NO JOKE

How humor can connect multiple generations in the workplace, improve engagement and even spark innovation

peppercomm

Table of Contents

Executive Summary

"May you live in interesting times."

For corporate leaders, this ancient axiom is as true today as it has ever been. This is especially appropriate when it comes to the task of successfully managing and optimizing their most important corporate asset: their people. These are perhaps the most interesting times in the history of corporate America when it comes to getting the most of your workforce.

Executives and managers not only need to align five generations of employees (Gen Z through the Silent Generation) working together for the first time, but they also have to navigate a post-pandemic landscape featuring the Great Resignation and an ongoing debate about in-office versus hybrid versus fully remote workstyles.

Set this disruption against a backdrop of a slowing economy and the possibility of a global recession, and it is clear leaders need to develop new strategies for motivating their people to remain resilient, engaged and innovative to drive top-line and bottom-line results.

This research paper lays out the case for a paradigm-shifting approach to help leaders accomplish these goals and more: humor.

Yes, humor.

Humor as a business and leadership tool has been gaining traction in the past several years. The concept has been featured across the mediascape in the likes of Forbes and Fast Company. Stanford Business School features a humor class it in its curriculum. In this paper, we take a deep, research-driven dive into how humor can better connect anyone and everyone in the workplace, break down silos and create better overall engagement that ensures long-term success.

First, we explore the results of a new survey showing major gaps between leaders and staff — and discuss employees' top priority from their leaders: communication. Then we highlight what the next generation (Gen Z) of employees wants from leadership via in-depth interviews with some of today's top college students. Then we spell out specific humor-centric workforce strategies and tactics that organizations are successfully utilizing to make their people happier and more productive.

And, finally, we feature a case study on how one global automaker has leveraged humor to help their people become more collaborative and innovative.

We are certainly living in interesting times. But by using humor in the workplace strategically and intelligently, we can also thrive in these interesting times.

The Massive Cultural Challenge for Today's Leaders

American businesses have long struggled with turmoil between management and staff. But today the levels of confusion, disruption and strife are at their highest levels in decades. Most older executives and managers have worked their way up and been trained in a top-down, hierarchical structure that some would even characterize as command-and-control leadership.

However, now they find themselves clashing with a younger workforce that prefers an environment that prioritizes a mix of autonomy and close collaboration.

> "What led us here? Beyond the obvious demographic shifts of older managers working longer and younger employees flooding the workforce, there are three massive social and macroeconomic forces that have combined to push us into this challenging period."

First, we must consider the seismic impacts of the COVID-19 pandemic, which put tens of millions of people out of work. In April 2020, the unemployment rate hit 14.8%, the highest recorded since the Bureau of Labor Statistics began collecting data in 1948.

However, the public sector and the Federal Reserve reacted by pumping trillions of dollars into the U.S. economy, giving people (both employed and unemployed) a financial safety net they had never experienced.

With this newfound security, many workers never returned to their jobs or quit their jobs – while becoming far more selective about the work culture for their next job.

Second, the pandemic also spurred a revolution in flexible work. Tens of millions of white-collar employees were allowed (for the first time) to work from anywhere and adjust their working hours to accommodate family and other interests.

As the pandemic has wound down in the U.S., this desire for continued flexibility on the part of employees versus management's need for command-and-control is one of the greatest sources of conflict.

Finally, as the economy has slowed and jobs are becoming scarcer, business leaders are attempting to wrest back more power over operations and the working environment, leading to even more strife.

The Wall Street Journal highlighted this struggle in two of the most widely read business articles in recent years:

"The Bosses Are Back in Charge" (Feb. '22) and "CEOs Ditch Kinder Approach as Economy Shows Signs of Chilling" (Aug '22).

Clearly, management and the workforce are caught in a culture war — and both sides are losing.

Burning or building bridges in the workplace?

Combine these three unprecedented forces with the fact that five generations of people are working together for the first time, and it becomes clear this could be a recipe for disaster for businesses and leaders who don't get ahead of it.

Going forward, building meaningful bridges between managers and employees from very different generations is going to be absolutely critical to the success of any business in this new normal. Unfortunately, there seem to be many hurdles to overcome to create this alignment.

According to a recent study from ResumeBuilder.com, 74% of managers say Generation Z is the most difficult to work with, and nearly half of leaders (49%) report these employees are challenging "all of the time."

Among the top reasons managers struggle with Gen Z is a perceived lack of tech skills (39%), lack of effort (37%), lack of motivation (37%), lack of productivity (37%), and they are easily distracted (35%).
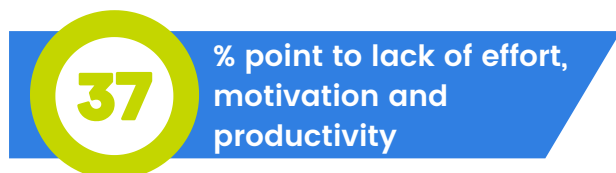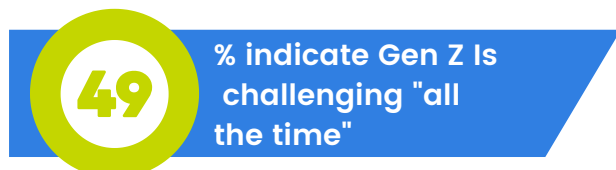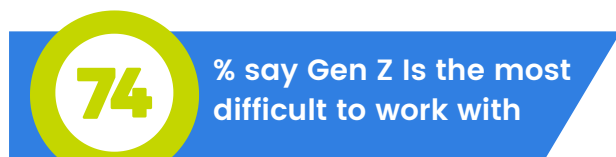
In a similar vein, headlines pop up on a regular basis when a command-and-control executive lashes out at the trends of workplace flexibility and empathy ushered in by the pandemic.

In April 2023, CEO of global office furniture company MillerKnoll bit back when asked about company bonuses.

> I had an old boss who said to me one time, 'You can visit Pity City, but you can't live there,'" she told a townhall audience. "So people, leave Pity City. Let's get it done. Thank you. Have a great day.

That same month, the CEO of global media company Clearlink went viral for his less-than-empathetic points of view on a video town hall. He praised one employee for selling their pet so they could return to the office, while accusing a group of remote employees of not opening their company laptops for a month. He also suggested that it's almost impossible for a worker to be a full-time caregiver and productive employee simultaneously.

74 % say Gen Z Is the most difficult to work with

49 % indicate Gen Z Is challenging "all the time"

37 % point to lack of effort, motivation and productivity

Insights From the Frontlines
Survey of 2,000 Shows Differences in Expectations and Needs

Given the serious disconnects emerging between leaders and workers, Peppercomm recently conducted a survey of U.S. adults in the workforce to determine their views on management styles, employee needs and other key factors. The survey results and analysis highlight several critical areas where leaders and staff agree, as well as critical areas where they are misaligned.

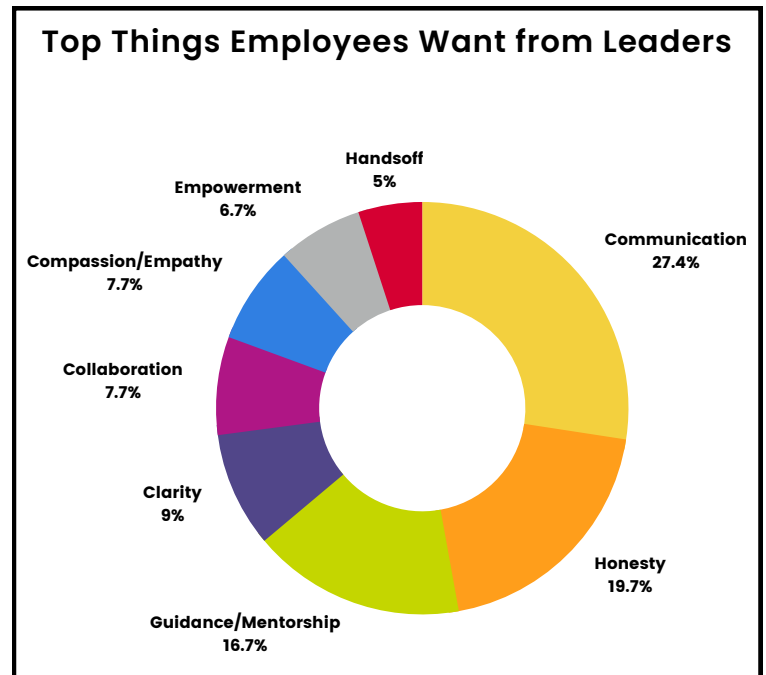**What do employees want most?**

When we asked workers to name the three most important points they want from their leaders, the need for communication came through loud and clear.

In fact, 82% of workers ranked communication in their top three, making it by far the most crucial component of the leader-employee relationship. It's important to note this was fairly consistent across all generations.

Communication was followed by honesty (59%), guidance/mentorship (50%) and clarity (27%). Perhaps it's not surprising that employees value communication so highly. In this volatile work environment filled with so much change (new return-to-office policies, cost cuts, layoffs, etc.), workers are eager for more information.

There are two insights that are surprising.

1. First is the fact that communication ranks so much higher than honesty and clarity. Does this imply that employees are so starved for communication that they want it, even if it does not always ring true?
2. Second, only half of employees rank guidance and mentorship in their top three traits for a leader at work. These have been the hallmarks of top-down leadership for decades. Does this indicate the changing needs of the workforce?

Top Things Employees Want from Leaders

- Communication 27.4%
- Honesty 19.7%
- Guidance/Mentorship 16.7%
- Clarity 9%
- Collaboration 7.7%
- Compassion/Empathy 7.7%
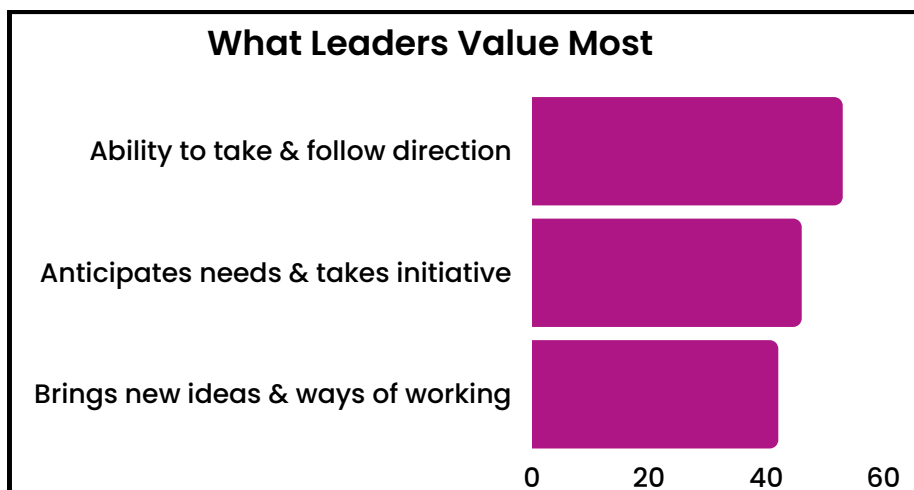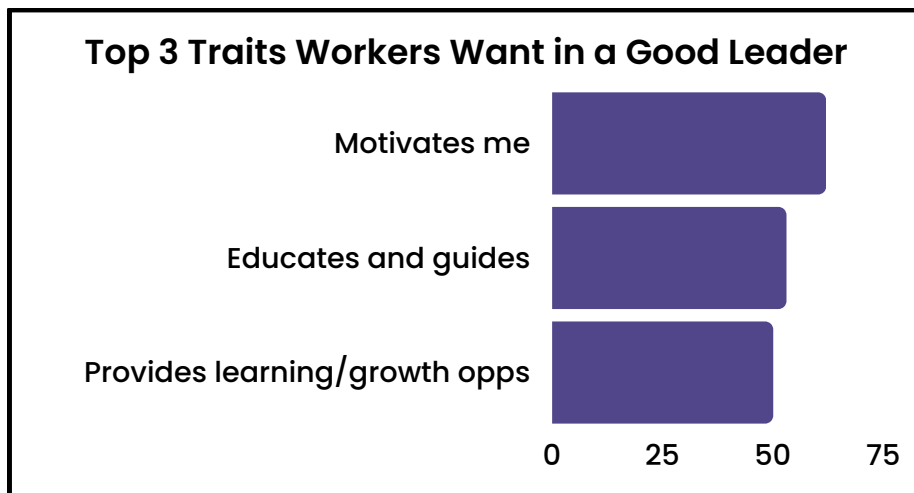- Empowerment 6.7%
- Handsoff 5%

Employees value motivating leaders, but leaders value minions

When we asked employees to tell us what they value most in their leaders and asked leaders what they value most in their team members, we received markedly different responses – again suggesting a widening gap between management and individual contributors.
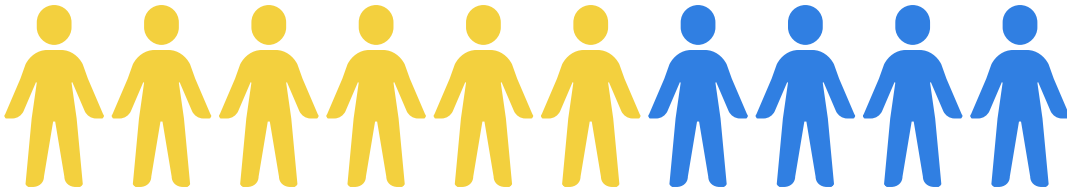
Employees revealed the three most important traits that define a good leader at work are motivating them to do their best (62%); educating and guiding them on their career journey (53%); and providing opportunities to learn and grow (50%). It's important to note that providing specific and actionable direction lands in a distant fourth, chosen by just 36% of individual contributors. When examining this data, it's easy to conclude that employees want leaders who are engaging, collaborative and insightful.

Now let's contrast these desired leadership traits with what leaders tell us they want from their workforce. At the top of the list is the ability to take and follow direction (53%). This stands in stark contrast with what indiviual contributors' desire in their leaders. They don't want to take orders; only 36% of employees want a leader that "provides specific and actionable direction." Instead, they want motivation, career guidance and growth opportunities.

Second on the list of leaders' priorities is the ability to anticipate needs and take initiative (46%), followed closely by providing new ideas and ways of doing things (42%). This implies that leaders want staff who will work indepedently, take on tasks and innovate. Again, this conflicts with employees' preferences for managers who will work alongside them as motivators, teachers and career guides.

Top 3 Traits Workers Want in a Good Leader

Trait	
Motivates me	
Educates and guides	
Provides learning/growth opps	

0   25   50   75

What Leaders Value Most

| Trait	
Ability to take & follow direction	
Anticipates needs & takes initiative	
Brings new ideas & ways of working	

0   20   40   60

Two-thirds of Gen Z want leaders who mentor and motivate

Finally, it's critical to take one more look at specifically what Gen Z says they want in their leaders. The percentage of employees who want a manager who educates and guides them on their career journey increases significantly among younger workers.

In fact, 65% of Gen Z want this type of mentor/teacher manager, compared to just 56% of Millennials and 54% of Gen X. The same can be said of employees who want a leader that motivates them to do their best. Two-thirds (67%) of Gen Z want this coach-type manager, compared to 62% of Millennials and 60% of Gen X.

In the next section, we will dive more deeply into what Gen Z is looking for in their leaders and their working enviroment through comprehensive interviews with high-performing college students.
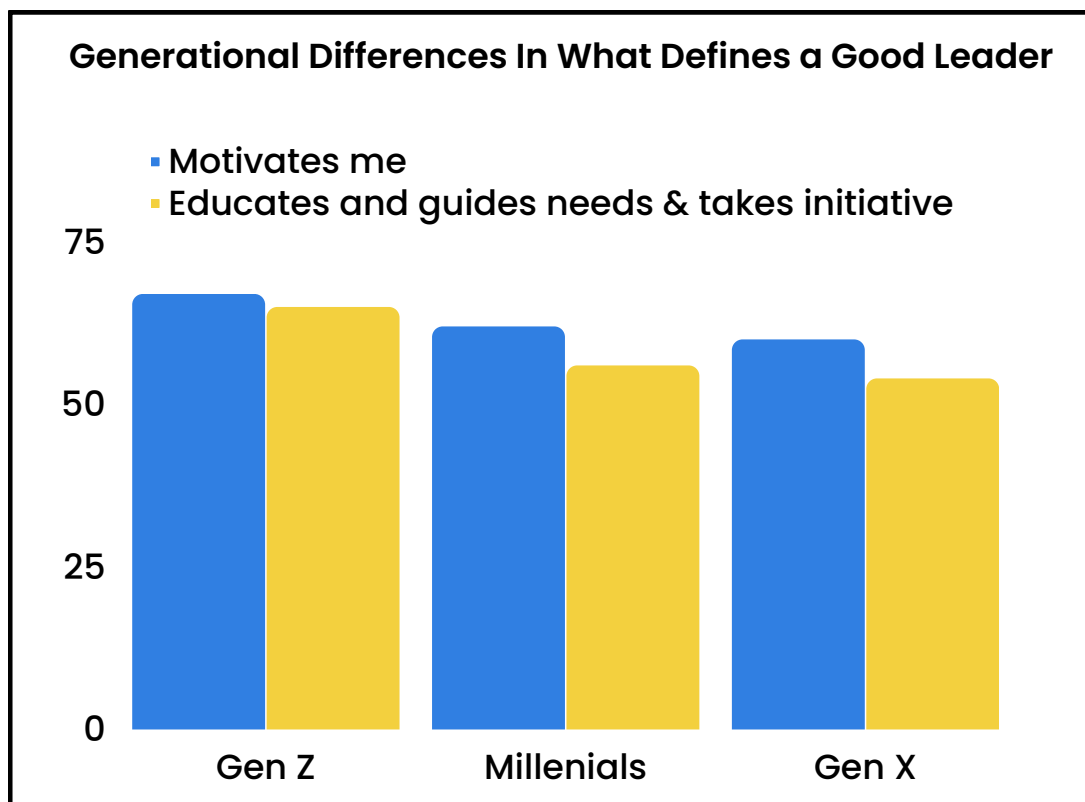
Gen Z Speaks

High-performing College Students Reveal Their Unique Workplace Needs

A hundred DePaul University Comedy Arts students move rapidly in a large classroom like a hive of very busy bees.

This group of Gen Zers collaborate using a co-learning and peer-leadership model to design, create and produce an annual, weeklong comedy festival called MessFest.

Their behaviors and experiences running this collaborative program (that has become a massive success on the Chicago comedy scene) provide a glimpse into the future of the workforce as Gen Z expands.

We interviewed many of these young people – the next generation to enter the professional workforce – to glean valuable insights into what they value and how they work.

This section was authored by Liz Joynt Sandberg, a member of the Peppercomm Laughing Matters Council and head of the Comedy Arts program at DePaul University.

She performs on stage regularly in Chicago and beyond with various improv groups and is a lead designer and facilitator for The Second City Works.

Special thanks to her student Joseph Walsdorf for his assistance.

Communication breakdown and breakout

Peppercomm's survey of U.S. managers and individual contributors showed that employees across all generations value communication above all else from their leaders.

However, our talks with the DePaul students revealed that this desire is different for Gen Z because it comes from the feeling that communication has been hard to come by.

> **"** *When you have a lack of communication, it gets to the point where any communication is good.* **"**

The survey also showed that, surprisingly, clarity, honesty and accuracy are low priorities for Gen Z when it comes to communication. For the DePaul students, this is likely because they've never experienced these things in an institutional setting.

In their world, clarity feels like a pipe dream, honesty changes based on the context and accuracy is "whatever."

These young people share a keen sense that things are always shifting and changing, so chaos is inevitable. In the midst of this reality (which, truthfully, has been the only reality they've known), they have empathy for their peers who lead them in college. They don't hold themselves or each other to always being perfectly clear or perfectly honest.

"Everyone is doing their best" seems to be the operating assumption. While Gen X and even Millennials (to some extent) lament a lack of clarity, honesty and accuracy in the workplace, Gen Z seems to have radically accepted that these things are simply not possible in our current landscape. It may not be that they don't want them; they might just truly not believe they are possible.

Our DePaul Gen Zers also uniquely identified receptive communication as important. The communication skills they are focused on building and valuing are not limited to how they share information, but also how they listen, synthesize and process the information that others share with them.

One student told us...

"[Traditional] leaders take information and repeat it, and that feels like communication. But it lacks synthesis of information. We want more."

It's all about the check-in

However, even as Gen Z seeks workplace comfort amid all the chaos, they have a much less accommodating mindset when it comes to demonstrating personal care in communication. Their responses shed light on the high importance they place on the nebulous Gen Z communication must-have, a concept that may seem alien to many older managers: the "check-in."

> *There's a difference between checking in versus reminding or micromanaging. It's not 'What are you doing?' It [should be], 'How are you doing? How's it going?'*
>
> *[I value] when someone cares about what's going on in your life, asks you what you need, is consistently kind and respectful and is there when you need them to be.*
>
> *I value when it feels like the leader has a stake in my outcomes. I give care to those I lead by trying to understand and know them as a person -- and not just someone they're leading.*
>
> *Empathy! As a leader, it is most important. Think not about the project, but the person and their needs.*

Collaboration must not flow only horizontally, but also vertically

Peppercomm's workforce survey participants indicated they do not want to be told what to do by leaders, but, paradoxically, the leaders in our survey highly value the ability of staff to follow specific instruction. At DePaul University, Gen Zers displayed a clear belief that a leader shouldn't expect their people to thrive in this directive model. Instead, they prefer collaboration; and they are highly attuned to sniffing out leaders who only pay lip service to co-creation without offering true mutuality.

> *I've been doing a lot of work to not have accountability make me feel like an idiot and make me feel like I've done something wrong.*
>
> *[Accountability means] having a layer of trust so you're able to have self-assessment, and the team knows your feedback is coming from a place of wanting them to be better and not of malicious intent.*
>
> *A large part of keeping my team accountable was asking them to keep each other accountable. I'm not a teacher, so this is peer-led leadership. It's important that they can separate their relationship with me as a leader from their relationship with me as a peer. When they hold each other accountable, then they can come to me with an issue, and we can all collaborate on how to fix it.*
>
> *I rely more on check-ins than I do deadlines or reminders. I also try to be reachable when there are things people have to be accountable for. A roadblock for accountability is confusion or lack of understanding.*
>
> *Accountability is sometimes silent. You've got to [approach accountability] with an angle of care and in a way where it's not a punishment, but it's a compromise of circumstance.*

A fascinating caveat that relates to Gen Z's understanding of accountability is intrinsic versus extrinsic motivation. In the corporate environment, the type of accountability most older managers are familiar with focuses almost exclusively on extrinsic motivation. Employees are kept accountable by a leader who evaluates their quality of work and lets them know if it's good or not. For Gen Z, on the other hand, intrinsic motivation is the most valuable driver of accountability. One student was very candid about this:

"We live in a world where accountability doesn't matter. I have other things happening, so it doesn't matter if I skip a class or skip a rehearsal or my work isn't up to standard. What matters is myself."

Wow.

If you're a typical Millennial, Gen X, Boomer or Silent Generation leader reading this, you must be wondering how you are ever going to successfully manage Gen Zers to produce positive results for your group or organization.

Especially in larger companies with a complex matrix of people from different generations, how can you ever hope to align them so that everyone is rowing in the same direction?

In the next section, we'll dive into detail on the role humor can play in breaking down silos, improving empathy and understanding within groups, and driving business success.

The Secret to a Better Work Culture
Humor to Build Bridges and Connect People

Given all the disruption in the traditional working environment and the Grand Canyon-size gap that exists between today's older managers and the next generation of workers, leaders need a completely new playbook for engaging with Gen Z.

The top-down and rule-by-diktat management approach will no longer work effectively for younger workers — and it certainly will not drive the type of close alignment among five different generations of people that every business needs to succeed.

Fortunately, almost every organization already possesses a valuable resource it can leverage to balance employees' differing wants and needs, support collaboration and teamwork, keep employees motivated and engaged, and reduce friction in the workplace. That resource is humor.

The golden age of humor
We are entering a golden age of humor at work. The secrets of strategically tapping into humor are being taught in graduate school. Podcasters are talking about it.

Even scientists are unlocking the benefits of humor in business. In a 2023 study, researchers at Beijing Jiaotong University found that leaders who exhibit a sense of humor can impart three very positive changes in their workforce. First, employees actually feel as if they have a lighter workload. Second, staff develops a stronger belief in their ability to cope with stressors on the job.

And, finally, researchers discovered both of these factors drive what they called "employee creativity and innovative behavior" that are so important for any business to thrive in a fast-moving marketplace.

Some are even calling this the era of the ROI of LOL.

From the Silent Generation reminiscing about the days of rotary telephones to Gen Z oversharing on social media, humor, when implemented properly, can connect people's different experiences and viewpoints by imparting vulnerability and empathy to any group.

Moreover, when colleagues laugh together, they stimulate alpha brainwaves that have been proven to empower the mind to change old ways of thinking, behaving and innovating. This improves almost anyone's ability to pivot and address opportunities they never thought possible…especially in terms of the brain forming relationships with the unlikely and unexpected.

To help organizations of all kinds maximize the benefits of humor in a scalable, repeatable way, firms like Peppercomm are teaming up with thought leaders, academics, professional comedians and others to evolve traditional management and employee education. The approach focuses on the "shared benefit" that promises both leaders and employees success via implementing humor at work.

A Full Spectrum of Humor-centric Strategies

While there are various humor-centric techniques and tactics being taught in the corporate sphere, we at Peppercomm have identified some of the most popular use cases.

Stand-up Comedy

Being trained in the art and science of stand-up comedy isn't about telling jokes. In fact, stand-up focuses on communicating effectively through laughter. This means taking the stage to become vulnerable in front of peers: sharing true stories, thoughts, and feelings to connect with and move an audience emotionally. The upshot is a robust connection that can't be achieved any other way. Performing stand-up helps colleagues connect in three key ways;

Vulnerability | Stand-up focuses on telling the truth, particularly about your problems and challenges most people can relate to. By admitting you don't have all the answers or are otherwise imperfect, you endear yourself to the audience and get people rooting for you to succeed.

Emotional fullness | Stand-up training encourages people to speak passionately to engage with audiences. In business settings, people are taught to temper their emotions.

On the other hand, stand-up requires we bring our whole selves to the stage (and to the workplace) to communicate and connect in a real and vulnerable way. Sharing emotion is not a sign of weakness, but rather strength.

Sensitivity | The first question a good comedian will ask the emcee when walking into a comedy club is, "How's the crowd?"

In a similar way, stand-up training teaches staff to adapt their communications to the different sensibilities of different audiences among their colleagues.

Improvisational Comedy

Improvisational comedy, or improv, is the creative process employed to create comedic content in all its forms. There are three skills that improv teaches that almost anyone in business can use on a daily basis:

1. How to listen and observe actively and effectively

2. How to be truthful and compelling in storytelling

3. How to stimulate innovative and creative thinking

Improv works by training people to be open to accepting one another's ideas, building on ideas instead of rejecting them for being unrealistic and working as a unit.

It enforces the concept that no one of us is smarter than all of us. Improv teaches colleagues to trust each other when they throw away the script and go with what really motivates them.

At the end of the day, improv is a team sport. The best improv groups collaborate to create a scene and fix any problems. Working without a script, each team member counts on the others to reach a shared objective – and that means de-emphasizing the individual to make each other shine like stars.

A Note About DEI and Humor

While diversity, equity and inclusion are not a laughing matter, we at Peppercomm have found that incorporating the art and science of humor into DEI programs can help coworkers engage more authentically and take it more seriously.

Humor and laughter help us remain present in a conversation even when the situation becomes awkward. This is why the cast of "Saturday Night Live" can address topics like racism and homophobia – and the audience won't shut down. It's difficult to turn away from someone if they're making you laugh.

One humor-based exercise that's very effective in opening the conversation about DEI in the workplace is called "Shake, Wave, High-five." A group of colleagues in a room is divided into three separate pods, then told to meet and greet as many other people as possible. But there's a twist: pod 1 must greet with a handshake, pod 2 a wave and pod 3 a high-five.

As the exercise progresses, people are amused and confused as they attempt to engage with coworkers who are behaving very differently than they are. Invariably, this play-based activity leaves people laughing. But under the direction of a trained facilitator, it also sparks serious conversation about how people who are left apart from the mainstream can feel disheartened, disconnected and left out by other people.

These real-world examples of how humor and laughter can be integrated into almost any business are just three of many.

To learn more about these and others, check out Peppercomm's humor content.

Case Study
A Global Automaker Uses Humor to Break Down Silos

In today's business world, there aren't many industries more volatile than auto manufacturing. Over the past several years, the global auto industry has been hit by a microchip shortage, rising inflation that has made inputs more expensive, the pressing need to ramp up production of electric vehicles and other challenges.

For many auto industry execs, keeping employees aligned and motivated to push through these disruptors and continue to develop innovative solutions has been job one. One global auto company recently turned to Peppercomm for a humor-based workshop to engage with their staff and keep their people firing on all cylinders.

The company launched this workshop with its communications team for three key reasons:

1. While the team was already successful, they were looking for ways to tighten the bonds between team members and heighten their confidence through an out-of-the-box shared experience.
2. They wanted to continue to enhance their storytelling skills.
3. Because the communications team touched so many other business functions and was constantly meeting new people, they wanted to sharpen their ability to build relationships and connect with people on an authentic level.

To meet these needs, Peppercomm delivered a strategic session based on stand-up comedy. The workshop was led by a Peppercomm senior executive trained in the art and science of humor and a member of Peppercomm's Laughing Matters Council, a professional from the world of using comedy/humor in business.

The two trainers led the team in the foundational basics of comedy and its positive impacts on the human brain, then helped each member develop a brief stand-up routine based on the three tenets mentioned above in this paper:

1. Vulnerability and truth telling: Admitting that you don't have all the answers
2. Emotional fullness: Bringing one's whole self to the exercise
3. Sensitivity: Creating a routine the team can truly relate with

The highlight of the workshop was team members performing stand-up in front of their peers, which the team unanimously declared both hilarious and inspiring.

One participant noted, "This made me feel so much closer to my co-workers, hearing about their real lives," he said. "I've worked with some of these people for many years, but now I know them in a whole new way."

The executive leader of the team mentioned that the workshop produced many strategic benefits: the workshop successfully took the team "out of their daily element and made them more vulnerable."

And that this vulnerability made them more open to learning new skills for storytelling and connecting with people. "That feeling of nerves at the end of the day is you're learning something new. You're being humbled."

They added that the training boosted her team's ability to deliver "the ultimate elevator pitch" to their various stakeholders — one that uses humor to connect with an audience and empowers them to build out a story from there.

Finally, and perhaps most importantly, the workshop helped bridge the gap between senior members of the team and more junior members by helping to level the playing field for everyone to share their ideas.

"You can have the least-experienced person in the room perform the best," the executive leader explained.

"It's humbling for everyone. From a leadership perspective, you have to open yourself up to that possibility, and the fact that great ideas and performance can come from anyone on your team."
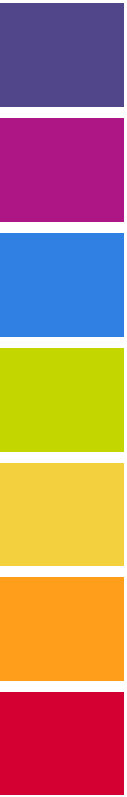
To learn more

For more insights into how humor can engage your workforce and more examples of organizations that have successfully incorporated humor to make their people happier and more productive, email Jackie.Kolek@peppercomm.com.

To subscribe to our weekly Wit + Wisdom newsletter showcasing the latest updates on humor from across the business world, email rsvp@peppercomm.com.

Survey Methodology

Online survey conducted in January 2023 by Peppercomm, in partnership with Researchscape of 2,003 U.S. adults. Each respondent self-identified as members of generations as follows: Silent Generation: 2%, Baby Boomers: 25%, Generation X: 28%, Millennials: 30%, Generation Z: 15%.

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