

NEW STUDY SHOWS THAT GEN Z HAS A VERY DIFFERENT PERSPECTIVE ON THE FUTURE OF WORK

Many Gen Xers and Boomers view Generation Z as millennials on steroids — tech addicted, tech savvy young people who would rather communicate with others via a social app than in person.

But this oversimplifies some very key differences in the way Gen Z and millennials view the world and the experiences that have shaped how they approach work.

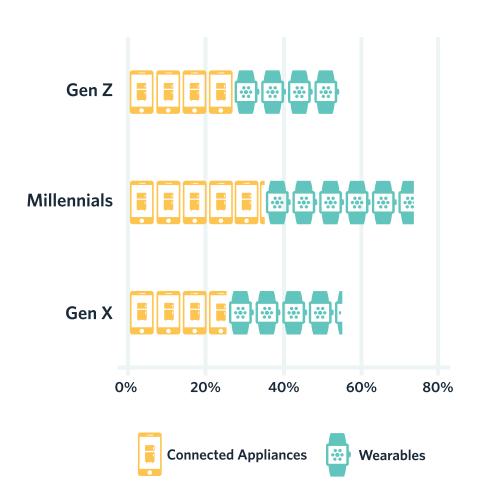
Both generations were born and raised in different cultural climates, economic times and with various levels of technology. Millennials were internet pioneers. They invented many of the current tools used in today's workplace, such as Twitter and Hipchat, while Gen Z does not remember a life before smartphones and social media. Understanding how these generations interact with technology will be critical to understanding the future of work.

According to <u>Pew Research</u>, millennials currently make up the largest demographic in the workforce, but Gen Z, a 60 million-strong generation, is right on their heels. In fact, they will be entering the workforce this year. In an effort to better understand Gen Z and how its members think about the future of work, 8x8 set out to analyze how it compares to today's millennial and Gen X workers. The data in this report comes from a study of 1,000 full- and part-time employed workers in the United States, who use a computer and/or phone for their everyday work. Throughout this survey, we define Gen Z as respondents ages 18 to 20, millennials as ages 21 to 35 and Gen X as ages 36 to 50.

Our hope is that the findings in this report will address many of the questions around how Gen Z will change the future workplace, especially as it relates to business communications. This will help companies hire and retain talent, know how to effectively communicate with their employees and provide them with the tools they prefer to use at work.

MILLENNIALS SURPASS GEN Z AS SERIOUS ADOPTERS OF TECHNOLOGY

Gen Z is often considered the most tech-savvy generation; however, our findings show that **millennials are the first** to adopt new technologies in their personal lives. The study also points to evidence that **Gen Z may** not be as technologically in tune as we thought. When it comes to new technology like wearables, 39 percent of millennials currently use it in their personal lives, compared to just 27 percent of Gen Z and 30 percent of Gen X. Connected appliances fit a similar bill. Thirty-five percent of millennials currently use connected appliances in their personal lives, compared to only 26 percent of Gen Z and 25 percent of Gen X. One reason for slow adoption of this technology by Gen Z could be the price involved with owning wearables or connected devices. Our findings show that one in two members of Gen Z over the age of 18 still rely on their parents to pay for their communications tools.



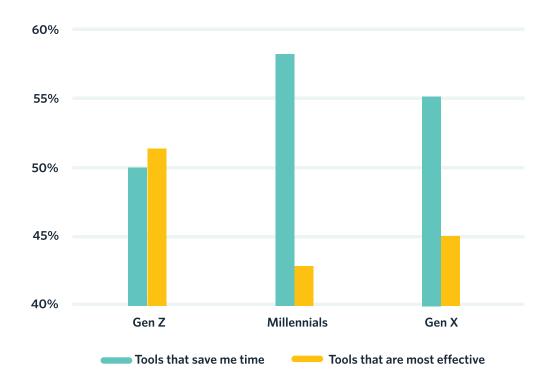


FOR GEN Z, EFFECTIVE COMMUNICATIONS TRUMPS EFFICIENCY AND CONVENIENCE

The workplace has dramatically shifted to accommodate today's millennial workers, but in many ways, Gen Z exhibits work communications preferences that are more closely aligned with the way their Gen X parents work. **We found that Gen Z values face-to-face and meaningful communication more than any other generation.** In fact, one in four Gen Z workers prefer in-person communication. This focus on in-person communication is a major shift from how millennials prefer to work. Four in ten millennials state that personal interaction will be less important than it is now in the future workplace.

So whereas millennial work styles and communications preferences were a stark departure from their Gen X predecessors, Gen Z preferences are more a hybrid of the two. The majority of Gen Z want a physical workspace (57 percent) combined with the ability to work remotely (48 percent) and have flexible hours (73 percent). They want tools that allow them to work effectively in both environments, meaning flexibility to accommodate them will be key.

Additionally, Gen Z is more concerned about choosing communications tools that will help them relay a message more effectively. Millennials, on the other hand, are the most likely of any generation to prioritize communications tools that will help them save time while working.



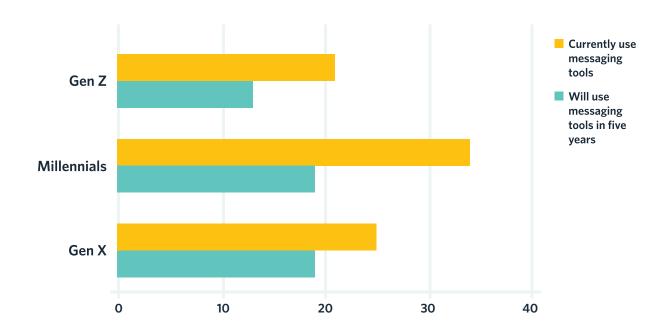


GEN Z REJECTS TRADITIONAL WORKPLACE TOOLS BUT NOT TO THE BENEFIT OF STANDALONE CHAT APPS

We dug further into this notion that Gen Z craves human interaction by looking at some of the most commonly used communications tools in the workplace: email, landlines and messaging apps. **Gen Z is the least inclined of each generation to use email or landlines for work** — only 5 percent of Gen Z prefer and 42 percent use landlines. Thirty-four percent of millennials and 39 percent of Gen X prefer email, and one in two of both millennials and Gen X currently use landlines for work.

Smartphones are the exception and are quickly becoming a hub of communication for all generations, but especially Gen Z. When asked which device they used to take this survey, twice the amount of Gen Z respondents (62 percent) used a smartphone over millennials (31 percent) and Gen X (28 percent). Additionally, when asked about communications devices they use at work, on average half of all respondents across each generation use smartphones.

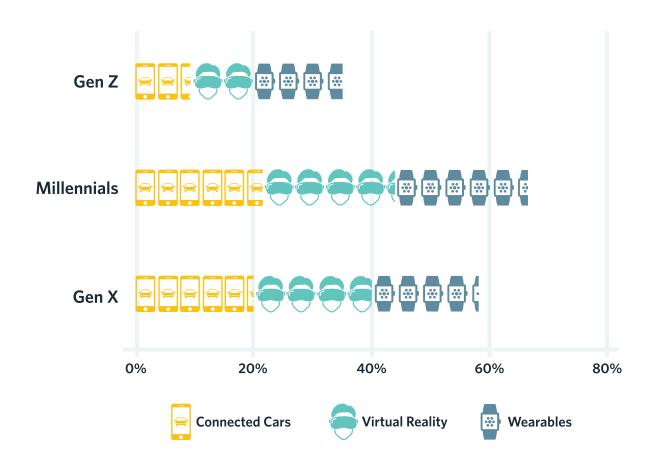
Though standalone group messaging/chat tools have promised to make workplace communication easier, Gen Z workers are the least inclined to use them. While each generation predicted use of messaging/chat apps would decrease in the future, Gen Z is the least likely to use these tools. Currently, 21 percent of Gen Z uses chat tools for work, but in the future, only 13 percent anticipate they'll use these standalone tools.



THE FUTURE WORKPLACE IS LESS "TECH-Y"

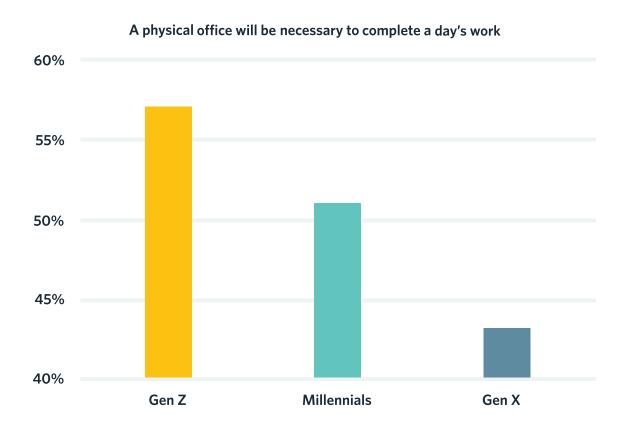
Interestingly, Gen Z doesn't anticipate a high-tech future workplace. This could be due to a lack of understanding of how much the workplace has evolved even over the past five years. However, when asked about which tools they anticipate to use for work in the future, Gen Z was most likely to answer with email, mobile phone, text messaging and desktop computer. Among the top answers for millennials and Gen X was "something that hasn't been invented yet."

When asked, very few members of Gen Z thought wearables (15 percent), virtual reality (9 percent) or connected cars (11 percent) would play much of a role in the future of work. **Even the ability to access data from any device was less important to Gen Z as it is to millennials.** Only 67 percent of Gen Z said it will be important to be able to access data from any device, compared to 78 percent of millennials.



IS THE FULL-TIME REMOTE OFFICE A GEN X FANTASY?

While flexible working hours are a priority for all generations, **millennials are more likely inclined than Gen Z to believe that remote work will be critical over the next five years.** Gen Z is the most likely of all generations to believe a physical office will be necessary to complete work in the future. Surprisingly, it is Gen X, the oldest of the generations we surveyed, that thinks that physical offices will be unnecessary in the future. This could be because each generation is in a different phase of their career and their past experiences have an impact on their view of the physical office.



THE SWINGING PENDULUM

The workforce has dramatically shifted to accommodate millennial workers. There are more BYOD, work-from-home and unlimited PTO policies than ever before. Millennials prefer to work remotely, over email and with limited face-to-face interaction, and the workforce will face a rude awakening when Gen Z enters it. Gen Z doesn't mind a work environment that prioritizes in-person communication and physical workspaces, as it looks for the most effective forms of communications over the most convenient. While Gen X had to reshape the workplace for millennials, **millennials will, in many ways,** have to find a way to develop a hybrid work environment that not only prioritizes convenience and flexibility (mobile, remote work) but also accommodates a Gen Z focus on efficiency and in-person communication.

ADDITIONAL FINDINGS

BOTS AND AUTOMATION. When asked about the role bots and automation play in the workplace, each generation agreed that they'll have a stronger role in the future. Nearly 7 in 10 of all respondents agreed that at least some of their current jobs could be automated by bots today. Additionally, 8 in 10 respondents agreed that at least some of their jobs would be automated by bots five years from now.

THE INTERNET OF THINGS. Connected devices and the Internet of Things have the potential to change the future workplace. On average, 55 percent of all respondents agreed that connected devices, such as cars, fridges, etc. could be used for work in the future.

MULTIPURPOSE COMMUNICATIONS TOOLS. Creating cohesion among work and personal tools will be important in the future. On average, the majority of all respondents (56 percent) would prefer to use the same tools for work as in their personal lives.

METHODOLOGY

8x8 partnered with Koski Research to field a survey of full- and part-time employed workers in November 2016. Koski Research collected a sample of 1,000 respondents across the United States who use a computer or phone for their everyday work. The survey includes 200 Gen Z respondents, 400 millennial respondents and 400 Gen X respondents, ages 18 to 50. The sample size is statistically representative of working Americans, including gender, age, income, race/ethnicity and geographic location.

ABOUT 8X8, INC.

8x8, Inc. (NASDAQ:EGHT) is the trusted provider of secure and reliable enterprise cloud communications solutions to more than 47,000 businesses operating in over 100 countries across six continents. 8x8's out-of-the-box cloud solutions replace traditional on-premises PBX hardware and software-based systems with a flexible and scalable Software as a Service (SaaS) alternative, encompassing cloud business phone service, contact center solutions, and conferencing. For additional information, visit www.8x8.com/uk or connect with 8x8 on LinkedIn, Twitter, Google+ and Facebook.