![engaged® STRATEGY — engaging brands > cultures > digital > customers](logo)

GEN Z CRISIS AT THE WORKPLACE

CALLS FOR URGENT ALIGNMENT

TABLE OF CONTENTS

TABLE OF CONTENTS

EXECUTIVE SUMMARY

This report by Engaged Strategy presents a comprehensive analysis of workplace engagement through the lens of two distinct cohorts - Gen Z employees and Organisation Leaders that manage Gen Z. At its core, this report calls for building a bridge between Gen Z and its previous generations, recognising that true progress depends not on one side adapting to the other, but on mutual accountability and collaborative change.

Drawing on 519 responses across Australia, India, and other regions, this study on Gen Z Crisis At The Workplace Calls For Urgent Alignment reveals a profound disconnect in expectations, values and drivers of performance between the two cohorts.

This generational divide is not a passing phase but represents a critical organisational challenge that will only intensify as Gen Z becomes the largest cohort in the workforce. If unaddressed, this misalignment will deepen disengagement, create leadership blind spots and slow innovation at a time when agility is paramount.

While both groups are committed to organisational success, they are not always aligned on how success should be pursued, or what truly inspires discretionary effort. This misalignment is fast emerging as a strategic risk to long-term organisational cohesion, productivity and retention. India and Australia were intentionally selected for this study as they offer a compelling contrast between a fast-growing collectivist economy and a mature, individualistic Western workforce, making them ideal markets to uncover universal truths
and culturally specific leadership challenges.

Our study explored experiences and perceptions across five core themes:
- Transparent Communication & Feedback
- Purpose & Values Alignment
- Development & Growth
- Flexibility & Well-being
- Diversity, Equity, Inclusion (DEI) & Authentic Leadership

Open-ended reflections were thematically analysed, offering a rich qualitative view into what motivates, frustrates and inspires both Gen Z and Senior Leaders today.

A central finding is the perception gap between Gen Z and Leadership. Leaders often emphasise strategic clarity, delivery, and accountability, whereas Gen Z values purpose, inclusion, recognition, and growth opportunities. Alarmingly, less than one in three Gen Z respondents feel aligned with leadership's direction or believe that their voices are heard. Conversely, leaders often misinterpret Gen Z's desire for feedback and flexibility as a lack of resilience or entitlement, pointing to a growing generational divide which undermines opportunities for innovation and increased productivity.

The top 3 issues that leadership need to be fixed to bridge the gap with Gen Z staff are:
1. **Misjudging Gen Z's confidence as entitlement, and their need for purpose as resistance to hierarchy.** Many leaders perceive Gen Z's questions and desire for meaningful work as arrogance, rather than ambition and curiosity.
2. **Struggling to build approachable, respectful relationships across generations.** Gen Z repeatedly expressed a need to be treated as equals and adults, not talked down to or dismissed due to their age.
3. **Failing to communicate clearly, listen actively, and engage with Gen Z on their terms.** Leadership often underestimates the importance of transparent, two-way conversations, regular feedback, and being visibly present and supportive.

The top 3 issues that Gen Z staff need to proactively fix to bridge the gap with their leadership are:
1. **Inconsistent focus and digital distractions impacting work discipline.** Leadership frequently flags Gen Z's overuse of phones, short attention spans and difficulty staying present as barriers to performance.
2. **Low resilience and reluctance to embrace foundational workplace realities.** Many leaders believe Gen Z needs to better handle feedback, demonstrate reliability, and prove commitment before expecting rapid progression.

3. **Limited cross-generational communication and emotional intelligence.** Gen Z must work on developing in-person communication skills, listening to experienced colleagues, and contributing more constructively in diverse teams.

These insights strongly align with the findings from Engaged Strategy's proprietary employee engagement benchmarking and client studies conducted across multiple client engagements. Among Gen Z employees, the most correlated drivers of engagement include:

- Feeling valued by the team
- Receiving meaningful recognition for accomplishments
- Having access to flexible work arrangements
- Opportunities for professional development and advancement
- Regular training and support from managers

These data points underscore the emerging priorities of Gen Z and validate the qualitative insights uncovered in this research.

There is a noticeable pattern of blame and finger-pointing from both sides. Leaders are frustrated with Gen Z's perceived impatience, and Gen Z is disillusioned with outdated leadership styles. This stalemate is a dangerous trap that can paralyse organisations. What is needed now is accountability on both sides:

- Leadership must evolve to lead with empathy, empower with clarity and recognise with authenticity. But how?
- Gen Z must step up with resilience, a growth mindset, and a willingness to co-create rather than just critique. But how?

The urgency to align across generations is no longer a soft HR priority, but is now a strategic imperative. As Gen Z becomes a dominant workplace demographic, organisations must recalibrate their leadership approaches, communication frameworks and culture-building strategies to inspire and retain this highly perceptive, values-driven generation. Failing to do so risks increased disengagement, talent attrition and erosion of having a competitive edge. To effectively lead and inspire Gen Z, organisational leaders must rethink how they show up. The five key engagement areas that will have the greatest improvement in engagement with for Gen Z include:

1. Authentic and real-time recognition that is meaningful and personalised.
2. Stretch assignments and learning opportunities rather than focusing on promotions alone.
3. Inclusive and emotionally intelligent leadership that listens and empathises.
4. Purposeful work and clarity on their individual impact.
5. Team camaraderie and psychological safety that creates a sense of belonging and builds trust.

Our research also confirms that engagement strategies must be localised. In India, for instance, Gen Z respondents placed stronger emphasis on structured career progression, while Australian Gen Zs voiced a desire for deeper emotional safety and values alignment. Gender also played a role, especially in Australia, where female Gen Z respondents indicated lower feelings of recognition and advancement opportunities, compared to their male counterparts.

The future will belong to organisations that can build cultural bridges across generations by moving past blame and stepping into shared accountability. This report is a serious and determined call to action for leaders and emerging talent alike. Only by meeting halfway can an organisation build resilient, values-aligned, high-performing cultures that are equipped to thrive in the face of change.

CONTACT US

enquiry@engagedstrategy.com.au

Asia Pacific: +61 7 3823 2146

India: +91 9620253963

www.engagedstrategy.com.au