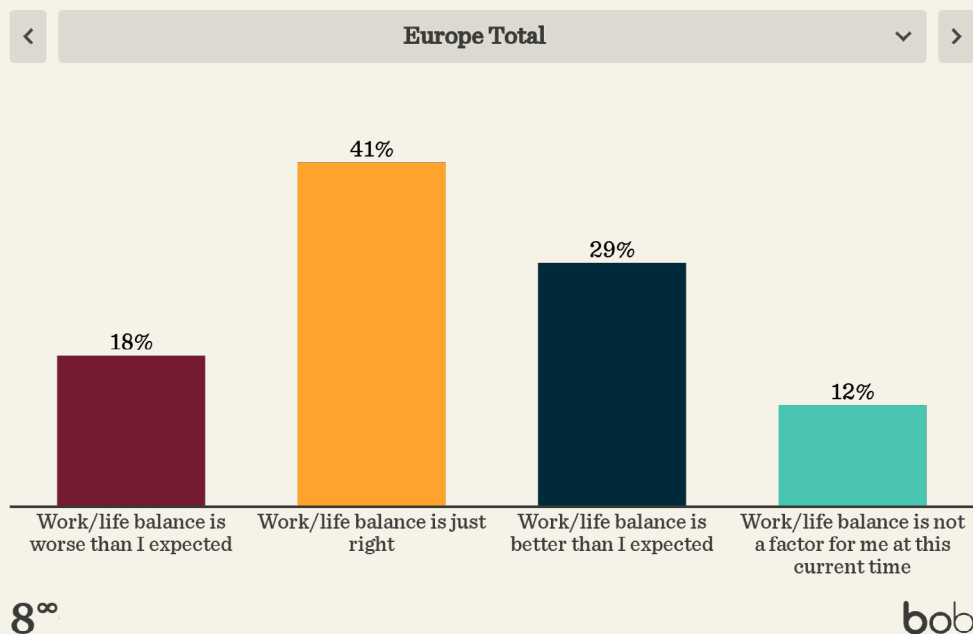
YGIT is aware of the economic downturn in the market and 27% mentioned that they expect to lose their job during this time. This is a similar portion to the ones mentioning that their work experience is below expectations.

At the other end, 32% are very confident in their role and are sure that their skills are critical to the company.

FINDINGS

3. Work / Life balance experience

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



In general YGIT knows what they are getting into when joining a tech start-up 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.

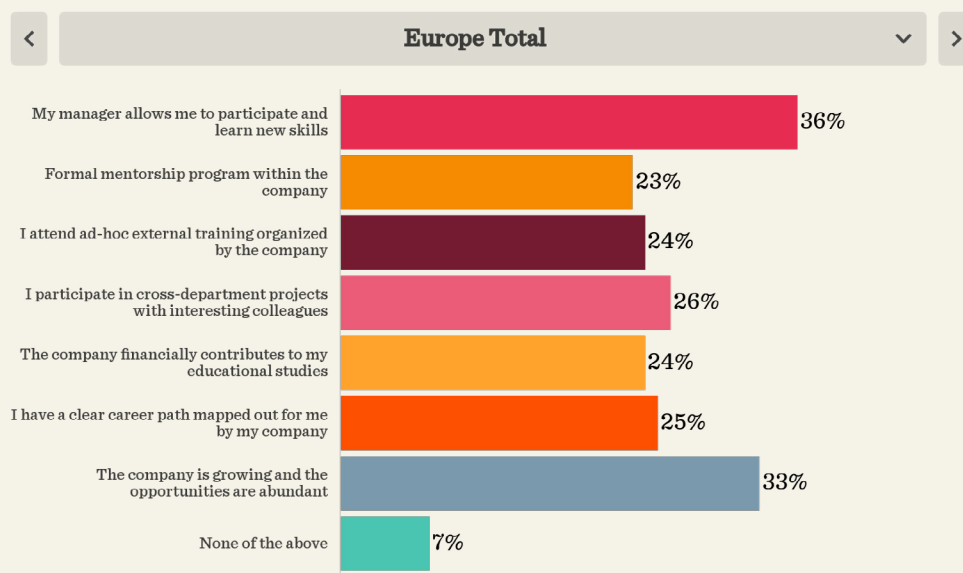
Overall, most respondents are satisfied with the work-life- balance they are achieving. 41% said it is just right, 29% are saying that it is much better than they expected and 12% say it is not a factor for them at this time.

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.

FINDINGS

4. Career development support

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



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Respondents could choose multiple answers

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The top 3 career development support programs for this cohort are not formal programs, instead they are dependent on the company culture of the organisation. 36% said their company supports their development when their manager allows them to participate and learn new skills (good management).

33% say they have career development support as the company is growing and the opportunities are abundant, 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, the findings indicate employers should look to invest and prioritise formalising career progression paths for YGIT working for them.

FINDINGS

5. The company referral program for employees



A company referral program success is a good 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.

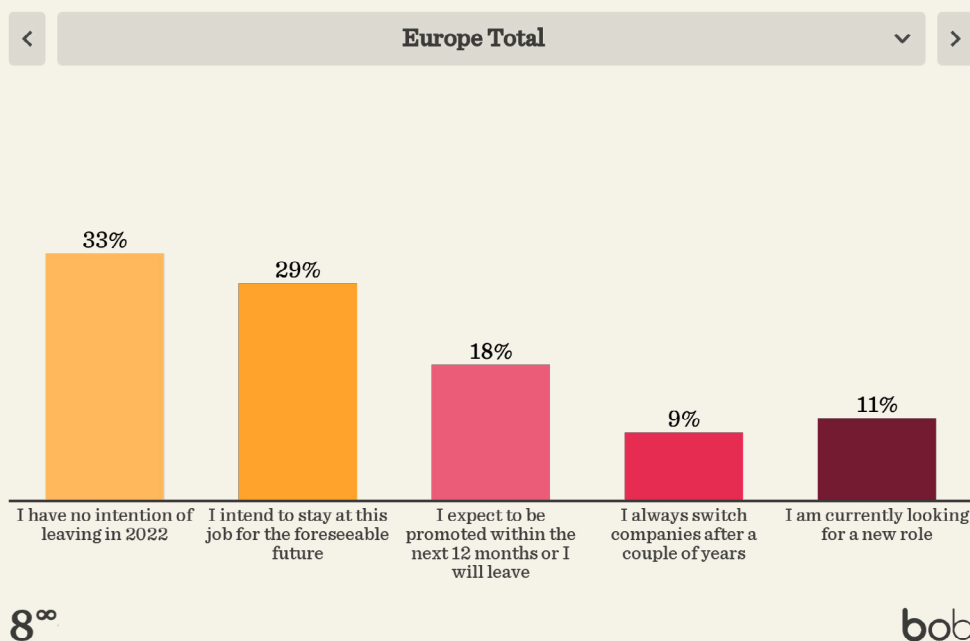
Since attracting talent is not an easy task it is good practice to bring in people who are skilled, and your friends at the same time. Companies that don't have a referral program are missing out on the opportunity to benefit from their employees' networks. 28% mention that they are active participants 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, indicating lower levels of job satisfaction.

FINDINGS

D. INCENTIVES FOR STAYING WITH THEIR CURRENT COMPANY

1. Expectations of staying with the current company

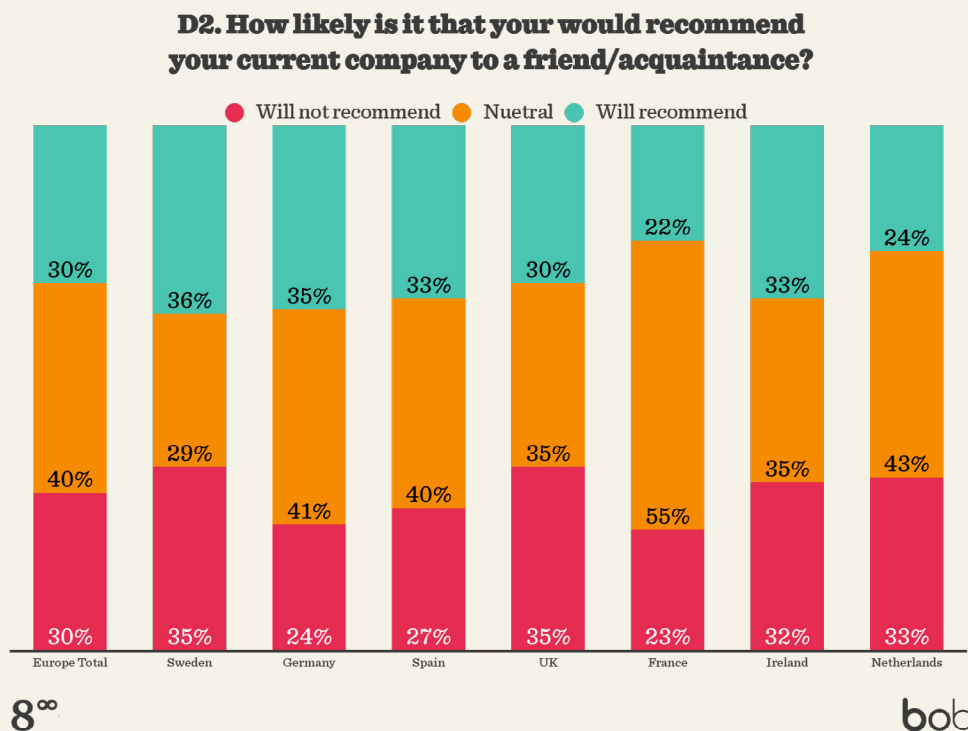
D1. How long do you expect to stay with your current company?



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.

FINDINGS

2. Likelihood to recommend their company to a friend

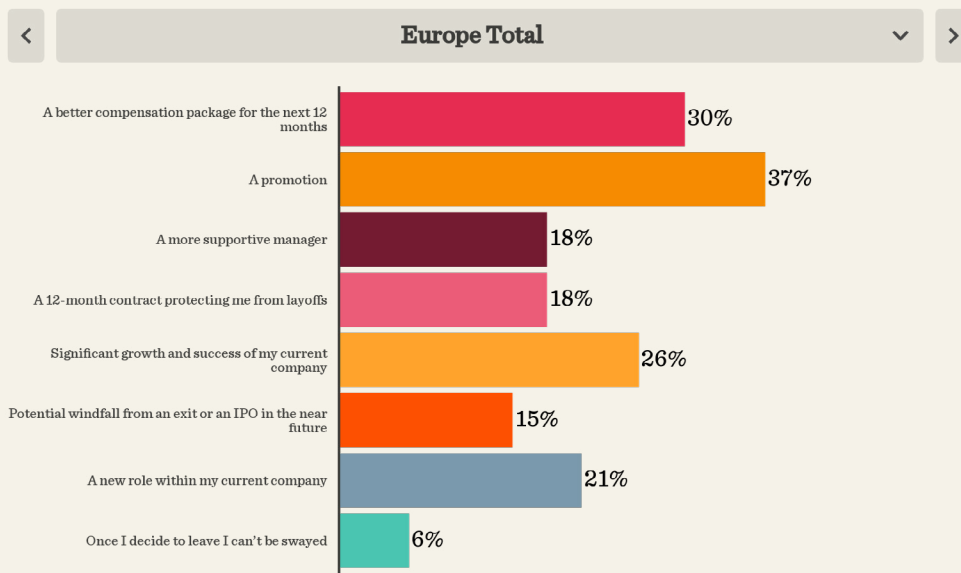


Overall the report shows that 30% of respondents would recommend their company to a friend or acquaintance and 30% would not recommend it.

FINDINGS

3. What will encourage YGIT to stay with their current company

D3. What might encourage you to stay with your current company?



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Respondents could choose multiple answers

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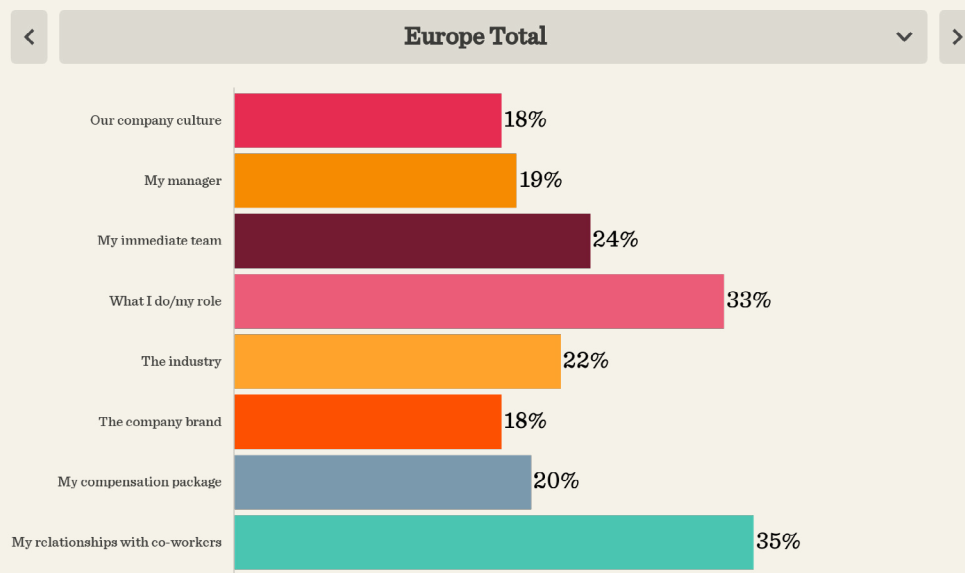
Acutely aware of the economic conditions, the cost of living and the possible downturns, when choosing between actions that the company can take to encourage them to stay with their current company, 37% say they would expect a promotion, 30% say they would expect a better compensation package and 26% 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.

FINDINGS

4. What do YGIT like most about their current company

D4. What do you like most about where you currently work?



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Respondents could choose multiple answers

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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.

FINDINGS

E. REASONS FOR LEAVING

1. What do YGIT dislike about their current company



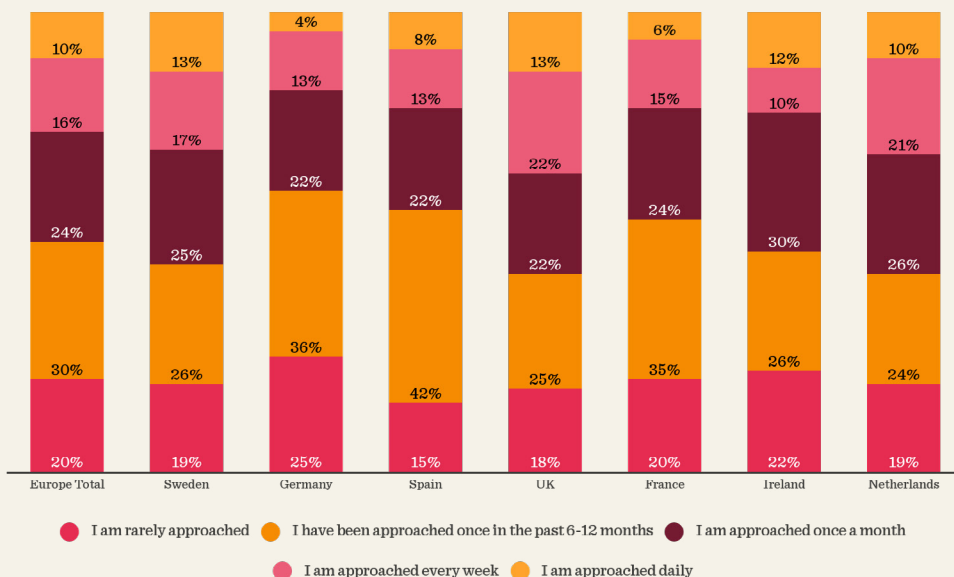
When asked what they dislike most about their company 24% attributed this to the lack of a clear career path. YGIT expects the company to work with them and build a path they can work towards. 23% are not satisfied with their compensation package and 18% complain about their relationship with their manager.

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

2. How often are YGIT approached about a new role by other companies

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



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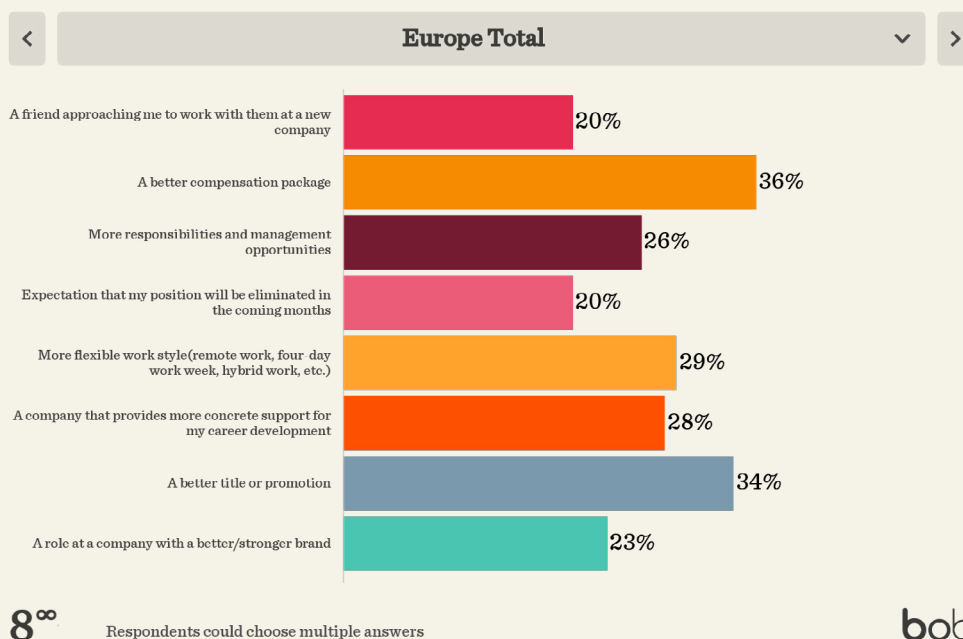
The talent market never sleeps and while employees work at one job they are approached frequently by their friends and or recruiting teams in other companies.

The extent to which this happens is intense with 50% approached at least 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.

FINDINGS

3. What will entice YGIT to join another company

E3. What might entice you 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.

SUMMARY AND CONCLUSIONS

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

This economic downturn, the first in their professional experience, can intimidate professionals at start-ups developing new technologies and products. Job security, strong co-worker relationships and compensation should not be overlooked or underestimated, as they are important considerations for today's YGIT when it comes to deciding whether to invest and stay in their current roles. People managers in tech need to plan and invest the time in building clear career paths for this cohort.

