

MANAGEMENT AND LEADERSHIP FOR GENERATION Z IN AN ERA OF CHANGING EMPLOYEE COMMITMENT

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Abstract: *The changing world of work absorbing Generation Z has to cope with the concept of employee commitment in a new way. Rapid staff turnover many organizations experience establishes a need for alternative leadership and management thinking, understanding that the era in which employees seek stability and long-term roles is over. This article presents the association between Generation Z characteristics, intergenerational management and leadership and Generation Z employee commitment. The article presents the view that this commitment is not necessarily measured in terms of time employees remain in organizations but, rather, to outcomes and connection to the success and progress of their roles. The article presents an approach for strengthening Generation Z employees' commitment through an understanding of their characteristics and expectations from organizations, improving management and leadership skills among managers from generations X and Y, adapting employee induction processes to Generation Z characteristics and the work environment to new employee needs.*

Keywords: *Generation Z, employee commitment, leadership, management, world of work*

Introduction

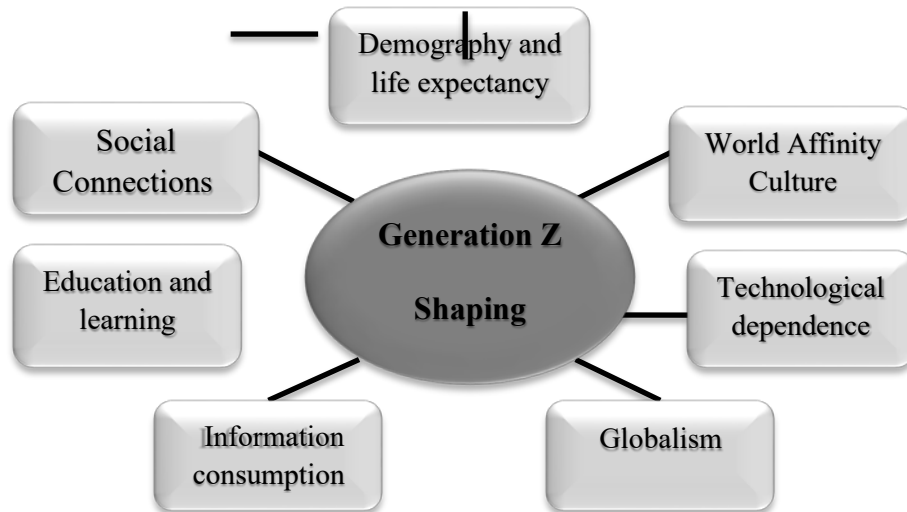
The post-COVID 19 era in the world of work has changed the rules of the game and set new challenges for managers and organizations mainly in light of employee behavior changes with an emphasis on young employees from Generation Z born between 1995 and 2020 (Seemiller & Grace, 2018). Organizations and managers have reexamined the Human resources are the most important resources for organizations and they are forced to cope with considerable employee turnover alongside a shortage of workers in many areas (Reiser, 2022). The concept 'employee commitment' has been reexamined in light of the developing reality. Additionally, a report measuring Microsoft's working trends in 2022 revealed that 58% of Generation Z employees were considering changing their place of work in the coming year, compared to 43% of employees from previous generations (Moot, 2022). The current article presents a new approach and understanding of the concept 'employee commitment' in the era in which Generation Z has entered the work cycle and has created a new reality and change in management views for managers and organizations. The view presented here combines Generation Z characteristics and leadership required to produce employee commitment and is supported by research literature and substantial work experience on the ground with managers and organizations.

Literature Review

Generation Z Employee Characteristics

Generation Z has recently entered the work cycle and joined employees from previous generations (baby boomers, X and Y). Many studies have classified the employee qualities of this new generation compared to previous generations. McCrindle categorized 7 factors shaping this generation.

Figure 1 Factors shaping Generation Z



Written by author, based on McCrindle (2014)

Factors shaping Generation Z are based on the understanding that this generation will live in a world where life expectancy is rising, a fact likely to affect the world of work, economics and households and obviously in the future will affect finances and pensioner-worker relations in western countries. The culture of global abundance has led to this generation being flooded with material stimuli, technologies and formal education is more organized than previous generations. It is a generation born into the technological era and who uses it in every area of life, depending and relying on it. It is the first truly global generation, which affects consumer culture: food, fashion, culture, communication, establishing connections, initiatives and economics. Information consumption has changed to visual and graphic consumption reading symbol based messages and images as an alternative to long texts, as well as internet searches in place of book use. Education and learning is ongoing and does not constitute a special chapter, portable equipment is part of the learning experience at any age. Changes in the concept of friendship, transition to a multitude of friends on social networks and strengthening cross-border connections in digital space (McCrindle, 2014).

In the world of work the sense of confidence in technology affects the choices Generation Z will make and is different from those made by previous generations and thus creates a challenge both to managers and human resource managers (Lanier, 2017; Singh & Dangmei, 2016). Late maturity characterizing this generation affects their personal lives and choices they make in the world of work (Twenge, 2017). This is a generation seeking flexibility and creativity and a desire to try a range of employment (Seemiller & Grace, 2018). The value of home-work balance that led generation Y remains very important for Generation Z employees as well (Lanier, 2017; Twenge, Campbell, Hoffman & Lance,

2010), alongside an increasing importance for work environment, team relationships and enjoyment that Generation Z employees seek in their roles and workplaces (Kirchmayer & Fraticová, 2020; Lev, 2022).

In addition, research literature has shown that Generation Z seeks personal growth in the workplace and needs continuous feedback (Lev, 2022). A survey conducted by McKenzie in 2022 emphasized the change in employees' expectation of feedback, from periodic and instant feedback. On the other hand, Generation Z is more sensitive to criticism and is likely to translate this even radically by leaving the workplace (Dua & Kweilin, 2022). In fact, this generation has led to a change in the psychological contract between managers and employees in everything related to employees' place and development in an organization (Schroth, 2019). Their enjoyment factors at work are different from those of employees from previous generations, they are more driven by intrinsic motivation compared to previous generations (Mahmoud et al, 2020). Meaning in a role is a central enjoyment factor alongside variety (Mahmoud et al, 2020; Chillakuri, 2020). Racolța-Paina and Irini's (2021) study in Rumania showed a generation of employees seeking transparency and innovation in the world of work. Generation Z employees are much more direct in their approach and despite a lack of employment experience, they expect salaries, benefits and conditions ranging from very high to unrealistic (Racolța & Irini, 2021).

Moreover, the COVID -19 period honed the intergenerational gap in the world of work. Studies conducted during this period showed that in a period of uncertainty the need for stability and security stood out in Generation X in contrast to Generation Z that did not view this value as important, but what was very important was pleasure derived from work (Mahmoud et al., 2021). Ongoing working from home is difficult for them, Generation Z feels less productive when they only work from a distance, the hybrid work model is a complete solution for them. It is a generation that needs social interaction at work (McCrindle & Fell, 2020). A Linked-In survey conducted in May 2022 in the U.S.A. reported that 70% of Generation Z employees experience revival in their careers, feeling bored or wanting to change jobs as a result of Corona. 33% had already begun to look for new jobs and area, 30% looked to develop or change roles within the organizations in which they worked (Moot, 2022). Data from the McKenzie Institute is even more radical in assessing the desire to leave one's workplace, according to this data, 77% of Generation Z employees are considering leaving their workplace in the coming year (Dua & Kweilin, 2022). In conclusion, Generation Z come to the world of work with new characteristics and different expectations, constituting a new challenge for managers, but nevertheless also bring opportunities to organizations.

Intergenerational leadership – the issue of leadership in the world of work always awakens excitement and expectations and is seen as a key component of organizations' success. The concept leadership has been explored a lot and has a range of definitions. Lussier and Achua (2015) defined it as a process influencing leaders and followers to reach organizational achievements and goals through change (Lussier & Achua, 2015). Kotter (1990) defined leadership as the ability to produce change, he viewed management and leadership as two different components complementing each other (Kotter, 1990). Yukl (2012) argued that the essence of leadership in organizations is in fact the effect of personal and collective efforts on achieving a common goal (Yukl, 2012). Leadership can improve staff performance in an organization. Several studies have shown the difference in intergenerational perceptions of evaluating leadership of employees in the world of work

(Bako, 2018; Sessa, Kabacoff, Deal & Brown, 2007) to be influenced greatly by generational qualities, their leading values, qualities, and behaviors employees look for in managers.

The literature and research have tended to explore the issue of leadership a lot, but whether there is also an intergenerational gap in employee needs for a management and leadership style? The professional literature is divided about this and points to a number of approaches. Differences in generational characteristics and existing organizational conflict, employees' experiences and values led to a need for different intergenerational leadership (Al-Asfour & Lettau, 2014; Sessa et al., 2007). Sessa et al. (2007) found an intergenerational difference in assessing leadership qualities: baby boomers (1945-1965) seek wise and persuasive leaders, diplomats with political ability, experienced with a long-term view, and credibility is the supreme value they seek in leaders. Generation X employees (1965-1980) seek optimal, persuasive, and experienced leaders capable of seeing the broad picture, they seek leaders with abilities to focus, pay attention, encourage and feedback. Generation Y (1980-1995) seek loyal, creative leaders who show concern for employees personally and pay attention to them.

Bako (2018) identified an intergenerational gap in intergenerational leadership perceptions. According to his study, Generation Z is different from previous generations in its expectations of leaders who take risks, are willing to sacrifice, awaken conflicts and encourage diversity. Bateh's (2019) research findings showed that leaders must have the ability to lead different types of employees with diverse characteristics, values and behaviors and therefore it is incorrect to define a single leadership style to lead Generation Z (Bateh, 2019). Laudert (2018) argued that considering Generation Z's characteristics, it expects authentic and adaptive leadership capable of best containing it (Laudert, 2018). Petrucci and Rivera (2018) presented the need for digital leadership in light of intergenerational change and employees' transition to be more technological, they saw the effect of generational Z on developing leadership and managers' need to motivate employees to communicate with them, to provide digital feedback as part of new leadership expected of managers (Petrucci & Rivera, 2018).

In conclusion, there are many approaches addressing intergenerational leadership and a lack of unity whether for Generation Z a specific leadership is needed in light of intergenerational diversity or alternatively managers need a basket of skills to implement according to need.

Employee commitment – employee commitment comes from the view that employees are the most important organizational resource and measures the connection employees experience with their organizations. Employees committed to their organizations feel integrated and understand organizational goals (Beloor, Nanjundeswarasewamy, Swamy & Swamy, 2017). Maxwell and Steele (2003) defined employee commitment as a chain link connecting commitment to work to a behavioral approach in the workplace (Maxwell & Steele, 2003). Mayer, Allen and Smith (1993) viewed employee commitment as a multidimensional concept made up of three components including willingness to make effort on behalf of an organization, adherence to organizational values and desire to remain in an organization (Mayer, Allen & Smith, 1993). The importance of commitment according to Dordevic (2004) is employees' behavioral implications starting with performance at work, absence, and other organizational behavior (Dordevic, 2004).

In addition, Brown et al.'s (2011) extensive study also showed the effect of employee commitment and loyalty and improve organizations' business performance, but also pointed out that creating this commitment must be through an organizational human resources' approach and trust in employees (Brown, McHardy, McNabb & Taylor, 2011). Another measure found to strongly correlate with organizational commitment was employee satisfaction with their workplace. This measure was examined in several studies (Jabbar et al., 2019; Saputra & Mahaputra, 2022), those that examined which factors affect employee commitment and found a wide range of reasons including reward and salary, work environment, social climate and relationships with managers (Beloor et al., 2017). Both management and leadership constitute an important factor affecting employee commitment. Jabbar et al.'s (2020) study showed the effect of leadership on commitment from a negative angle, how the effect of managers' offensive leadership leads to a low level of employee commitment and desire to leave an organization (Jabbar et al, 2020). On the other hand, improving management skills strengthens employee commitment with an organization and even influences organizational effectiveness (Gul, 2015; Osa & Amos; 2014; Welch & Mickelson, 2013). Nevertheless, it was found that there was mutuality in the value of commitment, in other words, alongside the effect of managers and organizations on employees. There is also an effect on managers' management and leadership style (Saputra & Mahaputra, 2022). In conclusion commitment has many components but noticeable from the review is that the issue of leadership has a significant effect on employee behavior.

Re-Observation of Generation Z Commitment in the World of Work

As the literature review above showed, over the years the value of commitment has been seen mainly as employees desire to remain in an organization, adherence to organizational values and willingness to invest over and above work hours. A few factors affect this commitment from managers' management and leadership, through satisfaction with workplace, rewards and more. This view was validated mainly because employees from the baby boomer and X generations remained in the same organization for years and viewed it as home and a supreme value. Generation Y was the first to crack this view and change workplaces more frequently. However Generation Z has completely changed the rules in the world of work. Its characteristics, which do not necessarily seek stability in the world of work as employees from previous generations and is not moved by changing workplaces, producing a reality of high turnover harming organizations. As written in the review, Generation Z comes to the world of work under the influences of a fast-progressing world, full of stimuli and abundance previous generation had not known. Therefore, how employees think, and concepts perceived among previous generations are translated differently by this generation.

How Generation Z view the value of commitment is slightly different, rapid exhaustion in a role and the need for a new challenge led employees to become bored quickly and need to refresh themselves. For them, turnover is legitimate and sought as part of personal development. Commitment as a value for this generation is the ability to learn their role quickly, lead rapid outcomes and performance, innovation and meeting the needs of their role. Generation Z's commitment is first and foremost to themselves, the pyramid of previous generations in which organizations were at the top has overturned: Generation Z

views employees at the head of the pyramid and thus their expectations from organizations and managers. If in the past, employees in the world of work had seen the workplace and central anchor in their lives, Generation Z views the workplace solely as a temporary station, as a place to develop personally and professionally and no less importantly as a social place that must provide it with daily pleasures. Generation Z is critical and opinionated, does not accept things as obvious and therefore, conflict with managers and organization is more frequent, their lack of fear of stability alongside high self-confidence allow employees to leave without fear and believing that this is the route to their personal and professional development. Moreover, in the world of work there is a reciprocal principle in which reciprocal behavioral effects exist and as employees from previous generations influence Generation Z, young employees influence older employees in changing views of organizations and the world of work.

To cope with the new reality leading Generation Z and turn the change into an opportunity, organizations and managers must understand, in principle, that employee turnover is part of the new world of work led by Generation Z and affects older employees. Hence, the organizational perception that commitment is not necessarily a measure of remaining within an organization or sense of belonging but is also output and the value it brings to a role. This output is rooted in learning and development in a role, a sense of meaning and organizational value even if it is for a shorter period. Implementing change comprises three components:

Intergenerational leadership – understanding that managers constitute a significant factor for functioning, managers must strengthen intergenerational leadership, in other words, ability to lead and manage employees from different generations, understanding expected characteristics, values and behaviors, respect them and motivate employees using their strengths. Intergenerational leadership will develop by getting to know the generation of employees, their motivational factors, establishing open discourse and building mutual trust, strengthening intergenerational relationships between employees, creating reciprocal learning, and accepting diversity. Managers must improve management skills likely to provide employees with a challenge and meaning and thus to create better productivity in their role and perhaps even the desire to remain within an organization for longer than planned.

Managers' approach as employee coaches is likely to improve employee commitment with managers by creating a sense of personal development and investment in employees. Generation Z's commitment is affected by staff social climate and close environment, and here too, managers have an important role in building and consolidating staff and creating a supportive social climate. Since Generation Z is technologist and relies on technology, managers are expected to improve their digital leadership, openness to technological changes.

Employee induction processes – understanding that employee turnover is part of the new world of work requires thinking about employee induction and learning processes so that they are fast and efficient, connecting employees to organizational goals and achieving high performance in a short period of time. Generation Z is characterized by high independent learning abilities, ready for conceptual changes and able to cope better than previous generations, and therefore, organizations must build infrastructure allowing independent learning such as accessible knowledge management repositories, self-paced courseware and videos. Alongside rapid professional learning for a role, it is important to

strengthen the mental side of new employees to provide a sense of belonging and development, integrating organizational mentors who accompany employees at that stage is likely to improve the process and enable rapid employee integration.

Work environment – Generation Z employees, who have grown up in a world of abundance and innovation ascribe importance to the working environment and social climate. Corona has taught us that it is Generation Z who finds it difficult to work solely from a distance and also needs a supportive and progressive working environment allowing it to perform its role with pleasure and creativity. Since work environment affects employee commitment perceptions, organizations must examine work environments and adjust them to the changing reality, to produce a pleasant and innovative environment.

In conclusion Characteristics of new employees from Generation Z already affect the world of work and value of commitment for organizations. Organizations and managers must internalize the notion that employees are only temporary in their workplace and the commitment value must be reinterpreted as performance in a role, a desire to learning and development, meeting organizational goals and leading to innovation. Implementing this change involves developing intergenerational leadership that understands generational characteristics and develops management and leadership skills, rapid employee induction processes and improving work environments.

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