



## What Generations X, Y and Z Want from Work Technology

### Future employees expect a seamless virtual office and new levels of flexibility.

Only three percent of working professionals currently use any kind of virtual reality (VR) applications in their workplaces. But 30 percent say VR will revolutionise their work in the coming decade, according to the **second part** of a three-part study conducted by the INSEAD Emerging Markets Institute, Universum, the MIT Leadership Centre and The Head Foundation.

In a survey of more than 18,000 students and professionals worldwide, spanning generations X, Y and Z, we concluded that current and future employees have outsized expectations from technology at work for which most employers are currently unprepared. This finding was most pronounced in Generation Z (born between 1997 and 2002), which is most excited about the capability of VR, with 42 percent expecting it to make a big impact on their working lives when they enter the workforce.

Lending support for the future of VR, Goldman Sachs estimates that the VR and AR (augmented reality) market is likely to grow to US\$80 billion in revenue by 2025 as the segment expands beyond entertainment.

The gap between technological expectations and reality was also reflected by current working professionals surveyed, where almost two thirds of both Gen Y (or millennials) and Gen Xers consider

their employer's digital capabilities as important but only around 40 percent think their firms are currently up to the mark.

### Give me tech and flexibility

Both current and future employees are also expecting technological innovations to result in more flexibility. Due to the explosion of the “gig economy”, where technology allows for people to work whenever they want, upwards of 70 percent of respondents across all generations said flexible working arrangements represent an important opportunity for their work lives in the next 10 years.

Our findings run counter to other studies that suggest Generation Zers are not attracted to a flexible work environment. When viewed through a technology prism, it becomes clear that Gen Z just assumes that flexibility will be part and parcel of working with multiple collaboration tools and platforms because it offers a multitude of work arrangements at all hours of the day and night.

Technology also offers many training benefits that interests employees. When asked if they would take an online course if they were offered one, between 70 and 80 percent of respondents across the generations all said they would. But before employers assume younger generations want to be taught through technology as much as they want to

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work with it, they should think again.

Given the choice between an online course and an in-person one, 69 percent of Gen Zers chose an in-person programme versus only 13 percent choosing an online one. Interestingly, it's the Gen Xers who gravitate towards online training to a greater degree with 25 percent of respondents choosing this option. However, this is probably a function of tight management schedules.

### **Mind the gaps**

These findings demonstrate crucial gaps between expectations and reality that leaders need to consider when designing their organisations and sourcing for talent. They face two main challenges. The first is what we call the leadership gap. Organisations have rightly focused on developing strong digital technologies for end consumers but they haven't shown the same commitment to back office technology such as smart collaboration tools and messaging platforms for employees. Given the proliferation of easy-to-use consumer products, employees have come to expect their work applications to function as seamlessly and effectively as the applications they use to connect with others in their private lives. The second is the skills gap. Numerous studies show a gap between the digital capabilities organisations have and what they need in the future. Attracting and retaining talent is becoming ever more difficult.

All of this means that investing in back office technology will pay dividends when it comes to professionals' evaluations of their employers, and recruiting top talent. Demonstrating technological prowess behind the scenes will become as important as showing it off in the shop window. For example, Sotheby's use of VR to sell high-end homes and Audi's VR showrooms are just the beginning. Virtual reality office tours and demonstrations of work practices could become a key differentiator in the talent wars when it comes to enticing Gen Z, with its Snapchat-powered interest in virtual "moments".

### **The shape of future organisations**

Leaders would be wise, therefore, to start investing in these experiences and making sure they have the latest enterprise collaboration tools, by comparing them with the applications employees use outside of work. Utility and ease of integration are still priorities, but they must give employees a pleasant experience if they are going to adopt them enthusiastically.

As we have also shown, providing flexibility is not as simple as it seems, nor are expectations clear in this regard. Gen Z may say it doesn't want or need

flexibility, but this generation has not yet entered the workforce. Their current habits increasingly involve working or studying at irregular times of the day and night, they are not used to being desk-bound. Their acceptance of a lack of workplace flexibility may change fast once they actually experience a 9-to-5, behind-the-desk, work situation.

It will be important, therefore, for managers to observe their workers' preferred habits and provide arrangements they're most likely to utilise. But it shouldn't end there. Research studies show that despite companies offering flexible work arrangements, few employees utilise them, out of the fear that they won't appear as committed to their jobs as others who are in the office regular hours. One way Moody's, the ratings agency, overcame this problem was to debunk myths in this regard by profiling senior employees who have advanced to senior leadership roles while using the benefit of flexible working hours and locations.

Although training is popular, and in-person training more so among the young, organisations will have to prioritise who they want to train, given the high cost of in-person training. Alternatively, they may want to design the kind of online courses that employees find useful, to optimise interactivity and maximise completion. CIOs and CTOs have their work cut out for them. While adopting the latest and greatest technology for organisations is a clear priority, it will lead to sizable integration issues if they simply jump at the next "best thing". A clear development and integration strategy will be necessary, especially for Generation Z which is likely to be quite helpless in a non-digital world.

*This article is part of a three-part series on the future of work. To see other articles in the series, click [here](#).*

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