Fieldwork
by Citrix

Work 2035

The Born Digital Effect

Young Workers and the New Knowledge Economy

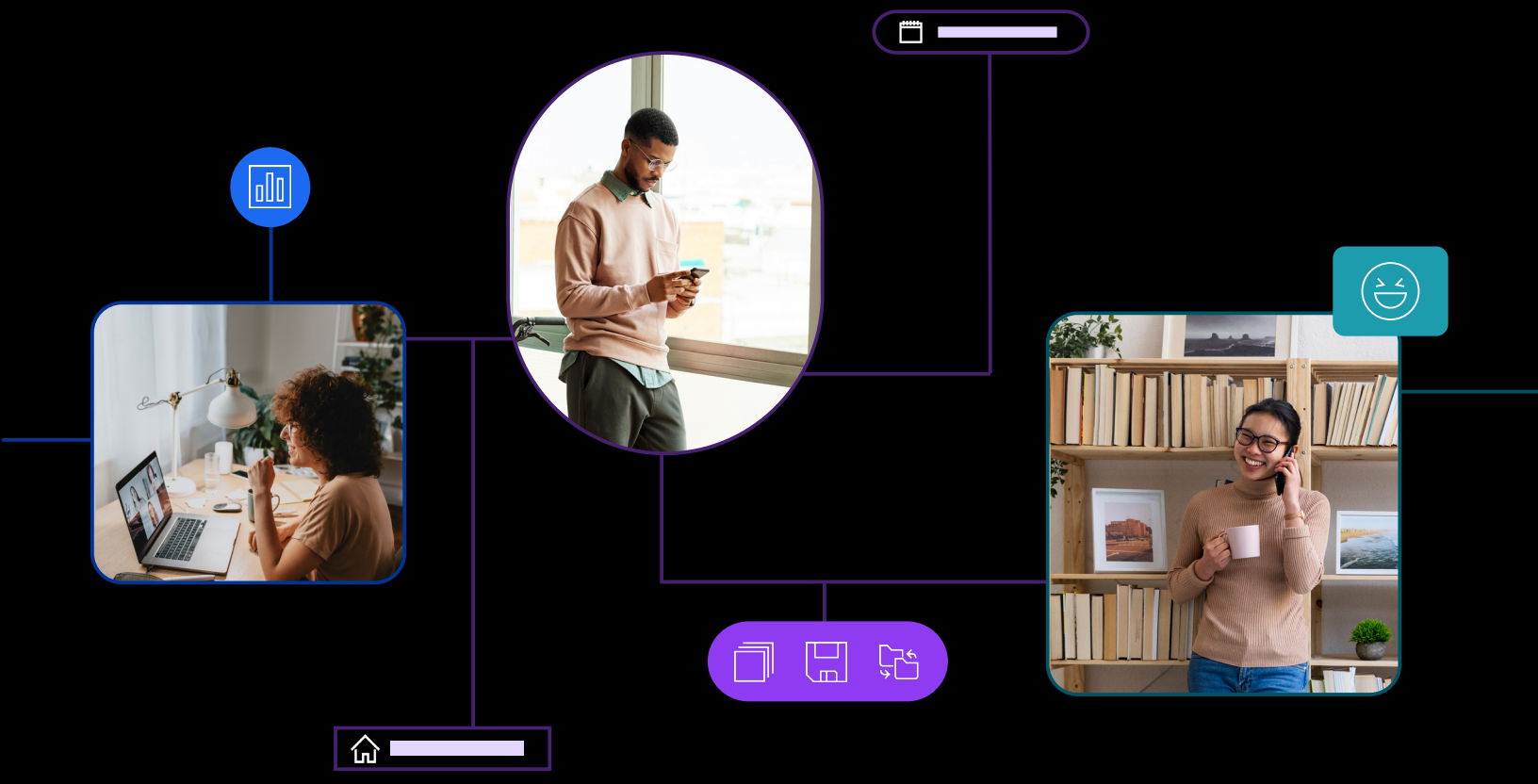


Table of contents

Foreword **3**

About the study **5**

Executive Summary **6**

The Born Digital Dividend **15**

Work Rewired **19**
Generation Remote 29

The Born Digital Disconnect **31**
The Born Digital & The Four Worlds of Work 40

Building a Future-Fit Workplace **41**
Detailed Methodology 43

Further Reading **46**

Endnotes **46**

Foreword

Born Digital [noun]: The first generation to grow up in an entirely digital world. Made up of Millennials (born 1981 to 1996) and Generation Z (born after 1997).

Today's young employees are the engines of the knowledge economy, and they will be tomorrow's business leaders. Companies that fully understand this generation's wants and needs, and invest in their development, will shore up their future business success.

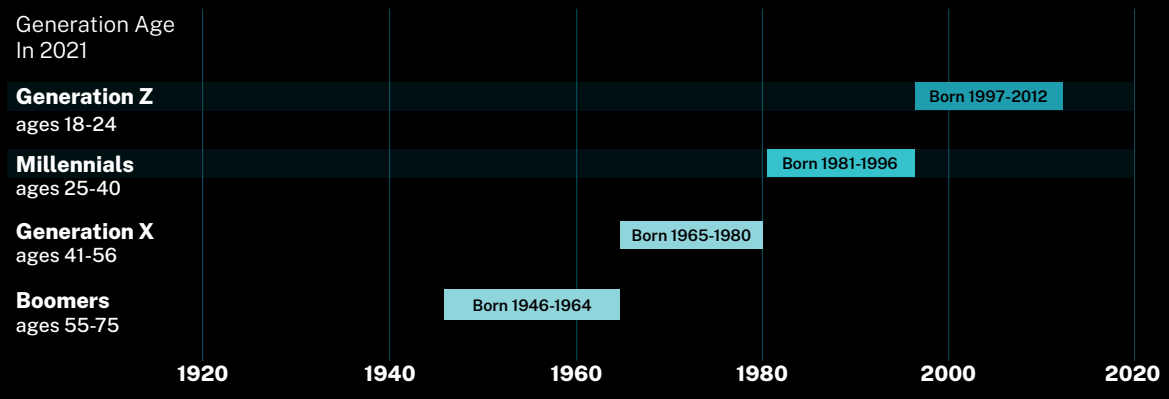
In 2020, Work 2035, a Fieldwork by Citrix study, set out four possible visions of the future of work, examining how people and technology will work together to create value. Now, The Born Digital Effect examines the values, career aspirations and working styles of those who will shape this future.

Millennials and Generation Z workers – currently aged between 18 and 40* – now account for most of the global workforce.

These young employees are different from previous generations in that they are the "Born Digital" cohort, who have only ever known a tech-driven world of work. By 2035, many organizations will be run by Born Digital leadership teams.

The results of our economic model, contained within this report, demonstrate the clear commercial benefit of investing in this generation of future leaders. They reveal that countries with above-average Born Digital populations – markets that have a high proportion of young, well-educated, digital-savvy employees – benefit from more than USD1.9 trillion in extra company profits.

The generations defined



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But what engages and motivates this young and growing segment of the workforce, and how can their full value be unlocked? Our opinion research shows that today's business leaders are disconnected from what Born Digital knowledge workers really want from work, and have not accurately predicted the impact of the COVID-19 pandemic on this group's motivations and aspirations. While business leaders believe that cutting-edge workplace technology and training is critical to Born Digital employees' job satisfaction, it is rather fundamental factors like career stability that these younger employees crave the most.

Hybrid is here to stay

What is also clear is that the way we work has changed forever. Hybrid, flexible working is here to stay. Over half of Born Digital knowledge workers want to spend most or all of their time working-from-home post-pandemic, and although many believe that the office is the best place for productivity, the majority say that home-working is best for wellbeing.

The future is hybrid or distributed work, and companies will need to find a way to simplify work and create the space their employees need to succeed in this environment. Offices will become hubs for team collaboration, connection and innovation, while working-from-home will offer the opportunity to focus on individual activities. But regardless of where they are located, employees need to be empowered with tools that provide a consistent, secure and reliable experience and enable them to do their best work.

We hope that this study helps business leaders to understand the vital importance of their Born Digital employees, and to get a clearer sense of what makes them most productive and happy at work.

Choice, flexibility and autonomy are the three interconnected themes running through this generation's wants at work. Organizations need to re-architect their employee experience around these guiding principles, whilst also considering the three key notions of individual progress, empathy and partnership outlined in Fieldwork by Citrix's Thrive With Employee Experience study. This can all be enabled by technology that is unified, intuitive and secure.

Rather than adapting work to the way systems function, organizations and their technology infrastructure will need to adapt to the way employees work. Companies that achieve this will be on a path to faster, more sustainable growth, and a happier and better-connected workforce.

Tim Minahan
Executive Vice President, Business Strategy and Chief Marketing Officer, Citrix

About the Study

The Born Digital Effect examines the impact of young knowledge workers on company performance, and assesses the extent to which today's business leaders understand this group's working priorities, values and preferred working styles. The study is based on a two-part research study combining global opinion research amongst business leaders, and knowledge workers (aged 18-40) to understand what the Born Digital want from work; and economic modeling to quantify the economic impact of their work.

Opinion research

Citrix, in partnership with Coleman Parkes Research, ran an independent opinion research study, interviewing business leaders and employees about their attitudes to work. In 2020 and 2021 we interviewed 2,000 Born Digital knowledge workers (750 Generation Z and 1,250 Millennials) and 1,000 business leaders working in both large, established corporations and mid-market businesses. Respondents were based in France, Germany, the Netherlands, the UK, Mexico, the US, the UAE, China, India and Japan. The study focused on the following sectors: financial services; healthcare and life sciences; technology; professional services; manufacturing and retail.

Economic model

Citrix, working with Man Bites Dog and strategic analysis and consulting firm Oxford Analytica, built a five-step economic model to estimate the association of the Born Digital (defined as highly skilled, digitally-savvy employees aged 18-40) population with corporate profitability. The model estimated this association at the firm level across 53 countries, which we subsequently used to highlight implications for France, Germany, the Netherlands, the UK, Mexico, the US, the UAE, China, India and Japan.

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Executive Summary

Executive summary

In *Work 2035* we imagined four possible future worlds of work. The Born Digital Effect looks at the impact that younger workers of today – the C-Suite of 2035 – are having on the organizations they work for, and what leaders can do to attract and retain them in their business.

Born Digital employees are driving profitability

Businesses based in countries with above-average Born Digital populations enjoy an extra USD1.9 trillion in corporate profits (EBITDA) – equivalent to more than the entire market capitalization of the FTSE 100.

Engaging and supporting this group is clearly critical to company success, but do business leaders really understand how Born Digital employees want their working lives to look? Our opinion research study reveals some striking disconnects.

Where do the Born Digital want to work??

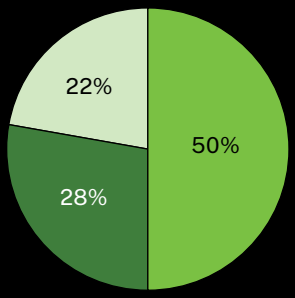
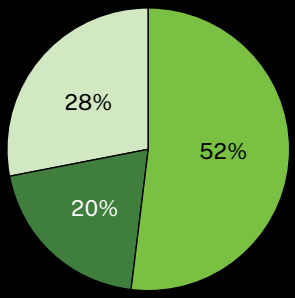
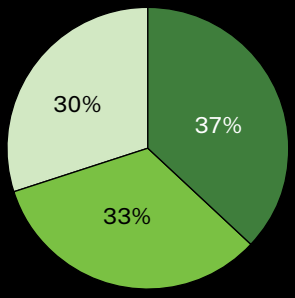
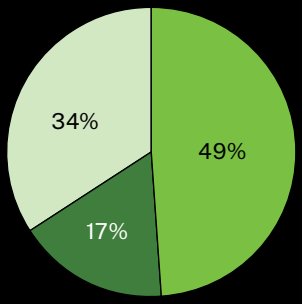
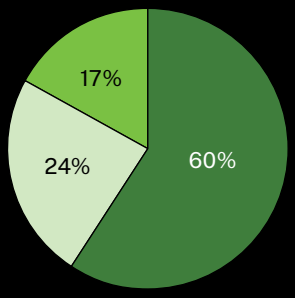
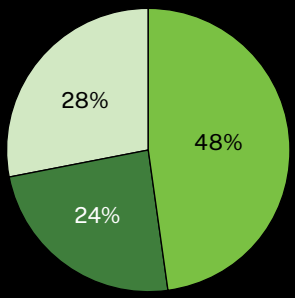
- Born Digital knowledge workers are less eager to return to the office than their leaders, believing that home-working is best for their well-being.
- This is poorly understood by leaders, who believe that the office is the best environment for both productivity and well-being, and that Born Digital workers will want to return to majority office-working.

When do they want to work?

- Facing an uncertain economic environment, Born Digital knowledge workers are not seeking fluid working styles or unconventional working patterns, but they do want flexible start and end times and a healthy work-life balance.

The best work setting for Born Digital employees in terms of productivity, creativity and wellbeing

Home | Office | Flexible workspace

	According to Born Digital employees themselves	According to business leaders
Productivity		
Creativity		
Wellbeing		

Born Digitals' preferred working hours in a post-pandemic world

A five-day week with flexible start and end times

Traditional 9-to-5 hours, five days a week

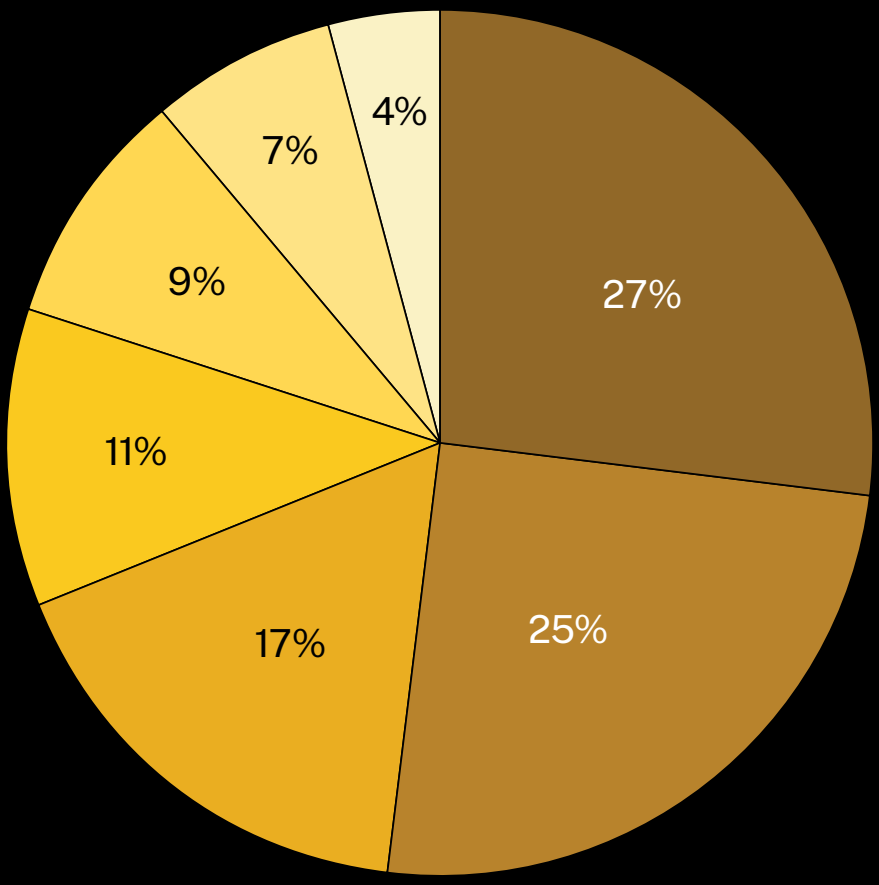
A four-day working week

Compressed hours

A fluid work pattern based on personal needs and commitments

Unstructured or output-based hours

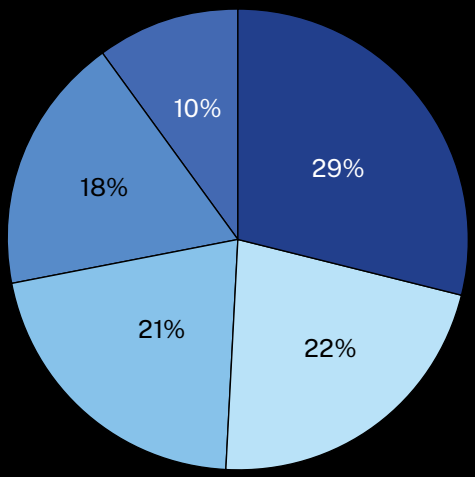
Working hours that change based on employer needs



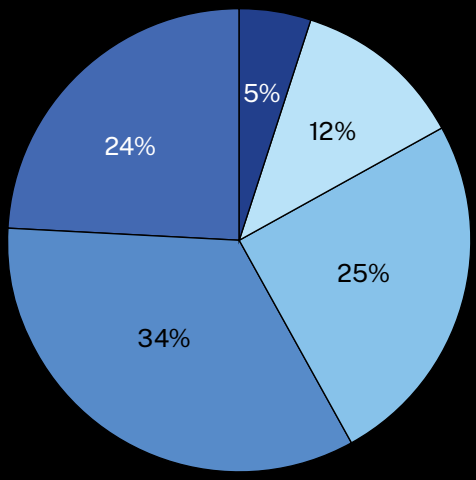
Born Digital employees' preferred working location

Home full-time | Office full-time | Hybrid with most of the time in the office | Hybrid with an even split | Hybrid with most of the time at home

According to Born Digital employees themselves



According to business leaders



How do they want to work?

- Leaders and their Born Digital employees are inhabiting separate 'tech bubbles'; Born Digital workers are much more likely to use informal channels like messaging apps for work conversations than their leaders.
- The pandemic has reminded Born Digital knowledge workers that social interaction is crucial in a business context (68% agree this is the case), leaving remote-working technology with a key role to play. 67% agree that the pandemic has shown that their organization needs to invest more in digital technology.
- Both business leaders and the Born Digital believe the crisis has accelerated digital transformation, but there is an appetite for additional tools and platforms.

Why do they go to work?

- Leaders believe that having the latest workplace tech is key to Born Digital workers' job satisfaction, but it is rather fundamental factors like career stability and a good work-life balance that are top of their list.
- Perhaps due to the impacts of the pandemic, younger workers are not as focused on purposeful work or aligning their job to their personal values as their leaders believe they are (or as leaders are themselves).

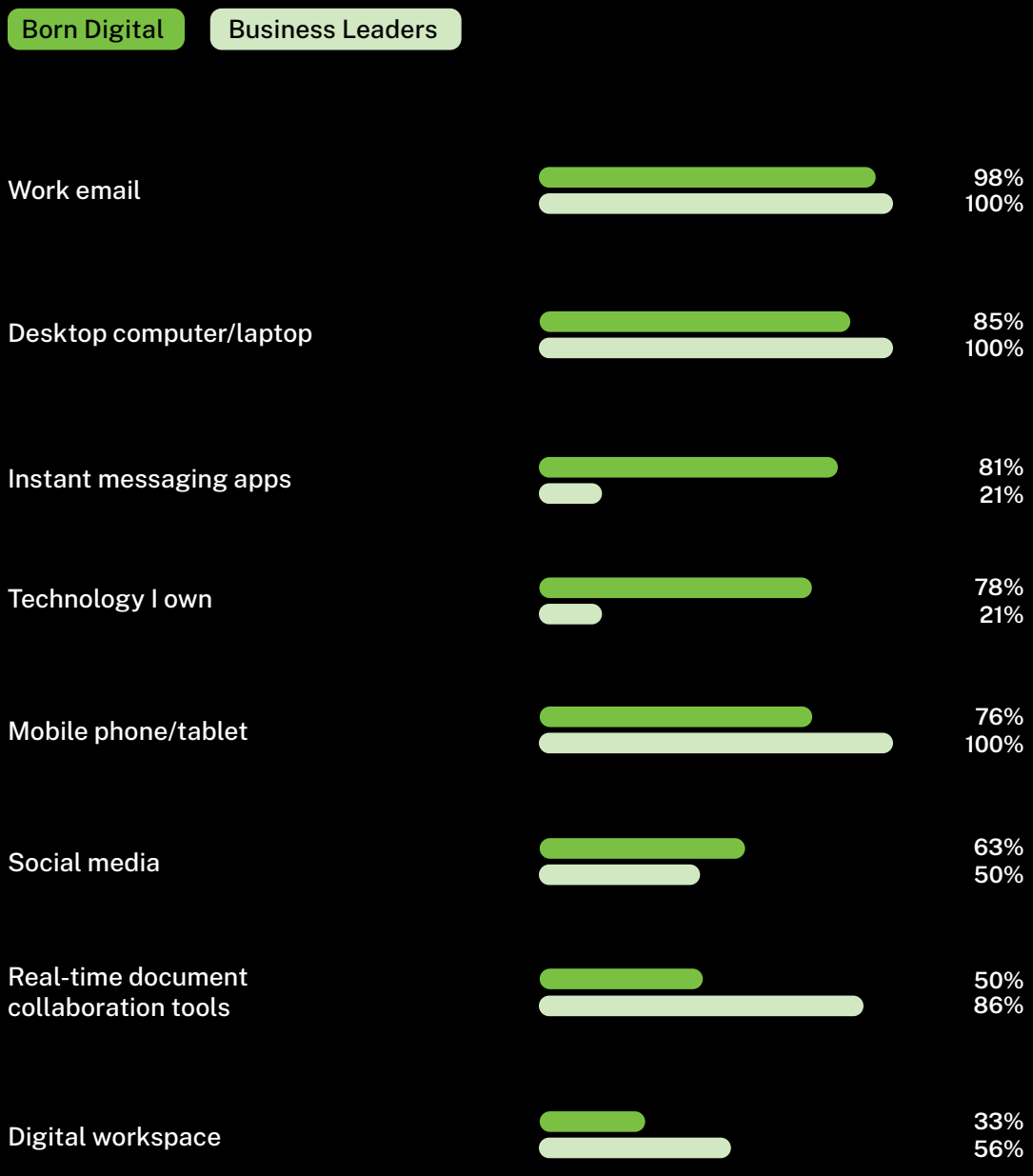
30%

of Born Digital employees would leave a role if they felt the organization lacked purpose, compared to

69%

of business leaders.

The technologies that Born Digital employees vs. business leaders use for work purposes



What Born Digital employees want from work*

Born Digital | Business Leaders

Top 5 - According to Born Digital workers themselves		Top 5 - According to business leaders	
1 Job satisfaction	88%	1 Access to the latest workplace technology	85%
2 Career stability and security	87%	2 Opportunities for additional qualifications and training	84%
3 A good work-life balance	87%	3 Job satisfaction	84%
4 A competitive remuneration package	85%	4 Meaningful work that has impact	83%
5 A good relationship with my manager	84%	5 A good work-life balance	83%

* The proportion who say this is an important factor.

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Part One

The Born Digital Dividend

The Born Digital Dividend

How young, tech-savvy workers are driving company profits.

To quantify the importance of young, highly-skilled and tech-savvy workers, Born Digital workers, Citrix worked with economists to design and build a bespoke economic model that assessed the impact of these employees on companies' profitability. The model examined the relationship between the size of a country's Born Digital population and the profitability of that country's businesses.

We found that a one percentage point higher Born Digital population in a country is associated with a 0.9 percentage point increase in profitability in terms of EBITDA margin (Earnings Before Interest, Taxes, Depreciation, and Amortization) for the firms based there. Put differently, businesses in a country with a five percentage point higher Born Digital population benefit from an extra 4.5 percentage points of EBITDA margin.

On a global level, this means that businesses based in countries with above-average Born Digital populations enjoy an extra USD1.9 trillion in corporate profits per year – equivalent to more than the entire market capitalization of the FTSE 100.

A one percentage point higher Born Digital population in a country is associated with a 0.9 percentage point increase in profitability for the firms based there.

Globally this represents an extra

$1.9 trillion

in corporate profits.

Benefiting from the Born Digital dividend

Our research demonstrates that a large, young population, a well-developed education system or even a high prevalence of digital skills is not enough to benefit from the Born Digital dividend. To realize the potential of this generation, a blend of all three is needed. Companies need to recruit, engage and retain their younger workers, and also ensure that they are well-trained and digitally literate. The model evidences the vital importance of digital skills to business success.

Countries in our study with relatively well-developed education systems or younger populations compared to their peers – such as the USA, China, the UAE, Mexico, the UK and the Netherlands – are benefiting most from the Born Digital dividend. These countries' above-average Born Digital populations are helping to ensure their businesses enjoy greater profitability, now and in the future.

Conversely, countries with relatively older populations, such as France, Germany and Japan, have the potential to reap greater reward. There is a clear opportunity for these countries to benefit from the Born Digital dividend by investing in higher education and digital infrastructure. Companies need to actively recruit younger workers, adapt their workplaces and working practices to suit this cohort, and invest in the skills agenda throughout their businesses.

The Born Digital Impact Map

USA

8.8% Born Digital population

+ $218 Billion
Impact on company profits

China

3.2% Born Digital population

+ $168 Billion
Impact on company profits

UK

11.2% Born Digital population

+ $133 Billion
Impact on company profits

Mexico

9.7% Born Digital population

+ $61 Billion
Impact on company profits

UAE

15.1% Born Digital population

+ $51 Billion
Impact on company profits

Netherlands

9.7% Born Digital population

+ $27 Billion
Impact on company profits

Japan

7.9% Born Digital population

- $25 Billion
Impact on company profits

France

6.9% Born Digital population

- $54 Billion
Impact on company profits

India

0.4% Born Digital population

- $221 Billion
Impact on company profits

Germany

5.4% Born Digital population

- $349 Billion
Impact on company profits

*For advanced economies (USA, UK, Germany, Japan, France and the Netherlands) the average Born Digital population was 8.1%. For emerging economies (China, India, México and the UAE) the average Born Digital population was 2.6%.

“

Organizations will need to prioritize digital wellness and ensure workplace technology is seamless and personalized to realize the potential of the Born Digital cohort, which is creating significant value and driving innovation in the workplace.”

Donna Kimmel

EVP and Chief People Officer, Citrix

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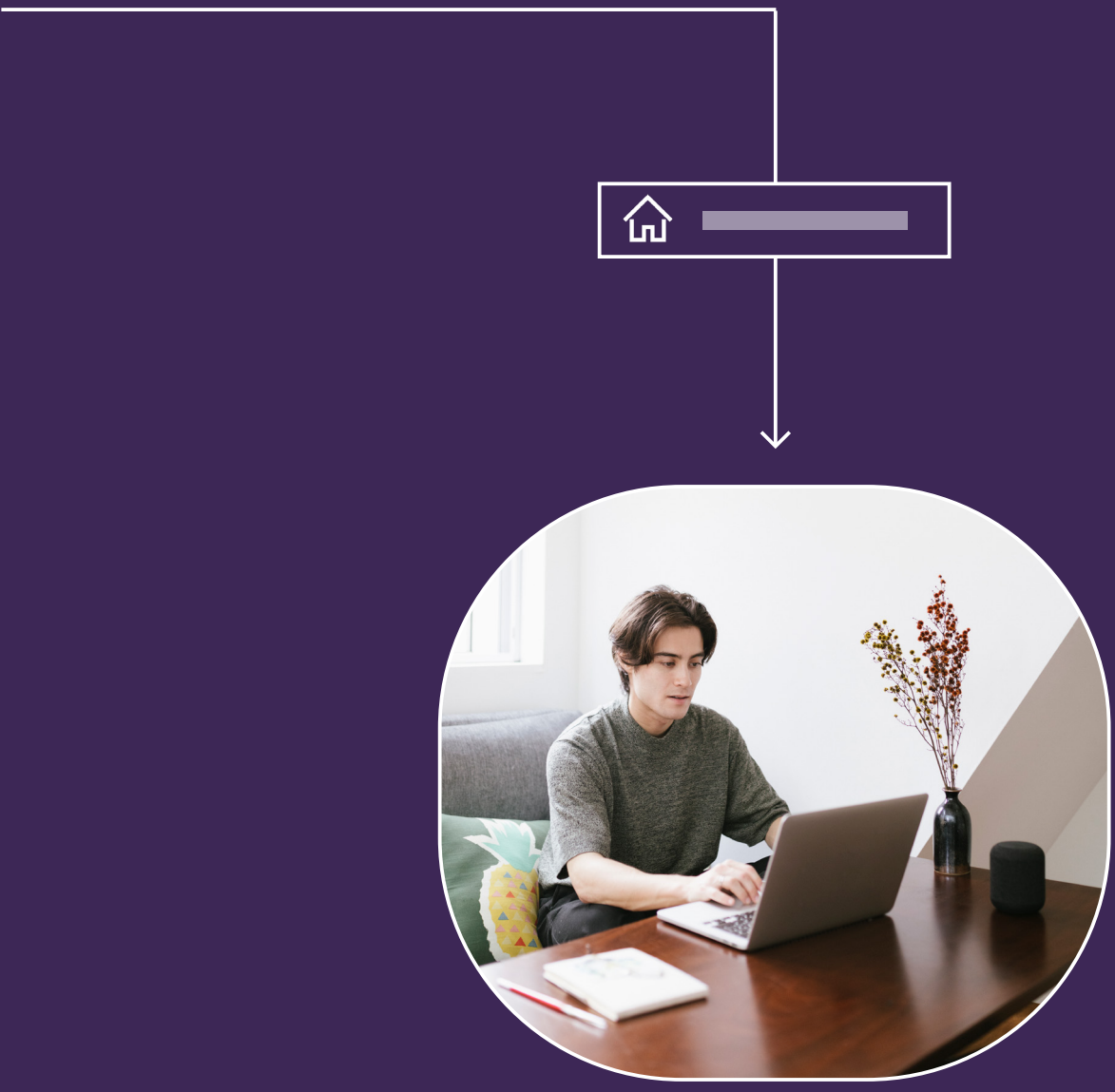
Part Two

Work Rewired



Work Rewired

How, when and where do Born Digital employees want to work, and what are their key priorities when choosing an employer?

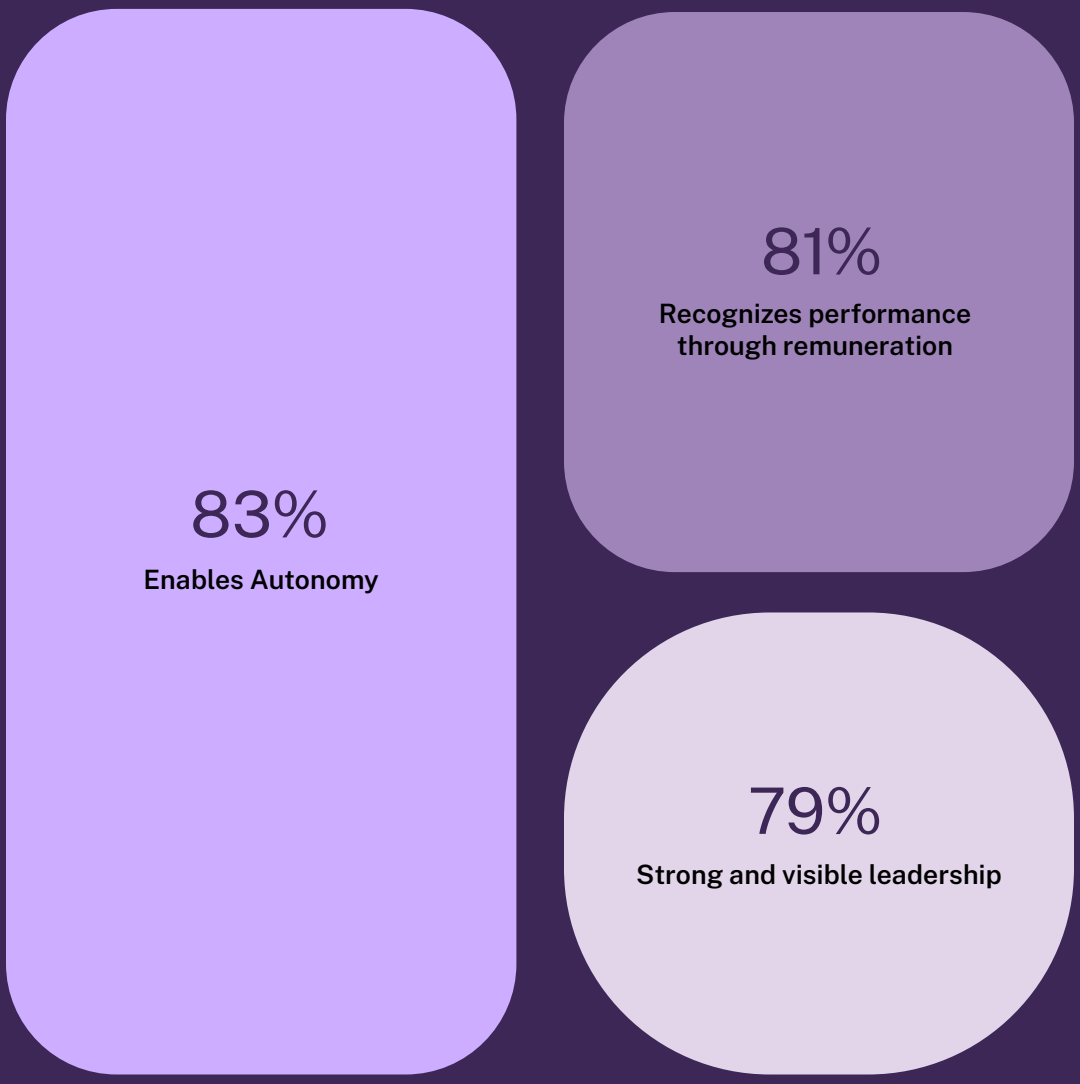
The COVID-19 pandemic has radically altered our expectations of work. Flexibility and work-life balance are now more important than ever, but job security and stability have also shot up the agenda.

Our research reveals that these priorities are particularly pronounced amongst the Born Digital cohort. More than anything, they want employers who give them autonomy. Although a five-day week is still a popular working pattern, they believe that they should be given the opportunity to work a four-day week if they choose. They also expect to be able to decide when to begin and end their working day, and many want to continue working-from-home, despite recognizing the value of social interaction with colleagues.

For the Born Digital, the new working world is all about choice.

Company culture: trust and recognition reign

The most important aspects of company culture to Born Digital knowledge workers when choosing an employer:



Company culture: trust and recognition reign

The top three most important aspects of company culture to Born Digital knowledge workers by country:

The UK

1. Enables autonomy
2. Recognizes performance through remuneration
3. Strong and visible leadership

The US

1. Enables autonomy
2. Innovative
3. Strong and visible leadership

France

1. Enables autonomy
1. Recognizes performance through remuneration
2. Purpose-led

Germany

1. Recognizes performance through remuneration
2. Highly collaborative
2. Enables autonomy
3. Recognizes performance through company-wide acknowledgement

The Netherlands

1. Strong and visible leadership
2. Enables autonomy
2. Recognizes performance through remuneration
2. Purpose-led

Mexico

1. Strong and visible leadership
2. Highly collaborative
2. Prioritizes learning and development

The UAE

1. Enables autonomy
1. Highly collaborative
1. Prioritizes learning and development

India

1. Enables autonomy
1. Innovative
1. Prioritizes learning and development

China

1. Prioritizes learning and development
2. Innovative
3. Recognizes and understands diversity

Japan

1. Enables autonomy
2. Highly collaborative
3. Prioritizes learning and development

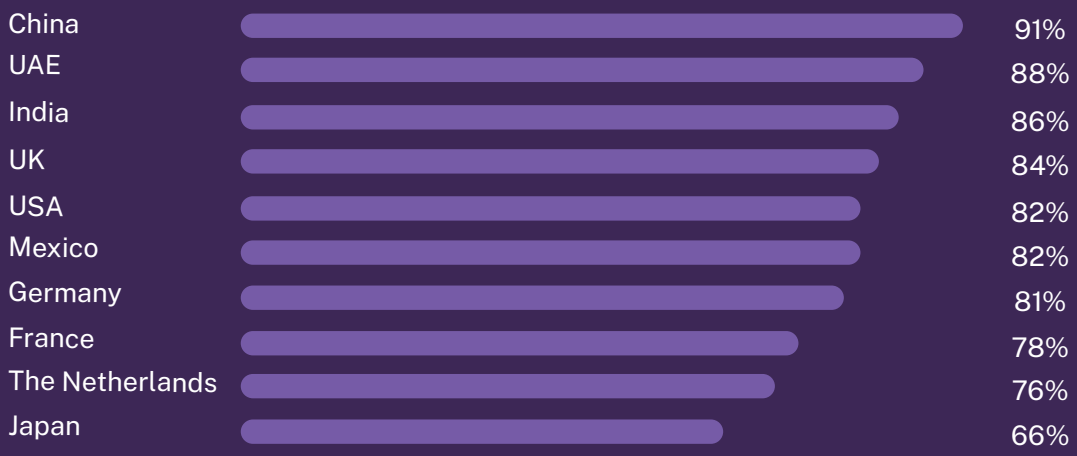
Proportion of Born Digital employees who believe that employers should offer the opportunity for flexible working hours.

Globally

82%

of Born Digital employees believe that employers should offer the opportunity for flexible working hours.

By Country



Proportion of Born Digital employees who say that employers should have a better understanding of family commitments.

Globally

74%

of Born Digital employees say that employers should have a better understanding of family commitments.

By Country

Proportion of Born Digital employees who say that employers should offer the opportunity to work a four-day week.

Globally

69%

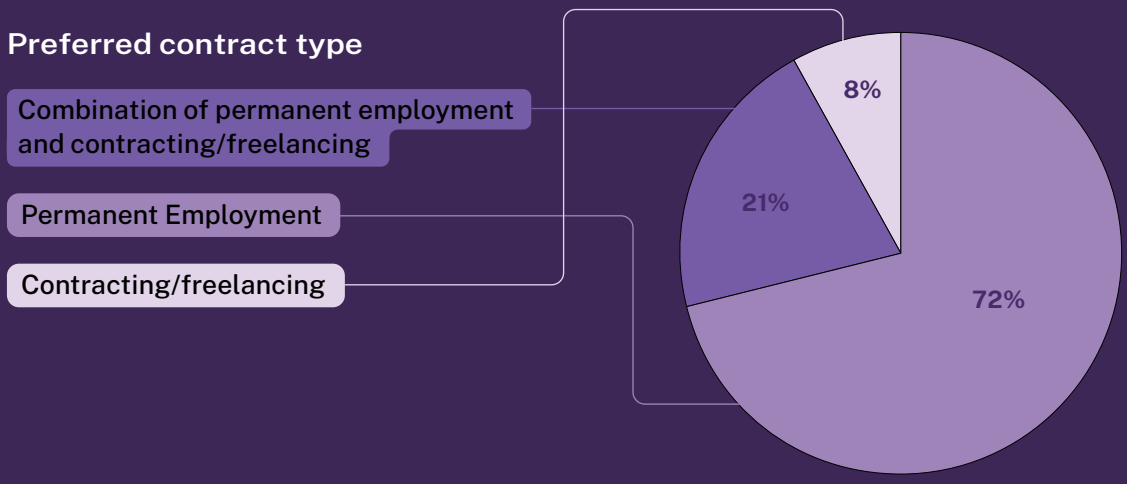
of Born Digital employees say that employers should offer the opportunity to work a four-day week.

By Country

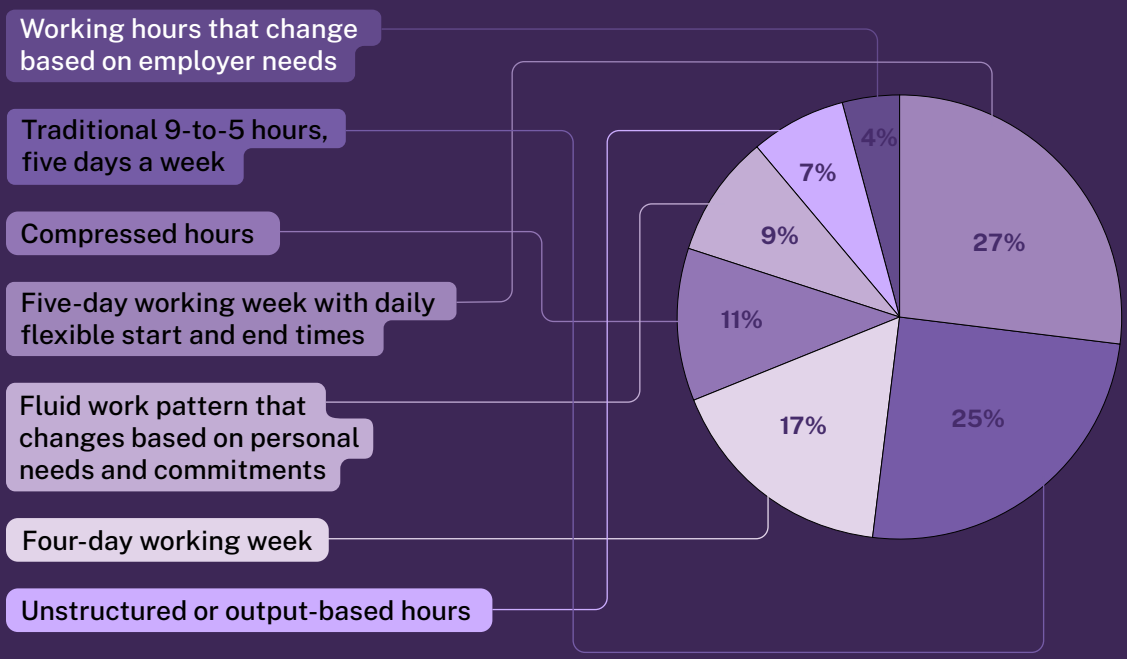
Working patterns: permanence is popular

Most Born Digital knowledge workers prefer permanent employment to freelance working. A five-day working pattern with flexible start and end times is the most popular weekly work pattern.

Preferred contract type



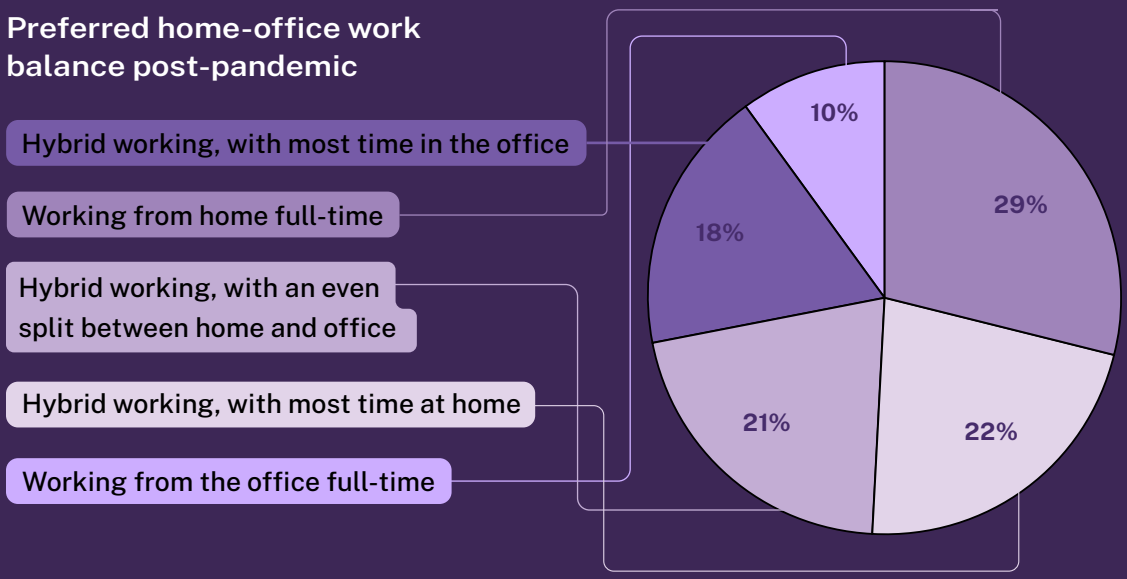
Preferred working patterns



Working locations: distributed workforces are here to stay

Although 68% of Born Digital knowledge workers say that working-from-home has made them recognize the importance of social interaction in a business context, they are not demanding a return to the office.

Preferred home-office work balance post-pandemic



The COVID-19 effect

Has the pandemic encouraged Born Digital knowledge workers to consider their options? Although the COVID-19 crisis has forced many of us to reimagine the way we work and to rethink our work-life balance, few younger workers are willing to take the leap right now. Three in five Born Digital workers have decided to stay in their current role longer because of the uncertain job market caused by the pandemic. Under a quarter **(23%)** say that they are actively looking for a new career because the pandemic has led them to reassess their job role. But employees do need help to make some smaller changes: over two-thirds of Born Digital knowledge workers **(67%)** would like advice on how to reduce screen time and the importance of logging off. Business leaders have failed to get this memo, however: just 28% say that this is something their organization has offered.

“

Every organization faces an unprecedented challenge: where and what is the ‘workspace’ in the wake of the pandemic, and how do we set up our teams for success in a world of widespread flexible work? Our employee experience (EX) research identified three principles that create conditions for an advanced employee experience: empowering individual progress, deepening empathy from human insights, and partnering to foster linked and shared EX ownership. This latest data emphasizes the importance of empowerment and individual choice, especially for newer generations. Today’s leaders need to enable their talent to work anywhere, anyhow, anyway, on any device.”

Donna Kimmel

EVP and Chief People Officer, Citrix

Generation Remote

The young knowledge workers who entered the workforce during the pandemic

A swath of young knowledge workers started their career during the pandemic. Distributed working is all they have ever known. To understand the impact that this has had on their work attitudes, values and aspirations, we split the Generation Z workers (aged 18-24) in our sample into those who started work before March 2020, and those who started afterwards, who we refer to as Generation Remote.

We found that Generation Remote knowledge workers are more focused on a healthy work-life balance and company cultures that prioritize collaboration and acknowledgment than their peers. Almost nine in ten (87%) say that work-life balance is important, putting this at the top of their list of work priorities, while job satisfaction tops the list for other Generation Z employees.

Generation Remote crave collaboration and recognition

The three most important aspects of company culture for Generation Z when choosing an employer

Generation Z workers who started before March 2020

1. Recognizes performance through remuneration — 82%
2. Enables autonomy — 80%
3. Prioritizes learning and development — 78%

Generation Remote (Generation Z workers who started after March 2020)

1. Highly collaborative — 86%
2. Recognizes performance through company-wide acknowledgement — 81%
3. Recognizes performance through remuneration — 81%

Generation Remote workers are understandably concerned about job security: 57% say that they are working harder because the pandemic has made them anxious about losing their job. But despite this, they are more inclined to turn down or leave roles that don't fit. Almost two in five (38%) would leave a role if they felt the culture did not reflect their personality adequately, compared to just a quarter of other Generation Z employees. And 66% say that they are more focused on 'doing good' than career progression, compared to 56% of Generation Z employees who started work before the pandemic.

The research also reveals that although these workers value collaboration and connection highly, they are not eager to embark on office life. Almost three in five Generation Remote employees (59%) would prefer to continue working-from-home either all of the time or most of the time going forward. Workplace technology will therefore have a key role to play in keeping these distributed workers engaged, while creating a collaborative and supportive environment that aligns with their values. But, against a backdrop of heightened uncertainty and employment anxiety, technology that enables collaboration and engagement needs to be paired with policies and best practices to promote employee wellbeing and encourage down-time.

The data also indicates a missed opportunity here: Generation Remote employees express high levels of positivity towards a range of workplace technologies, but so far few are being given the opportunity to use them. For example, 79% are positive about the idea of using real-time collaboration tools, yet only 45% currently use them; and 58% are positive about using digital workspaces, but only 29% use them currently.

"We found that Generation Remote knowledge workers are more focused on a healthy work-life balance and company cultures that prioritize collaboration and acknowledgment than their peers."

Donna Kimmel
EVP and Chief People Officer, Citrix

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Part Three

The Born Digital Disconnect

The Born Digital Disconnect

Despite acknowledging their young employees' value, business leaders are out of touch with what they really want.

Business leaders understand the value that Born Digital employees bring to their business and want to provide a working environment that enables them to thrive. Over three-quarters of leaders (77%) believe organizations that fail to provide the right environment for young workers will be at a serious competitive disadvantage, and almost two-thirds (63%) think organizations that fail to harness this group's creativity and digital prowess are much more likely to fail.

However, the research also reveals that business leaders are struggling to identify what the "right environment" actually is; they are disconnected from the wants and needs of their Millennial and Generation Z employees. If this divide is not overcome, businesses risk leaving their future leaders disengaged and unmotivated. As highlighted in Fieldwork by Citrix's Thrive With Employee Experience study, empathy in particular is a vital component of building out an effective employee experience strategy and should arguably be applied in this context too.

The tech divide

In a world of distributed work, tech tools and messaging platforms are critical for maintaining a sense of company culture and enabling effective teamwork. Yet our research finds that business leaders are largely inhabiting separate "tech bubbles" from their younger employees. Strikingly, our study finds that only 21% of business leaders use instant messaging apps like Slack or WhatsApp for work purposes, compared to 81% of Born Digital employees. Sentiment towards these platforms is also starkly different: only 26% of business leaders are positive about using instant messaging apps for work, compared to 82% of Born Digital workers. This seems to be a hierarchical divide rather than a generational one: 83% of Millennial employees like the idea of using messaging apps for work, whereas 67% of Millennial leaders dislike using them.

Born Digital vs Business Leaders: Use of and attitude towards workplace technologies

“

We’re increasingly using digital platforms to communicate at work. But if business leaders are not spending time in the same digital spaces as their workers, they may miss out on the feelings, attitudes, and needs of their workforce. Our research shows that this is happening: Many business leaders don’t understand what is most important to their Born Digital workers. Those leaders who engage on the same technologies that their teams are using will be equipped to design employee experiences around what actually matters.”

Donna Kimmel

EVP and Chief People Officer, Citrix

Focusing on fundamentals

There are some clear disconnects between what business leaders believe is most important to their younger workers and what Millennial and Generation Z employees are prioritizing. Faced with an uncertain job environment, younger workers are most focused on fundamentals like career stability and security (important to 87%), and a good work-life balance (also 87%). This is poorly understood by leaders, who believe that access to the latest workplace technology is the most important factor, when in fact this sits at the very bottom of Born Digital employees' priority list. Rather than demanding access to cutting-edge technologies, Born Digital employees want tools that enable and empower them to work flexibly and efficiently. Instead, they are being given too many tools that force them to adapt the way they work as opposed to allowing them to work the way they want.

Leaders overestimate office appeal

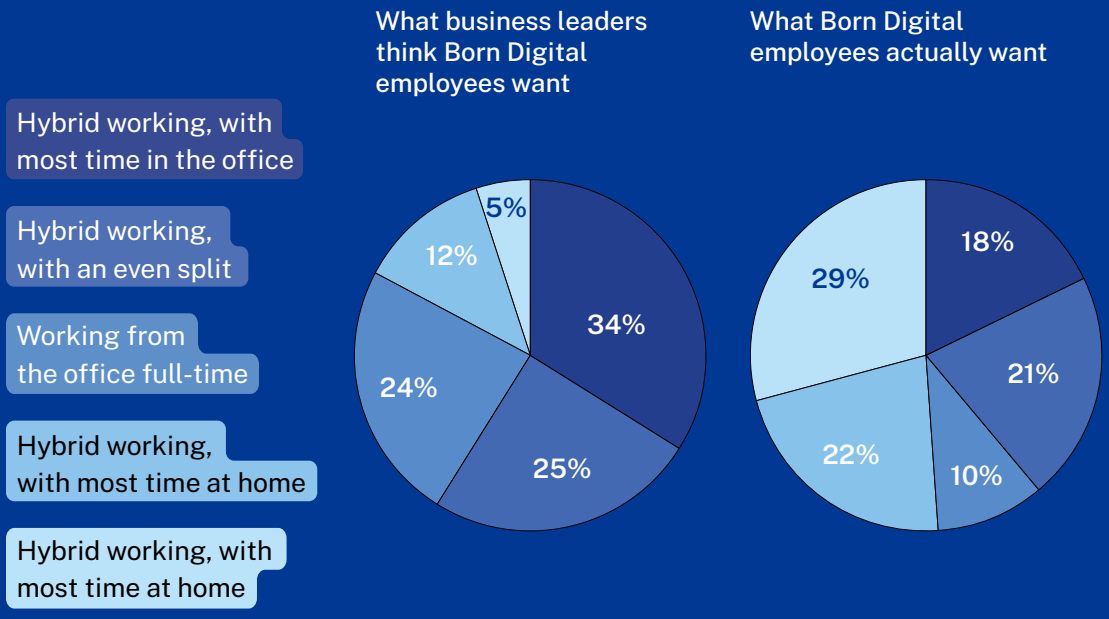
90%

of Born Digital employees do not want to return to full-time office work

51%

want to remain working-from-home most or all of the time

However, eaders mistakenly believe younger workers have a stronger desire to return to the office. When asked what they thought their younger workers' preferred working location would be, leaders put hybrid working with most of the time in the office in first place (34%) followed by an even split between the two (25%), and then office-working full-time (24%).



Business leaders need to understand that people are not going back to working the way they did. Hybrid, flexible work is here to stay, and companies need to find a way to simplify work and give their employees the space they need to succeed in a distributed environment.

Tomorrow's leaders

By 2035, the Born Digital will occupy the majority of C-Suite positions. But what do they plan to prioritize when they reach leadership level? While 90% of today's leaders say that improving their company's profitability is a top priority, 83% of Born Digital workers say they would **prioritize employee wellbeing** as they advance in their career.

There are some interesting differences by country, however. Born Digital employees in China and the UAE are most likely to say they would prioritize innovation and developing new products and services.

The top priority for Born Digital if they were to take on a leadership role in the future

People

including 'employee wellbeing', and 'building the right team and enabling promotions from within'.

United Kingdom
United States of America
France
Germany
Netherlands
Mexico
India
Japan

Company Success

including 'innovation and developing new products or services' and 'improving the organization's profitability'

United Arab Emirates
China

Born Digitals care less about business-purpose than leaders

Millennials and Generation Z are often seen as more purpose-driven than previous generations. Yet our study reveals that business leaders are more likely to be focused on purposeful work and aligning their job with personal values than the Born Digital. Sixty-nine percent of business leaders say that they would leave an organization that lacked purpose, compared to 30% of Born Digital employees. Despite the 'identity politics' seen to characterize younger generations, only 28% of Born Digital workers would leave a role if they felt the culture did not reflect their personality adequately, compared to 58% of business leaders. Business leaders are also more likely than younger workers to say that they would leave an organization if it didn't have a strong focus on sustainability, or if their employer did not have a social conscience.

Could it be that purpose is a privilege that few Born Digital employees currently believe they can afford?

"Choosing whether you want to take a job or stay at a job based on how much it aligns with your values is a privilege. The Born Digital, particularly Generation Z, are emerging in their careers. They are focused on building a foundation for themselves financially and professionally. As younger employees grow into future business leaders, they will likely gain a greater sense of freedom around the career decisions they make."

Gen Z

Emma Coll

Organizational Development Specialist, Citrix

Work values: the workplace “red lines” for young workers and business leaders

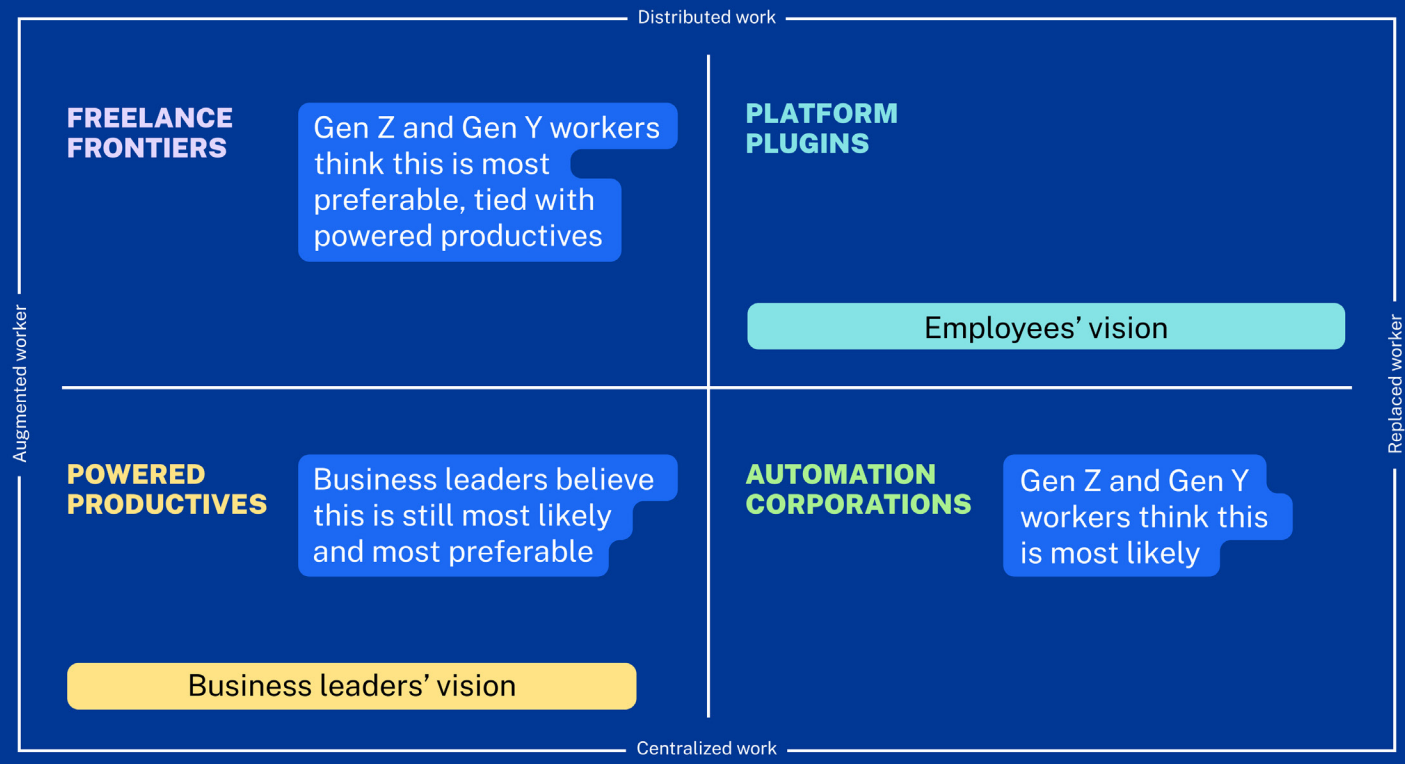
Born Digital | Business Leaders

The Born Digital and the four worlds of work

Fieldwork by Citrix's Work 2035 study found that most business leaders anticipated a 'Powered Productives' world of strong corporate structures fueled by a flourishing partnership between people and technology. Most employees, meanwhile, foresaw a much more fragmented 'Platform Plugins' world, with big corporates no longer dominant, and many roles replaced by technology.

This study finds that – in line with Work 2035 – Born Digital workers are more likely to think that by 2035 human workers will be largely replaced by technology while business leaders are more likely to think that workers will be augmented by technology. But, unlike the Work 2035 findings, Millennial and Generation Z workers generally agree with business leaders that work will be centralized rather than distributed.

The concern amongst employees that technology is a threat to jobs is something that business leaders need to urgently address. Leaders will need to invest in technology that creates the collaborative, supportive, collective environment that Born Digital employees seek, redesigning digital workspaces and IT systems around intelligent, inspiring experiences that empower employees to solve problems in creative ways, and make decisions more quickly.



Fieldwork
by Citrix

Conclusion

Building a Future-Fit Workplace

Building a future-fit workplace

In 2035, organizations will be led by the Born Digital generation. This cohort has grown up with technology integrated into their lives and information always at their fingertips, and they expect work technology to be seamless and intuitive. But these employees have also entered the workforce during turbulent times and are dealing with a working world that is transforming faster than ever before. As a result, their priorities are different from those of older generations; above all, they are seeking a healthy work-life balance and the flexibility to work how, when and where they choose. Today's leaders, dwelling in separate digital realms from their younger employees, are failing to recognize what is most important.

If this divide is not overcome, leaders risk creating employee experiences that do not match what their Born Digital workforces really want. Our economic model proves the financial benefit for countries and businesses investing in this crucial, and increasingly dominant, segment of the workforce. As well as having a disproportionate impact on the bottom line, the Born Digital are also the C-suite of tomorrow. To ensure future success, business leaders need to work on creating employee experiences that are intuitive, personalized and intelligent, and that really cater to what is important to their employees.

Technology has a critical role to play. Over four in five leaders (82%) and 65% of Born Digital employees say that their organization has accelerated its digital transformation in response to the pandemic, but there is clearly further to go. While over two-thirds (67%) of Born Digital employees believe that the pandemic has shown that their organization needs to invest more in digital technology, only 22% of business leaders believe this is the case. Given the separate digital spaces they are occupying, are employees' feelings on this issue failing to reach the leadership team?

Our opinion research reveals widespread enthusiasm for workplace technology that is not yet ubiquitous. For example, just 33% of Born Digital workers currently use a digital workspace, but 67% have a positive attitude towards this technology. A platform like this can unify, secure and simplify work, allowing employees to work free from noise and perform at their best, wherever they are. Technology platforms can enable individuals and teams to share and align their goals, interact in high-quality ways, and focus on work that matters – and enjoy it. This provides Born Digital workers with the choice, autonomy and flexibility that is so central to their job satisfaction – and which ultimately dovetail into the three key principles of individual progress, empathy and partnership outlined in our sister research Thrive With Employee Experience. These are all crucial to future business success.

Detailed methodology

The Born Digital Effect examines the impact of young knowledge workers on company performance and assesses the extent to which today's business leaders understand this group's working priorities, values and preferred working styles. The study is based on a two-part research study combining global opinion research amongst business leaders and employees and economic modeling.

Citrix, working with Man Bites Dog and research company Coleman Parkes, asked the opinions of over 1,000 C-Suite leaders and key decision makers within both large, established corporations and mid-market businesses (at least 250 employees, or 500 employees in the US). We also surveyed 2,000 young employees (aged between 18 and 39 at the time of the research), investigating their work values, priorities and working styles. This enabled a powerful gap analysis between the views of organizational leaders and their younger workers.

We were also able to further segment the younger employees into Generation Z (age 18-23 at the time of the research - 750 respondents) and Millennials (age 24-39 at the time of the research - 1,250 respondents). Furthermore, to assess the differences between young workers who started work before the COVID-19 pandemic and those who only started work after the pandemic began, we also segmented the Generation Z sample into those who started work before March 2020 (650 respondents) and those who started afterwards (100 respondents). We refer to the latter sample as "Generation Remote".

Respondents were from the following countries: France, Germany, the Netherlands, the UK, Mexico, the US, the UAE, China, India and Japan and in the following industries: financial services; healthcare and life sciences; technology; professional services; manufacturing and retail. Interviews were conducted in late 2020 and early 2021.

Economic model

Citrix, working with Man Bites Dog and strategic analysis and consulting firm Oxford Analytica, built a five-step economic model to estimate the association of the Born Digital (defined as highly skilled, digitally savvy employees aged 18-39) population with corporate profitability. The model estimated their impact at firm level on a dataset of 53 countries. For the purpose of this study, we illustrated the results from the 10 focus countries (France, Germany, the Netherlands, the UK, Mexico, the US, the UAE, China, India and Japan) only.

We used pre-2020 data to ensure the data inputs into the model were not impacted by the COVID-19 pandemic.

Step One: Define and identify the Born Digital

We built a dataset of the Born Digital by country using a unique blend of international demographic statistics. The Born Digital population was defined by three key characteristics:

Presence of population aged 18-39 (at the time of the research). Source: United Nations Demographic Statistics Database

Higher-education level. Source: OECD

Digital skills level (including daily internet use, social and professional networking, internet banking, online learning, and media). Source: OECD

Step Two: Identify the world's listed businesses

We built a dataset of 24,000 listed firms across the globe that captures country of location and profitability (defined as earnings before interest, taxes, depreciation, and amortization - or EBITDA as a percent of sales; 'EBITDA margin'). Source: Thomson Reuters

Step Three: Understand the correlation between the two datasets

We examined the relationship between the two datasets (i.e. steps one and two) to assess the level of significance between the concentration of the Born Digital in a country and the profitability of a country's businesses. We did this through 'regression analysis': a statistical method for estimating the relationship between an outcome variable (i.e. profitability) and an independent variable (i.e. the concentration of the Born Digital). We also allowed for other independent variables which may impact business performance.

Expressed as a formula this looks like:

Business Profitability (EBITDA margin) = Born Digital population + GDP per capita + GDP growth + Skill diversity of graduates + Population + Industry sub-sector + Year + Region of the world

Our key finding from Step 3 was that a 1 percentage point higher Born Digital population in a country is associated with a 0.9 percentage point increase in profitability (EBITDA margin of sales) for the firms based there.

Step Four: Calculating the economic impact at a country level

We then calculated how much more or less a given country's Born Digital population is than the average for similar countries. As the presence of a Born Digital population is driven in part by higher education levels, we used different averages for 'advanced' countries (8.1% of the total population) and 'non-advanced' countries (2.6% of the total population).

The regression analysis (Step 3) demonstrated that a Born Digital population that is one percentage-point above average is associated with a 0.9 percentage-point higher EBITDA margin. Put differently, businesses in a country with a five percentage point higher Born Digital population enjoy an extra 4.5 percentage points of EBITDA margin.

To calculate what this percentage would mean for corporate profits (USD) we multiplied the percentage difference (between the country's Born Digital population and its international peers) by the total corporate sales within a given country.

Step Five: Calculating the economic impact at a global level

We summed all countries with above-average Born Digital populations and therefore a Born Digital Dividend - to give us the positive impact of the Born Digital population on corporate profitability across the world. We considered 183 countries comprising 97.3% of global GDP.

Further Reading

REPORT: Work 2035: How people and technology will pioneer new ways of working - View here

REPORT: Thrive with employee experience: Apply three principles to fuel EX that unlocks your organization's potential - Download here

E-BOOK: The state of remote work: A guide for leaders looking to navigate new norms in the world of remote work - Download here

Endnotes

[1]The percentages represent the proportion of respondents who said that these aspects of company culture are important to them when choosing an employer.