

POLICY WATCH – December 2022

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All of us at North Bay Leadership Council hope you have very Happy and Healthy Holidays. Like you, we look forward to spending time with our families and friends and counting our blessings as we end 2022.

In this issue, we look ahead to what kinds of priorities we should set as we face another year of uncertainty and volatility. 2022 wasn't the year we expected and as we enter 2023, we do so with cautious optimism and lessons learned on how to cope with the many changes we face.

When we look to the future, we look at our younger generations as they begin to assume the mantle of leadership. The Gen Zers are the largest demographic group now in America and are bringing more change with their ascendancy. We share with you insights on this generation and hope you are excited to get to know this exciting generation better. Our future looks bright with them as emerging leaders!

Best,

Cynthia Murray
Cynthia

Priorities for Leading in 2023

In [What matters most? Six priorities for CEOs in turbulent times](#), by Homayoun Hatami and Liz Hilton Segel ([Link](#)), these McKinsey & Company authors give the priorities they have discovered to be the top six for CEOs going into 2023.

They start with resilience. "...Resilience is emerging as a vital "muscle" for companies operating in a world of endless volatility and disruption. The pandemic asked companies to move much faster. Now inflation seems to be here for the duration, thanks in large part to depleted supply chains, especially in energy. That's causing companies to deploy their newfound speed across all six dimensions of resilience: finance, operations, technology, organization, business model, and reputation. US companies are pursuing one path; European companies are responding slightly

differently, as befits their circumstances. For CEOs, the overriding question today is: How resilient is your company?”

They say, “A second priority centers on an old-fashioned virtue: courage. With lots of indicators flashing red, it’s tempting for business leaders to pull back a bit, postpone some initiatives, and scale back on growth plans. Tempting, but wrong (for most companies). The best leaders and companies are ambidextrous: prudent about managing the downside while courageously pursuing the upside. These leaders are thinking about the next decade, not the next month. Many are spurring their organizations to rethink opportunities and reset the strategic gameboard in light of the current volatility. As one CEO said, “I don’t want to benchmark our performance to the industry—I want to reinvent the industry.”

The third priority is business building. “More than half of top executives consider business building a top three priority. How do they do it? They begin by setting the bar very high (think unicorns), and then they protect the new business from business as usual. The most fertile ground for new-business building is green technologies; our research has identified 11 such businesses whose collective value could be \$12 trillion in a few years. To claim a leading position in these value pools, CEOs need to remember that, in these capital-constrained times, they have an edge that start-ups do not: they can endow new businesses with the assets needed for success.”

Fourth is new and better technology which is needed “when going after new green business opportunities. It’s true for all the nontech companies that are making the shift to put software at the heart of their business. And it’s also true for all the companies seeking to get maximum value from their digital transformation. But that’s just the start; technology is always evolving, offering new opportunities to CEOs looking to transform their business. For inspiration, take a look at the top tech trends we’ve identified, working with 100 of the world’s leading experts. Which of these trends will your company use to gain an edge? Find the right ones, then follow the path that hundreds of unicorns have established to build a successful digital business.”

The authors exclaim, “What a difference a year makes: the road to net-zero emissions, our fifth CEO priority, has taken a most unexpected turn. Only last November at COP26 (2021 United Nations Climate Change Conference), business leaders’ pledges to target nearly 90 percent of CO2 emissions for reduction signaled that the private sector was truly engaged for the first time. Then major new headwinds began swirling—surging inflation, war in Europe, energy insecurity, and a potential global recession. These are the most serious challenges in at least a generation, many leaders have told us. But there’s some surprisingly good news: the goals of sustainability, economic competitiveness, affordability, and national security dovetail as never before. It’s up to the CEO to adapt, mitigate, and knit these concepts into a vehicle that goes from zero to net zero; the how-to can be found here.”

And the authors conclude, “The people needed to make all the foregoing happen are never far from the minds of leading CEOs. The sixth priority we’ve heard is that leaders need to reengage employees. In recent years, the contract with workers has become a little too transactional for

anyone's liking—we pay you, you show up, see you tomorrow. In the wake (we hope) of the COVID-19 pandemic, CEOs need to find a new plan of engagement. Getting the hybrid work model right is one dimension. But a requirement to spend two days in the office, say, is going to get old really fast without some new incentives. CEOs need to think hard about the office of the future, a place where workers want to be—to see friends, riff on new ideas, and find enough meaning in their work to get them through the next week of pallid video calls. Do these things well, and you'll find your retention problems are eased."

And lastly, there is advice to take to heart on one more priority from [Frances Hesselbein, Renowned Longtime Leader of Girl Scouts, Dead At 107. Her Final Advice to CEOs: 'Focus on How to Be' in Chief Executive, Link.](#)

"The biggest opportunity for today's leaders is to invest in the next generation. Stewardship is an important leadership characteristic, and developing future talent is necessary for any organization to thrive. But it's not just about that. When I look at our young leaders, I am so inspired! I see so much talent and energy. We need to engage these young leaders now—they have so much to offer as we try to address major challenges like poverty, climate change and so much more."

"I challenge CEOs and other senior leaders everywhere to look deep within your organizations. Are you making the most of your talent? Are you doing everything you can to ensure young leaders can thrive?"

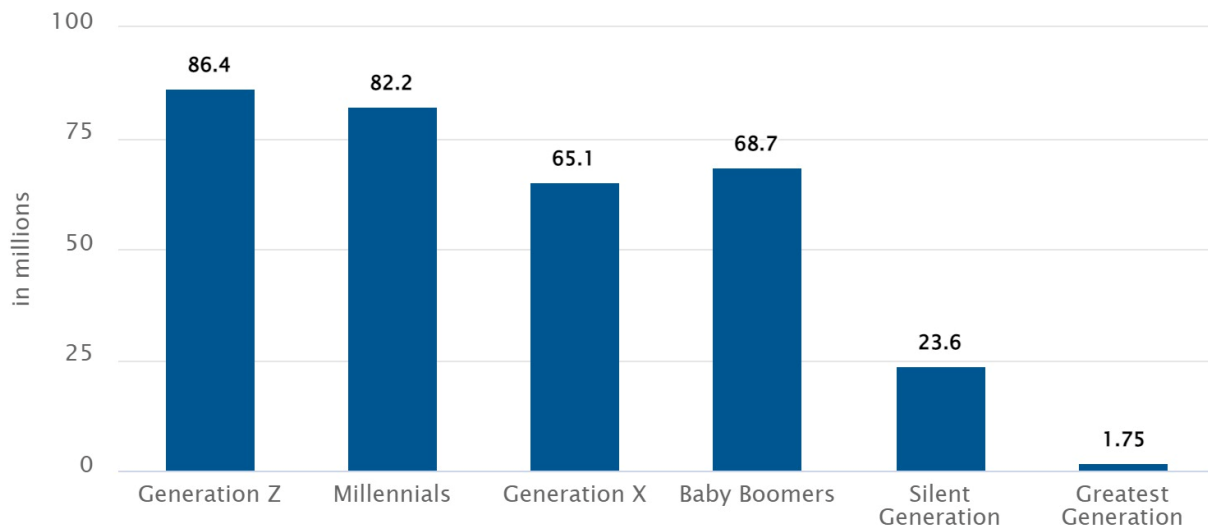
"Throughout my career, I have always fallen back on a single principle: To Serve is to Live. This is my battle cry. This principle represents a philosophy tested over a long, long journey, and it is as fresh and compelling today as it was when I first adopted it many years ago."

"The coming year will almost certainly bring new challenges, even as we continue to wrestle with lingering effects of the pandemic, a polarized political climate and so much more. But if leaders remember this battle cry—to serve is to live—and if they consistently ask themselves, "How can I serve?" I am confident they will succeed."

Gen Z is the Future -- and the Present

Building on the advice of Frances Hesselbein, we want to learn more about the emerging leaders in the next generations, Millennials and Gen Z. If we want to prepare for the future, we need to look at demographics. There is a big shift happening now that merits our attention. The following are excerpts [from 8 Generation Z Trends & Predictions for 2022/2023—A Look Into What's Next](#) by James Anthony, ([Link](#)).

US Population by Generation in 2020



Designed by  FinancesOnline

Gen Z is Different than Any Other Previous Generation

Gender-fluid Concepts

Over the past years, we've seen how more and more businesses are opening up to gender-neutral products, and for a good reason: Gen Z reports being a generation more accepting of non-binary products. Gen Z's power extends in allowing a new wave of acceptance that's not restricted to any gender at all. With this, various brands like Sephora and Telfar took the major steps to a more accommodating and gender-neutral industry.

As shown in several studies, binary-gendered options are a thing of the past. Back in 2015, Facebook, apart from the male and female options, started adding a third one: the custom option, where users can select from 58 different identities, such as androgyne, trans-male, trans-person, and more, prompting other brands and companies from various industries to do the same. Milk Makeup, a cosmetics brand, followed in 2016 by launching a makeup campaign that includes everyone, starting from trans models to cis straight men wearing makeup.

This shift to gender-neutral products opened new doors for businesses to expand their brands. This also allowed them to relate more to Gen Zers and retain them as loyal customers. The strategy improves customer experience for Gen Zers. Instead of products "made for men" or "made for women," brands are using product categories instead and getting rid of stereotypical gender roles. Such a trend is expected to continue in the coming years as businesses prepare to cater to the demands of the new generation.

Concerns on Mental Health

Today's current headlining issues, from immigration, sexual assaults, mass shootings, to environmental decline, are affecting the whole world, and it can be too much for anyone. With these issues plus, other internal and sociological factors, Gen Z becomes the generation feeling the impact more as compared to their predecessors. After that, they are the ones most likely to report mental health concerns. And Gen Z, being a big part of today's workforce, considers mental health as a factor that affects their work environment.

Prior to the pandemic, a study found that many Gen Z workers usually suffer from anxiety and stress. Its follow-up study found that the stress levels of Gen Zers appeared to have declined, likely because of the general shift to remote work and the slower pace of life in general. Nonetheless, the study found that 48% of Gen Zs feel anxious or stressed all or most of the time (Deloitte, 2020).

In an earlier study, nearly 9 in 10 Gen Z adults report having at least one or more emotional or physical symptoms because of various stressors in their lives, according to a study by the American Psychological Association. About 58% report being depressed or sad, and 55% experience a lack of interest, motivation, or energy. This leads to companies encouraging workplace wellness programs in an attempt to take care of the mental health of their employees. As a result, employers can minimize the health care costs allotted to their businesses and workers.

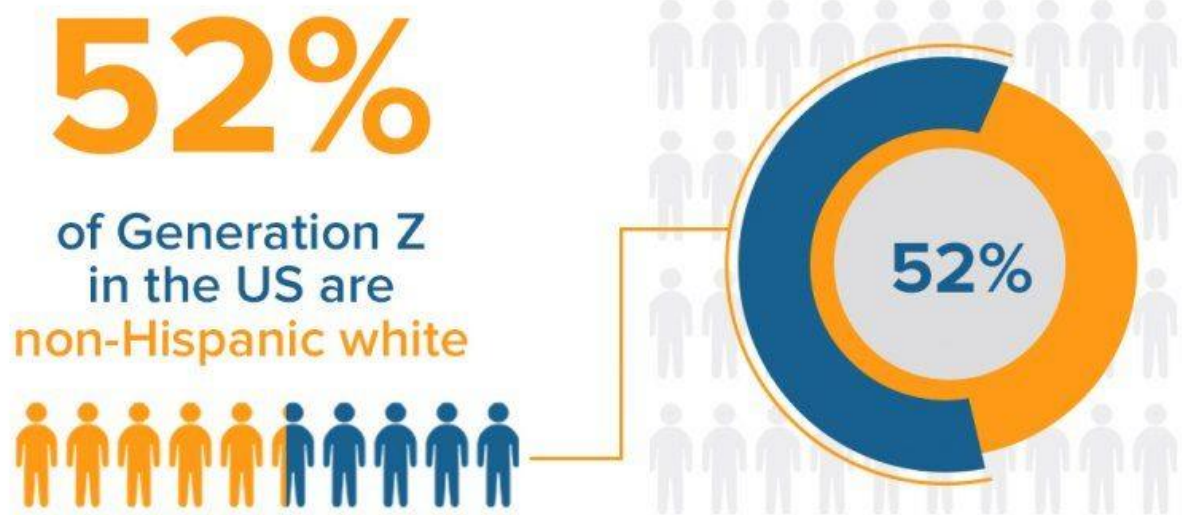
Diversity as an Asset

Political shifts, changes in education, and other social changes drove Gen Zers to become the most ethnically and racially diverse generation in the history of the United States. A study by the Pew Research Center reveals that 52% of Gen Zers are non-Hispanic white (Pew Research Center, 2019). In the next 10 years, Gen Zers will grow more in population and can make the majority of the population racially diverse.

With Gen Z considering diversity as a positive asset, businesses are prompted to develop a more inclusive and diverse brand, extending even further beyond advertising and products. Emarketer's study results show that about 6 in 10 Gen Zers say they prefer seeing ads that have diverse families in them. They are also more likely to support brands that are proactive in tackling racial issues.

This only goes to show that Gen Zers are pickier when it comes to choosing companies to work for and brands to support. As a racially diverse generation, they need assurance from brands that discrimination won't be tolerated. When doing business with Gen Zers, it's crucial to take into consideration not only the market's similarities but also their differences, leading to a more expansive product line.

Gen Z and Diversity



Source: Statista/Pew Research (2019)

 FinancesOnline
REVIEWS FOR BUSINESS

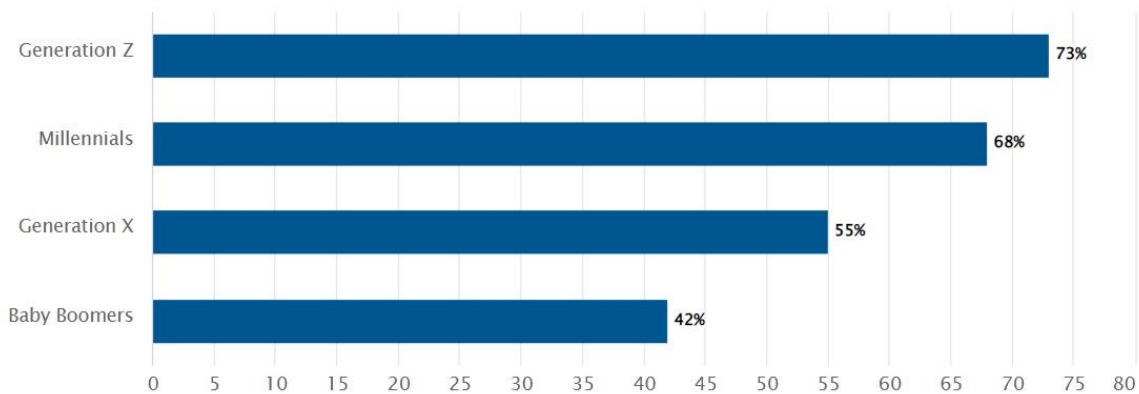
Sustainability as a Factor

Sustainability is another thing to consider when dealing with Gen Zers. Along with Millennials, Gen Zers are pushing for a more sustainable and eco-friendly market in various industries. For younger generations, a product's ecological footprint is very important. They seek high-quality and long-lasting products as opposed to disposable items. At the same time, sustainable materials find their way into this environmentally conscious generation.

One example is the clothing line Tentree. It successfully gained a massive social media following worldwide right after launching products that use only sustainable materials. The brand also associated with supply chain partners who are socially responsible. This led to an influx of traffic on their website due to an increase in international web visitors.

Gen Z respects brands that are highly conscious of the marks they leave on the environment. In a study by FirstInsight, about 73% of Gen Zers are willing to pay more for environmentally-friendly products (First Insight, 2020). Meanwhile, the same preference was shared by 68% of Millennials, 55% of Generation X, and 42% of Baby Boomers.

What generation is willing to spend the most for sustainable products? ☰



Source: FirstInsight (2020)

Designed by  FinancesOnline

Allison Carter in [Top Gen Z trends in 2023](#), ([Link](#)) shares some more insights into this generation's aspirations and needs. Some of the trends she identifies are:

An activist generation

Gen Z cares deeply about a wide range of issues — and wants the organizations and influencers they interact with to do the same. Thirty percent of Gen Z is of voting age, the study says, and they want to see change.

Topics they're particularly passionate about include disability rights and climate change.

Concern over climate change seeps into aspects of Gen Z life you may not expect. For instance, half of survey respondents plan to DIY clothes in the new year — a response to the fast fashion movement that leave landfills stuffed with clothes intended to be worn only a short time. They also incorporate sun protection into their (often elaborate) skincare routines to ward off hotter temperatures and damaging rays.

Global interests

American Gen Zers are the most ethnically diverse generation in history, according to Pew Research, with 48% identifying as a race other than white alone. It stands to follow that this generation has a deep interest in the world outside their own borders.

The Instagram survey found that more than half of respondents plan to listen to non-English music in 2023, with a particular emphasis on K-pop and Latino music. Another 68% either has or wants to try food from another culture after discovering it on social media.

Communicators must look beyond a dominant, mostly white culture to embrace this diverse group of Americans.

A craving for community

Unsurprisingly for a generation which spent many of its formative years in the midst of a pandemic that demanded we stay apart, Gen Z is particularly interested in coming together for in-person experiences. The survey found that one-third of respondents were interested in in-person meet-and-greets with influencers, while 68% of respondents plan or want to attend a rave in 2023 (yes, apparently raves are back).

And not to be outdone, Josh Howarth in *7 Key Gen Z Trends for 2023*, ([Link](#)), has more trends to observe for this generation that will change much of American life. Howarth list includes these trends:

Digital Natives

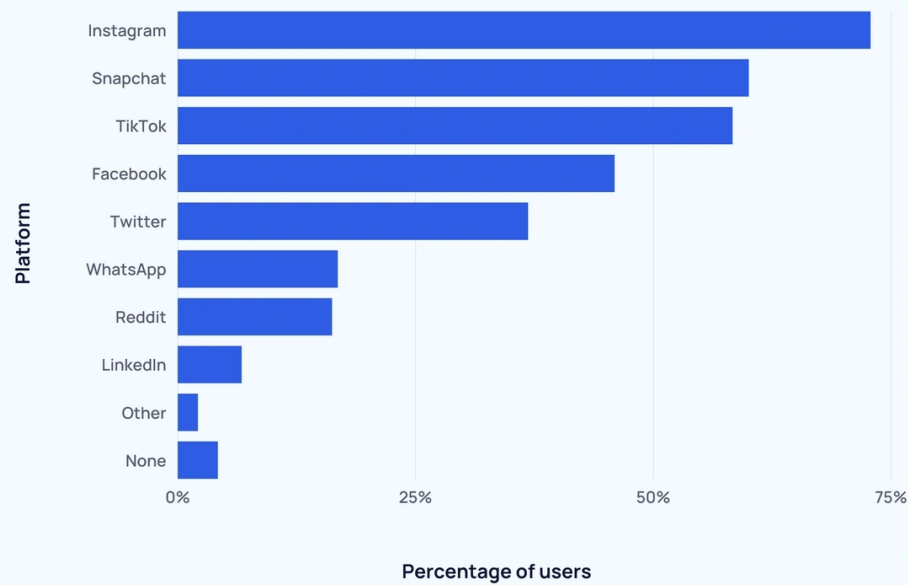
Gen Z doesn't know a time when the internet didn't exist. They are "digital natives" in the truest sense of the term. The stats prove this. More than 95% of Gen Zers own a smartphone, 83% own a laptop, and 78% own an internet-connected gaming console. In fact, they've been exposed to tech from a young age, especially when compared to previous generations.

Older Millennials got their first cell phone at an average age of 20. Younger Millennials started at 16. Gen Zers had their own phones by the time they were 12. Trends show that this generation is becoming more and more centered on tech.

One survey found that more than half of Gen Zers feel more insecure without their smartphone versus without their wallet.

Social media is a huge trend for this generation. Instagram, Snapchat, and TikTok are, by far, the most frequently used platforms. One-quarter of Gen Zers spend five hours or more per day on TikTok.

Most frequently used social media platforms



The average Gen Z individual spends 3.4 hours per day streaming videos. Searches for “YouTube TV” have remained on a fairly steady increase over the past 5 years (221%). It also reported that 44% of Gen Zers stream more than 3 hours of Netflix per day. Only 20% of Gen Zers don’t have their own Netflix subscription.

Distrust Of Government and Other Organizations

A Pew Research report showed that 70% of Gen Zers believe the government should do more to solve problems. This trend was only amplified by the pandemic. A February 2021 study said 66% of Gen Zers disagree that the government has done its best to protect the country. The same study reported that nearly 60% of this generation agreed that it’d be difficult to trust the government post-pandemic. One research paper suggests this distrust could continue well into the future.

The Political Scar of Epidemics, published in mid-2020, suggested that individuals who experience an epidemic when they are between the ages of 18 and 25 are likely to have negative attitudes toward the government and elections for a long time after the epidemic is over. This means individuals in the older segment of Gen Z are less likely to trust elections, less likely to have confidence in the government, and less likely to approve of political leaders.

This trend could have a large impact on the 2024 election. In 2020, Millennials and Gen Zers made up 37% of the voting eligible population. In 2024, that number will jump to 44% with all the growth coming from members of Gen Z.

The distrust of Gen Zers goes beyond politics. They are unlikely to trust brands, too. Only 39% of Gen Z internet users trust a brand to keep their data safe. Consumers in Gen Z trust brands with their data much less than any other generation.

A Deloitte survey found that 24% of Gen Zers don't trust business leaders, 30% don't trust traditional media, and 49% don't trust religious leaders. This trend may continue as Gen Zers grow into adults, but some experts suggest distrust is just part of being a teenager.

Peter Adams, who leads an organization teaching kids about media literacy, recently said, "Trust in institutions is down across the board, but teens experience even more cynicism about institutions just as a function of their time of life."

Influencing The Workplace

The oldest members of Gen Z are just now entering the full-time workforce for the first time, but by 2025, they'll make up 27% of the global workforce. Right now, they're starting to lead the charge for several big changes.

The first is work-life balance. Research shows that nearly 40% of Gen Zers put a large emphasis on work-life balance when choosing where to work.

Gen Zers are also likely to focus on empowering work culture and potential for growth with the company. Work culture and growth potential are the top two reasons Gen Z employees will stay with a company, according to Finances Online.

Gen Z is also demanding more workplace benefits. They want flexible hours, fully covered health insurance, free meals, and sizeable salary increases - just to name a few.

They want their employer to encourage a healthy lifestyle. Gym memberships, flexible spending accounts related to healthy activities, and sabbaticals are all trending as benefits now. Employee wellbeing has become a topic of focus in many organizations. Search volume is up nearly 289% over 5 years.

Generation Z is one subset of employees that does not put a large emphasis on working remotely. In one survey, 48% of respondents said they'd prefer a hybrid work environment. Only 30% wanted to work fully remotely. Searches for "hybrid work" surged in the latter half of 2020 and is up 364% over 5 years.

In one survey, nearly half of Gen Zers said they'd like to own their own business.

Stats from Wonolo, an on-demand staffing platform, show the gig economy is growing among Generation Z. Their share of jobs on the platform grew by 14% between 2019 and 2021. Lending Tree reports that 46% of Gen Zers over the age of 18 have a side hustle. Nearly one-quarter of these individuals would not be able to pay their bills if they didn't have that side hustle. A few of the most popular spots in the gig economy for Gen Z workers are selling custom clothing, selling artistic goods on Etsy, and freelancing on Fiverr.

As the future of work changes, we can expect that Gen Z will be leading even more change. In [The state of young leadership](#) by Layla Zaidane, The Fulcrum ([Link](#)), Zaidane says, "It's no surprise that Gen Z and millennials operate differently from older generations on everything from when they get married to how they approach money. But one thing the most diverse generations yet are doing differently is surprisingly under-reported: They're bringing a new and more effective style of leadership to legislatures across the country.

Not only have we seen them prioritize future-focused solutions on issues like climate change, criminal justice reform, cost and access to higher education, and more — but they've done so in a more collaborative and bipartisan fashion than their older peers. At my organization, Millennial Action Project, we've been tracking these young agents of change and recently released a report called "The State of Young State Leadership." Here's what we found:

Young people only make up 20.7 percent of state legislatures. That's right — despite being the largest generation, millennials and Gen Z only make up one-fifth of our nation's state legislative chambers. While the average age of the country is 38, the average age of a state legislator is 56. I'll let you guess what the average age of Congress is. And unfortunately, indications point to state legislatures and Congress only getting older.

While there is value in having older, seasoned lawmakers in office, it does more harm than good when it's at the expense of uplifting young or diverse leaders who can bring new perspectives to the policymaking process. And after tracking 1,535 legislators under the age of 45, we can safely say that this group's success as bridge builders is incredibly high.

Young legislators are responsible for authoring 32.9 percent of all bipartisan legislation that actually gets passed — busting any claim that young people in legislatures are more partisan or uncooperative than older generations. In my work at MAP, we have found that, while opinionated and outspoken, young legislators are able to strike a balance between bringing their full selves and opinions to the table and successfully collaborating across the aisle. While young people did not create the problems we're facing, it appears that we're idealistic enough to believe we can solve them and pragmatic enough to know that building coalitions is a necessary step to creating change.

Importantly, 266 of the 1,535 young state legislators are in at least one senior leadership position, including speaker, Senate president, president pro tempore, majority/minority leader, majority/minority whip/assistant leader, or caucus or conference Leader. In addition, 401 young

legislators are in a committee chair position, and 444 are in a vice chair position. Young people hold positions of power within state capitols, and they're using it to great effect.

It makes sense that individuals who can persuade, listen and “strike a deal” often rise into these leadership positions. The data show that by this measure of assessment, young people certainly make the cut. Their bipartisan track record and presence in leadership positions prove that not only are young officials up for the challenge of holding public office — they are excelling at it.

Back to Work Survey Results

November Transit Survey Results



The [Bay Area Council](#) recently released the results of its [Return to Transit Tracking Poll](#) for November 2022. The results reflect information on Bay Area employers' return to work plans to assist transit agencies in planning for the future. The presentation contains 18 months of data collected through the Bay Area Council Employer Network; a group of over 100 employers. [Learn more.](#)

<https://public.flourish.studio/story/1768261/>

Executive Education Opportunities

Dominican University of California

2023 Executive Education Programs



Whether you are an executive striving to take your organization to the next level, or a manager seeking to maximize the performance of your team, Dominican's executive education programs can empower your success.



Spring 2023 Executive Education Programs

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Designed and delivered by expert practitioners who bring their real-world experiences into the classroom, our programs lead you through a process of exposure, internalization and application to ensure you will apply the learning to your work.

"Dominican's Leadership Certificate has had a tremendous impact on our key senior managers, both in their personal growth as well as the value they are adding to the organization. The investment in the program has been well worth it."

— Russ Colombo, Retired CEO, Bank of Marin

Members in the News

Basin Street Properties Brings in Meritage Medical Network to the South Petaluma Business Center

Basin Street Properties, a prominent real estate investment, development, and management firm, is pleased to announce Meritage Medical Network has signed a 18,490 square foot lease at South Petaluma Business Center and is moving its current business location in Novato to Petaluma.

College of Marin starts work on \$82.5M library project

The 78,000-square-foot, three-story building will rise along College Avenue just south of the academic center at the corner of Sir Francis Drake Boulevard.

Sonoma County Tourism Has Won Four Adrian Awards

Sonoma County Tourism is pleased to announce it has won four Adrian awards, consisting of three Gold achievements, and one Bronze.

Sonoma State University's Economic Connection to the Community

The economic impacts of Sonoma State University (SSU) are broad and deep on both the North Bay economy and the state of California.



Who We Are

Over thirty years ago, business leaders founded the North Bay Leadership Council on a simple premise: We can accomplish more by working together. Today, the Council includes 54 leading employers in the North Bay. Our members represent a wide variety of businesses, non-profits and educational institutions, with a workforce in excess of 25,000. As business and civic leaders, our goal is to promote sound public policy, innovation and sustainability to make our region a better place to live and work. For more information: Call

707.283.0028 / E-mail info@northbayleadership.org
www.northbayleadership.org