

## Change in Leadership Style: Managing Gen Z Talent

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### ABSTRACT

*Leadership styles have evolved, and the differences between generations are notable. Baby boomers, born between 1946 and 1964, tend to adopt a more traditional, hierarchical leadership approach, while millennials and Generation Z prefer more collaborative and flexible leadership styles. When a democratic leadership style is leading change, they take an approach to ensure everyone is heard, feels included and engaged in the decisions, and works together as a team to implement the initiative. This type of leader can be a real asset during times of change. This research uncovers the specific characteristics of Gen Z, their needs and expectations from leaders, and the changing role of employers with the changing dynamics of employees. This study aims to understand the ways to create a progressive workplace for Gen Z. A 2022 report conducted by The National Library of Medicine found that “the coronavirus pandemic is a major event impacting individuals of all generations, but the impact on Gen Z will persist over their lives, according to the generation effect, since Gen Zers are at the life stage when their long-lasting values are still being shaped.*

**Key Words:** *Gen Z, Progressive workplace*

### INTRODUCTION

In today's rapidly changing world, the expectations of leaders are evolving at an unprecedented pace. The traditional leadership styles and approaches that have been effective in the past may no longer be sufficient to navigate the complexities of the modern business landscape. As organizations face new challenges and opportunities, leaders must adapt and embrace new ways of thinking and leading. In recent years, transformational leadership has gained popularity as organizations recognize the importance of inspiring and motivating their employees. Transformational leaders are visionary, charismatic, and able to inspire their teams to achieve extraordinary results. They focus on developing their employees' potential and creating a positive organizational culture.

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## **The Future of Leadership: Trends and Predictions for 2024 and Beyond**

Looking ahead, the future of leadership is likely to be shaped by several key trends. Artificial intelligence is expected to play an increasingly important role in decision-making, with leaders relying on AI-powered tools to analyze data, make predictions, and automate routine tasks.

Sustainability is also expected to become a key focus for leaders as organizations recognize the importance of addressing environmental challenges. Leaders will need to develop strategies that balance economic growth with environmental stewardship and social responsibility.

Furthermore, the rise of remote work is likely to continue, requiring leaders to adapt their management practices to effectively lead virtual teams. This will require strong communication skills, the ability to build trust remotely, and the use of technology to foster collaboration.

### **How do leaders need to change?**

- Encourage Gen Z to voice their opinions in an appropriate way
- Become more assertive themselves and challenge the status quo
- Focus of embedding diversity and inclusion in every aspect of the business
- Adapt communication style, methods and frequency to individual team members
- Provide ownership of specific pieces of work and more responsibility earlier
- Create a positive culture that celebrates achievement and encourages flexibility
- Compensate fairly and generously
- Manage upwards to protect employees from unrealistic and unreasonable expectations.

### **Problems with Gen Z in the Workplace: The Bottom Line**

Gen Z is coming into the workplace with different styles, ideals, and demands. While employers and co-workers might initially see these as “problems” with Gen Z in the workplace, there’s a lot we can learn from them that can actually make the workplace better for all.

For example, “money-hungry” Gen Z can help promote salary transparency and fair wages. Our attitudes about work and work-life balance can help set better boundaries and decrease burnout. When Gen Z talks about mental health, it can encourage everyone to get the support they need.

“Problems” with Gen Z in the workplace are only “problems” if we’re stuck in the traditions of the workplace. To forge ahead and create a future-proof workplace, we must listen and adapt to the ideas of the workforce’s next-biggest generation. We might just create a better workplace for all.

Gen Z is the generation born between 1997 and 2012. Gen Z includes roughly 68 million people, and, like all generations, they bring their unique values and expectations to the workplace.

Since Gen Z is the future workforce, employers need to know what motivates them to be productive.

### **Purpose**

Gen Z is often motivated by a sense of purpose and knowing their work has an impact. To help prioritize purpose in the workplace, leaders should help all employees understand how their contributions contribute to the company's goals.

**83%** of Gen Z respondents to a survey say they consider an employer’s commitment to **diversity** and **inclusion** when they are deciding where to work. Since diversity and inclusion are so important for Gen Z, employers should prioritize creating this type of work environment.

Gen Z values **flexibility** and has increased motivation when they can set their schedules and have a work-life balance. **75%** of Gen Z say that they would choose a job with greater flexibility over a job with a higher-paying salary. Here are a few ways that employers can offer flexibility in their workplace:

- Providing **hybrid** or **remote** positions
- Not **micromanaging** employees
- Working with employees’ personal schedules
- Allowing employees to take important personal phone calls or appointments during regular work hours

Gen Z has grown up around technology which makes them highly tech-savvy. 91% of Gen Z says that technology is a decisive factor when choosing a job. Technology has completely changed the way our society works and communicates, and Gen Z has all of the skill sets needed to help manage technology.

61% of Gen Z says they would consider leaving their current job if they were offered better benefits elsewhere. Gen Z are more motivated to work hard for a company that provides them with competitive benefits.

Here are the top three benefits that Gen Z is looking for when job-hunting:

- Health insurance
- Mental healthcare
- Financial support

While these benefits are a must-have for Gen Z, including additional **competitive benefits** to your package can help your Gen Z employees stay productive and also help your company attract and retain employees.

Generation Z is the future of the workforce, so it is important for employers to know what will help motivate them to work with the company long-term. Employers should consider incorporating some of these values and expectations into their company to help attract and retain Gen Z workers.

### **Research Methodology:**

*Primary data was collected by designing a questionnaire, aimed at getting responses from Gen Z.*

*Secondary data was collected by referring to research papers, case studies, and websites. This study can be helpful to employers in devising and designing HR strategies, changing leadership style, and getting better employee engagement and retention.*

### **Sample Size:**

The sample size was restricted to 120 responses in Malad area, Mumbai, Maharashtra.

### **OBJECTIVES OF THE STUDY**

1. To understand Gen Z and their specific characteristics.
2. To evaluate specific requirements and changing behavior of Gen Z towards leadership style.

3. To study the challenges faced by leaders to maintain Gen Z
4. To suggest ways to manage Gen Z in corporate set-up.

## **LIMITATIONS OF STUDY**

- The study was restricted to a specific region of Malad
- The study focuses on Genz and their priorities towards leadership style, all other factors related to job satisfaction were ignored.
- The study is restricted to a specific period and restricted to 120 responses.
- The study does not involve advanced statistical tool, basic percentile method is used.
- There is a gap in the number of responses since few answers were kept open at the discretion of respondents.

## **REVIEW OF LITERATURE**

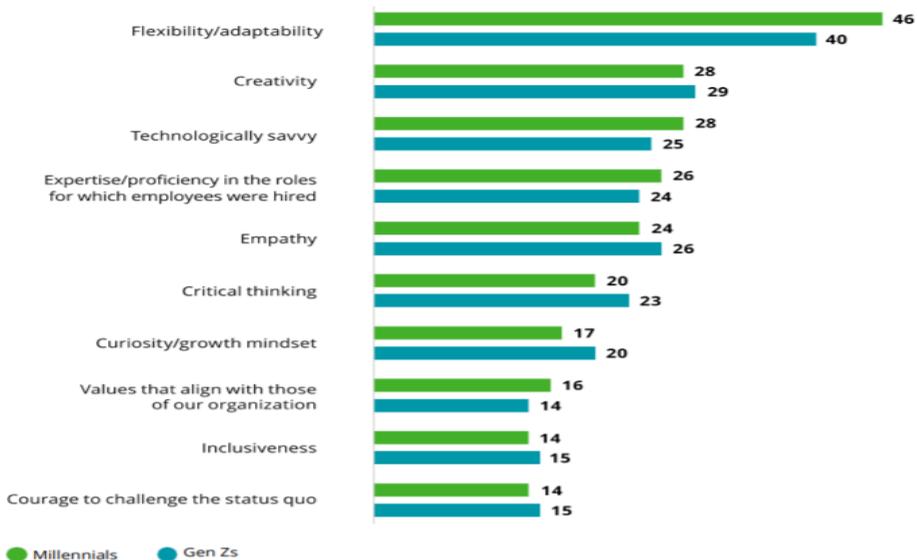
A 2022 report conducted by The National Library of Medicine found “the coronavirus pandemic is a major event impacting individuals of all generations, but the impact on Gen Z will persist over their lives, according to the generation effect, since Gen Zers are at the life stage when their long-lasting values are still being shaped.”

A recent McKinsey study reveals that this generation is driven by a “search for truth.” Having grown up witnessing life-altering socio-economic events such as the Great Recession, the COVID-19 pandemic, climate change, and the feverish rise of technology (and now GenAI), Gen Z has had a turbulent transition to adulthood that has made it disillusioned with the status quo in all aspects of life. Harvard Business Review describes Gen Z as a generation that’s disconnected, impatient, and demanding immediate action for issues it cares about. As this generation begins to shape society significantly and bring its values and priorities to the workplace, leaders must reconsider their leadership styles if they want their organizations to flourish and effectively manage and support Gen Z in becoming future leaders.

Gen Z is born between 1995 and 2015 (Bassiouni & Hackley, 2014; Koulopoulos & Keldsen, 2014; Tulgan, 2013). This generation has distinct characteristics compared to Millennials because they were born and are growing up in different social and economic conditions. Growing up, they faced economic difficulty with recession and

uncertainty (Annis, 2017; Berkup, 2014; Stillman & Stillman, 2017; Tulgan 2013). Therefore, they are more realistic than Gen Y. They are also more risk-averse than earlier generations. They have lower expectations, are cautious, and are less entitled (Tulgan 2013). They value stability (Annis 2017). (Dwidienawati & Gandasari, 2018) stated that this generation puts importance in competitive salaries. They get bored easily, therefore, they expect to have different job roles and flexibility. They want instant success and require a company to provide them with personal development. They are self-reliant but still need guidance and frequent feedback and tap in the back (Stillman and Stillman 2017), however, they do not like micromanagement. They also need superiors that they respect to work effectively (Dwidienawati and Gandasari 2018).

**Employee behaviors most critical to successful businesses, according to millennials and Gen Zs (%)**



Q24. Given the events of 2020 and planning for the future, which of these employee characteristics or behaviors have become most critical to the success of your organization? Base: All millennials in work 12,532, all Gen Zs in work 4,137

Source: Deloitte Global "2021 Millennial and Gen Z Survey"

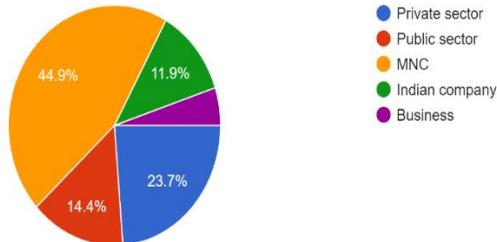
**Methods of Data Collection:**

- Primary data was collected by designing a questionnaire, aimed at getting responses from Gen Z.
- Secondary data was collected by referring to research papers, case studies, and websites.

## Data Analysis & Interpretation:

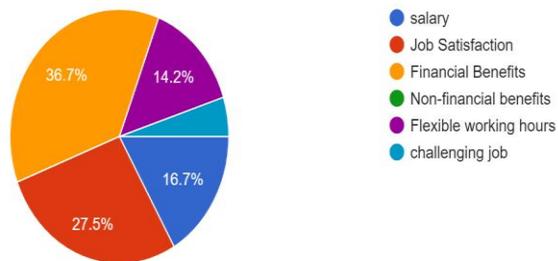
1. Where would you prefer to work?

118 responses

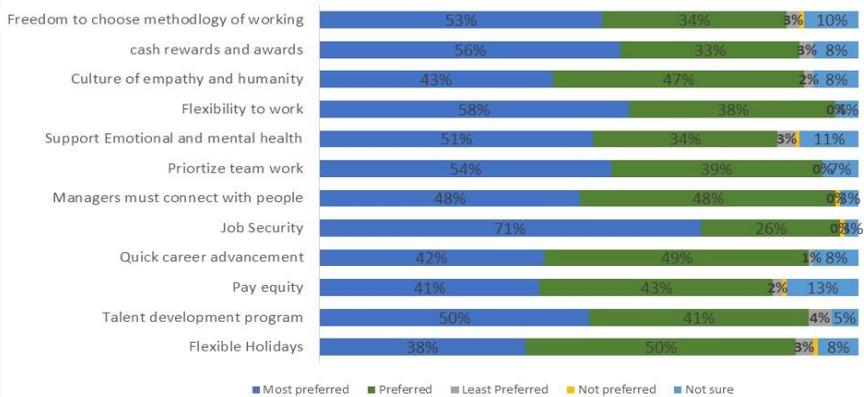


2. What is most preferred by you?

120 responses

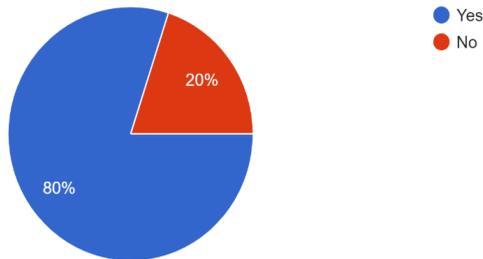


### 3. Give your opinion on the following statements



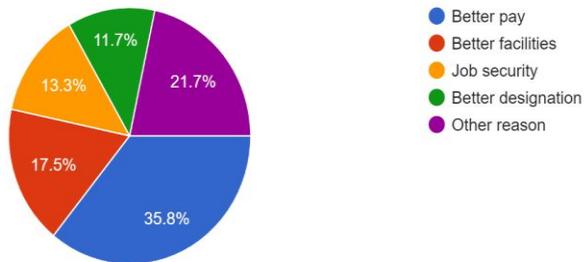
4. Would you prefer to stay in specific organization for long term offering better financial incentives?

120 responses



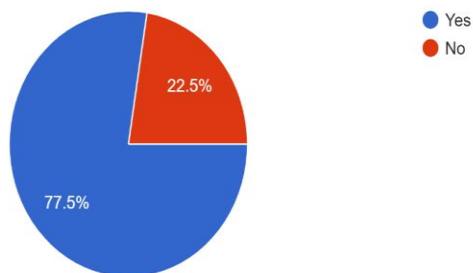
5. If No for above question, What factors would you consider to switch the job?

120 responses



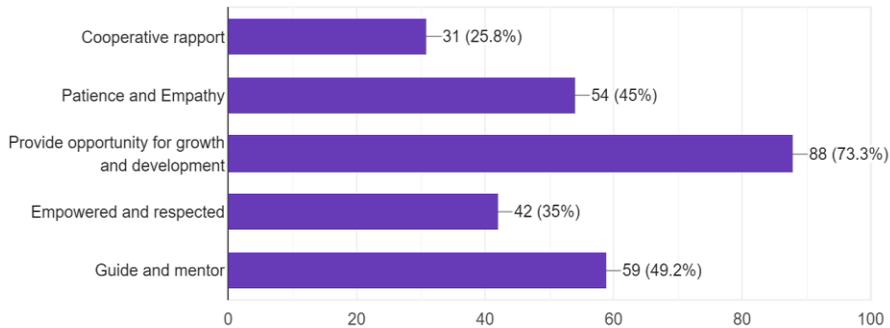
6. Do you agree managing work life balance is more important than financial returns?

120 responses



## 7. What do you expect from a Good Leader?

120 responses



## FINDINGS OF THE STUDY

- 44.9% of respondents prefer to work for MNCs, whereas 11.9% prefer to work for Indian Companies. This proves that more preference is given to MNCs as compared to Indian companies, this could be due to better infrastructure and better pay expectations.
- 36.7% of respondents consider financial benefits as an important factor, 27.5% prefer job satisfaction and 16.7% consider salary as an important element. Job satisfaction remains an important factor as compared to other financial benefits.
- 80% of respondents prefer to stay in a specific organization for the long-term offering better financial incentives. Financial incentives play an important role in employee retention.
- 35.8% of respondents can shift jobs if offered better pay, whereas 11.7% consider designation as an important factor for shifting a job.
- 77.5% consider work-life balance as a crucial determinant of staying in the job. Respondents expect positive work-life balance as one of the important determinants for shifting jobs.
- 73.3% of respondents expect a good leader to provide opportunity for growth and development, whereas 45% believes that a good leader must have the quality of being patient and empathetic. Gen Z looks for better growth and development opportunity as compared to other factors that affect job satisfaction.

- 49.2% of respondents consider that a good leader should be a Guide and Mentor.
- 25.8% believe leaders should be able to maintain good rapport with subordinates.
- Freedom to work, cash rewards, empathy, teamwork, job security, and emotional and mental health are prioritized by Gen Z.

## **SUGGESTIONS**

- Gen Z would like to work with an organisation that provides a financial benefit, But in the long run they need to check, Whether the cultural norms suit them.
- The leader should always have the power to be a good listener and should be a patience person
- The company must provide paid leave to employee after their long-term project.
- Gen-z's believe in working smartly, Giving importance to mental health along with physical health, and having flexibility in timings and holidays because they believe more in getting the work done, not the particular place from where it is being done. WFH is a great relief for when they are not in the right mental space but still manage to get the work done.
- Good leader should be a good listener
- A good leader should connect with most of them and try to understand their situation from their perspective also
- A leader should recognise the hardwork of his/her colleagues and energize them instead of ignoring them and belittling them.
- A leader must bring out maximum capabilities of his employees ,maintain a healthy working environment
- If the salary and the mental health is good from the job then there is better employee retention.
- A good leader should be patient and give their team members time to prove them.
- Employees should be treated well
- Every Organisation Should Provide Freedom To Communicate And Reduce the work pressure .
- Genz must have freedom, Work from home opportunity should be provided, sufficient break and paid leave options must be there

- Employees who manage work properly he/she should get opportunity for promotion.
- There should good stress to reward ratio and a employee should be given a project at a time and should not be bombarded with various projects at a time. The company should support the employee at the time of crisis or inflation. The should be clear communication between the employer and the employee.

## **PROPOSED OUTCOMES**

This study can be helpful to employers in devising and designing HR strategies, changing leadership style and getting better employee engagement and retention. The study can be a base for any further studies on leadership style and GenZ behavior.

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