What Generations X, Y and Z Want From Leadership



By Henrik Bresman, INSEAD Associate Professor of Organisational Behaviour, and Vinika D. Rao, Executive Director of the INSEAD Emerging Markets Institute

Managers should distribute leadership and make life more efficient for their employees.

Open communication and feedback are most often cited as qualities preferred in leaders by members of Generation X, the post-baby boomer generation, and Generation Y, "the millennials". Generation Z, however, the generation born from 1994 onwards, has other ideas. This generation wants their leaders to be positive, according to the third part of "Generations", a three-part study conducted by the INSEAD Emerging Markets Institute, Universum, the MIT Leadership Center and The HEAD Foundation.

Different priorities for leadership may not appear particularly menacing, but in our study of more than 18,000 working professionals and students across the world, we found that the ever increasing speed of technological change is opening up fissures in both generational expectations of leaders and their expectations for their own paths to management. The mix of aspirations and demands from the different generations presents challenges that will have to be carefully managed.

For example, 35 percent of Gen Z expect "motivating behaviour" from their leaders, while just 25 percent of Gen X managers say they exhibit this trait. Gen X instead likes to think it offers strong personal ethics, but just 12 percent of Gen Z expect such values from their higher-ups.

Gen Z may appear demanding and at odds with what leaders currently offer, but our findings show that they aren't particularly interested in jumping into their managers' shoes and taking control. In fact, across the generations, the desire to lead varies greatly by age and geography.

Leadership roles? Too stressful.

Less than half of Gen Z in Denmark, for example, says becoming a leader is important or very important, while 77 percent of Gen Zers in India desire a leadership position. Only half of millennials in the workforce in Japan covet leadership roles but 77 percent of their American peers want to be leaders. Across the board, Gen X is fairly neutral, with less interest than the other generations at an average 57 percent.

We observed two main barriers that are preventing many from seeking out leadership roles. The first was stress, which emerged as an issue that makes leadership roles most unattractive. Gen Z was the most likely to worry about it (58 percent of respondents), but Gen X was close behind at 52 percent. In the U.S. in particular, 74 percent of Gen Y professionals cite stress as negatively associated with leadership, similar to Gen Zers in Italy, at 71 percent.

Our research also showed that women are more likely to be put off by stress and more likely to feel they lack the confidence to lead, which can often result in organisations missing out on potential women leaders. This is exacerbated by the fact that women are actually more likely to enjoy the challenging work involved in leadership, a finding that was most pronounced in Gen X women, as well as coaching and mentoring others. They're also less likely than men to be attracted to the higher earnings associated with leadership roles.

The second issue turning people away from leadership roles was work-life balance. Interestingly, and as reflected in the <u>second part</u> of this series, Gen Z was found to be least concerned about work-life balance. This concern was most strongly felt by Gen Y and Gen X professionals.

Gen Z is most worried about failing. While these fears tend to diminish with age, we found that half of the Canadian and Mexican respondents are afraid of failing in leadership roles and worry that leadership would expose their weaknesses.

Leading the way

The fear of stress and of failing in senior roles means current leaders may need to consider altering their definition of leadership to encourage nervous workers to join the management track.

To lead those who don't currently see leaders the same way they see themselves, today's managers will also need to change their approach to inspire their followers. To do this, management might consider "distributed" leadership, which is based on the idea that leadership is not a rank or a role but is based on completing tasks that influence an organisation. The model helps organisations leverage the capabilities throughout the firm by distributing leadership to wherever the best information and capabilities reside. Someone who is a leader today may become a follower tomorrow and vice versa, which may go some way to placating ambitious younger workers in places like Mexico and India who overwhelmingly desire leadership roles, although not all of them will be able to attain that level.

Leading in this way will also expose those nervous of leadership roles to management tasks, allowing them to get their feet wet without taking on roles they may consider unprepared for, better developing them for advancement. Cargill, the food and agricultural firm, gives managers "safe to fail" challenges, allowing them to exercise their strategic thinking and take risks in a safe environment. This also allows employees to collaborate, something they're increasingly interested in doing to put their **entrepreneurial zeal** to work.

Meanwhile, work-life balance is an issue that worries everybody. Leaders today will have to find ways to make tasks as efficient as possible so employees can maximise their time in the office and still have a decent home life. This may mean that leaders themselves will need to realign their own work, such as answering and responding to incredible amounts of email, on which, according to Bain & Company, managers spend eight hours per week.

Most importantly of all, leaders should make an effort to unearth intergenerational gaps. Not only do these gaps highlight potential fissures

across the generations, they also uncover insights that can help organisations lead their workforces more effectively and compete for the next generation of talent.

Henrik Bresman is an Associate Professor of Organisational Behaviour at INSEAD and the Academic Director of the INSEAD Global Leadership

Centre and Senior Advisor to The HEAD Foundation. He is also co-director of the Management Acceleration Programme, part of INSEAD's suite of Executive Education offerings and the co-author of X-Teams: How to Build Teams that Lead, Innovate and Succeed. You can follow him on Twitter at @HenrikBresman.

Vinika D. Rao is Executive Director of the INSEAD Emerging Markets Institute (EMI). EMI is a leading think tank on issues related to economic development and business management in emerging economies across the globe. It develops cutting edge pedagogical material, research publications and data sets related to emerging markets. You can connect via email at emi@insead.edu or follow Vinika on Twitter at @VinikaDRao.

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About the author(s)

Henrik Bresman is an Associate Professor of Organisational Behaviour at INSEAD.

Vinika D. Rao is the Executive Director of the INSEAD Emerging Markets Institute, Gender Initiative and Africa Initiative, and the Asia Director of the Hoffman Global Institute for Business & Society.