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# What does Generation Z expect from their future leaders?

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## Abstract

**Purpose:** The struggle for finding and keeping employees in European companies is in full swing. A new generation, Gen Z, is entering the workforce and companies have to provide their future employees with a fitting employer value proposition. This study attempts to shed light on Gen Z's expectations, feelings and requirements from their future leaders, supervisors or managers.

**Design/methodology/approach:** A mixed-methods approach was used, combining literature review, content analysis of job platforms, qualitative as well as quantitative methods. The main study comprises 550 pupils and students from Austrian education institutions, entering the labour market in a few years.

**Findings:** The findings show a shift from 'doing to being', and from 'managing to understanding'. Gen Z emphasizes social aspects like team spirit, working environment, and work-life-balance, but also job security, and flexibility. Gender and age group play differences exist.

**Originality:** Primary research (qualitative and quantitative) was conducted to better understand a relatively new phenomenon. Findings

are discussed in the light of established as well as emerging leadership theories.

**Paper type:** Research paper, empirical.

**Keywords:** Generation Z, leadership styles, transformational leadership, coaching leadership, servant leadership, employer marketing

## 1. Introduction

The struggle for finding and keeping good employees in European companies is in full swing and it rests as a big problem on the desks of HR departments and leaders at all levels. Aside from a general shortage due to demographic developments, a new generation of future employees (the Generation Z or ‘Gen Z’) is growing up, and will join the labor markets soon (Zehetner and Zehetner, 2019).

Field reports as well as scientific literature on employee related expectations, motivation, and behaviours of Gen Z is scarce. This makes it hard for companies to adapt their recruiting strategies, as well as to execute effective and efficient leadership. Some companies have already started engaging in research for a better understanding of generational differences with regards to company expectations (Howe, 2014). First attempts are being made in creating strategies for coping with and developing strategies to understand the requirements and expectations of this generation (Chillakuri and Mahanandia, 2018).

The motivation of this study is to identify and categorize criteria, which might help to distinguish a ‘perfect from an average leader’ in the eyes of a Gen Z candidate. This remainder of this contribution flows as follows: First, existing knowledge about the main theoretical constructs, namely leadership and leadership styles, the specific characteristics of Gen Z and the relationship of these two constructs is acknowledged. Next, the expectations of Gen Z representatives of their future leaders in the empirical context of Austria are investigated. After that, the empirical part includes the study methodology, analysis and discussion of main findings. The paper ends with practical recommendations for management and leadership as well as limitations and directions for future research.

## 2. Leadership and leadership styles

The economic psychologist Lutz von Rosenstiel defines leadership as “goal-related influence” (Rosenstiel et al., 1991, p. 3). Due to the increasing complexity of many work processes, leadership “by people” is becoming increasingly important. Even where “structures lead”, it is people who decide to what extent these structures are followed. Leadership therefore depends on people and the way they interact and communicate with each other.

One approach to systematize leadership styles dates back to Burns’ (1978) classification into transactional and transformational leadership. Others (Lewin et al., 1939) distinguish between authoritarian leadership style, democratic leadership style, and laissez-faire style. Aside from these, there are younger models and upcoming leadership styles, like authentic leadership and ethical leadership (Anderson et al., 2017). In the following section, a combined approach of established and upcoming leadership styles is discussed for the given context of Gen Z’s expectation and preferences.

Transactional leadership describes an exchange relationship between an executive and his or her employees. Transactional leaders enable their followers to achieve goals in return for rewards. The rewards can be of economic (e.g. bonus payments), of political (e.g. promotion) or of psychological (e.g. praise) nature. Transactional leadership can be characterized by clarifying expectations, by assuring performance rewards and by sanctions for non-performance. Transactional leadership is based on extrinsic motivation (Peters, 2015).

A transformational leader not only identifies the needs of their employees, the executive also tries to exceed the level of these needs to a higher level. The transformational leader tries to transform the employees’ motives, values, goals and trust. The transformation occurs by empowering employees to have decision-making authority in the decision-making process. By being persuasive and having inspiring values, the executive is perceived as a role model. By having a high willingness to cooperate and having strong communication skills, the transformational leader promotes fundamental change processes (Peters, 2015). Finally, individualized consideration stands for transformational leaders seeing each employee as an individual and identifying their separate needs. They become mentors and focus on learning opportunities for their employees in order to encourage personal growth

(Harrison, 2018). Wegner (2016) emphasizes positive leadership as an emerging leadership concept building on transformational leadership. “It is based on entrepreneurial spirit, optimistic attitude, existence of an atmosphere of trust between leaders and followers, fairness and justice among employees and, of course, hope” (Wegner, 2016, pp. 92–93). As such, it mirrors some of the attribution of Gen Z.

The servant leadership theory was developed by Robert Greenleaf (2007). According to the author, there is a duty of leaders with power to serve those with less power, meaning the employees. In contrast to the transformational and transactional leadership style, the servant leadership style places the leader on the same footing as the employees and has its main focus on the subordinates and ethical behaviour (Jaramillo et al., 2015). Servant leaders involve employees in decisions and display highly ethical and caring behaviours. Furthermore, they encourage personal growth of employees and better the working conditions in an organization (Spears, 2010). Harrison shares the same opinion and also mentions that there are many publications about the servant leadership style, but until today not enough empirical evidence has been published to prove the validity of this theory (Harrison, 2018). This style acknowledges the necessity to be authentic in one’s interaction with followers, but servant leadership’s motivation is more philanthropic, ‘[...] because they are driven either by a sense of higher calling or inner conviction to serve and make a positive difference for others’ (Eva et al. 2019, p. 113).

The supportive leadership style is described as part of the path-goal theory. Additionally, supportive leadership is also mentioned in the situational approach paradigm in the leadership literature. The path-goal theory appeared in the leadership literature in the 1970s. It describes how leaders can motivate their followers to achieve assigned goals. The aim of the path-goal theory is to maximize followers’ performances and satisfaction. This is achieved by shifting the focus on followers’ motivations and the characteristics of work tasks. Schuetz (2016) presents four kinds of leader behaviours within the path-goal framework: directive leadership, supportive leadership, participative leadership, and achievement-oriented leadership. However, she warns that all styles are context-sensitive and may be used by the same leader in different situations, also with respect to generational background.

Coaching leadership is defined as the provision of individual, practical support and guidance to help employees identify unknown

areas where they can enhance their work performance. However, providing too much coaching as a leader can be accompanied by the risk of hindering effective performances of representatives and by being perceived as distracting and annoying. For example, if leaders insist on employees achieving a certain amount of sales calls, meaning fulfilling a leading indicator, or exhibiting too corrective behaviours, like demanding weekly reports of customer meetings, negative feelings could be built up and cause adverse reactions of employees (Peesker et al., 2019).

### **3. Generation Z**

Effective employees lead to an effective productivity, thus, the greatest resource available to companies is their human capital (Bejtkovský, 2016). Individuals undergo a generational change. Every generation has its unique story, be it Generation X, Generation Y or Generation Z. ‘No generation is a monolith, but there are growing trends of expectations and preferences that change as culture and worker demands change’ (Lanier, 2017, p. 288).

Generally, the term ‘generation’ can be defined as a group of people born in the same time and consequently presumed to have similar aging experiences and life trajectories, with belonging group members showing identifiable characters (Katz, 2017). Generations are a dynamic social foundation as their transition from one generation to the next is a continuous process with constant interaction with previous generations. There is no consensus about clear thresholds for when one generation ends and another one starts. Based on recent sources (Engel, 2018; Center, 2018; Sifted, 2019), in this contribution Gen Z consists of members of the society born in 1996 and onwards. This means that Gen Z is currently making its way into the workforce. Whilst the majority of research continues to shed a light on Generation Y, nevertheless, HR managers and leaders have the first Gen Z’ers already in their teams.

Generations and their distinct characteristics are often described as an organizational phenomenon that is strongly related to generational identity. This term defines the individual’s knowledge of belonging to a generational group and feeling emotionally attached as a member. Due the shared events in their formative years, generational identities emerge in the workplace based on collective memories, rather than being

strictly tied to birth membership. Shared identities result in common work-related expectations, whereas a violation of these contracts may lead to dissatisfaction, increasing lack of commitment or leaving the company (Lyons and Kuron, 2014).

Generation Z, sometimes referred to as the “iGeneration” (Klaffke, 2014) presents unique challenges and opportunities that irretrievably change the way of working (Lanier, 2017). Gen Z differs in characteristics, mindsets and expectations compared to previous generations (Ozkan and Solmaz, 2015). Already in the early stages of their development, Gen Z is encouraged to participate in discussions and debates, which provides them with opportunities to present their opinions. They continue to do so when entering the corporate world, thereby questioning other perspectives and argue for their way of accomplishing tasks. Further, this generation is very ambitious when it comes to achieving their set goals and believe that education is the key to reach them. Gen Z is a cohort that is able to multitask and prefers to work on more than a single task. Hence, it is the duty of their supervisor to identify their strengths, follow them closely and keep them motivated and energized at work (Chillakuri and Mahanandia, 2018). They are adapted to team spirit and greatly value the social environment of an organization, which forms the company culture for the community. Additionally, they expect job security, as well as a high level of independence and an aversion of authority (Lanier, 2017). Gen Z prefers to be loyal to their profession rather than to an organization. They are quick, efficient and can easily adapt to various types of assignments. Growing up with continuous technological advancements, they expect work-life to be fast and instant (Chillakuri and Mahanandia, 2018).

As Gen Z enters the workforce, companies need to be ready to address new issues and expectations that could arise. Managers need to redesign their strategies and policies in order to sustain and be competitive in the upcoming war for talents (Chillakuri and Mahanandia, 2018). It is becoming increasingly important for companies to acknowledge the impact of generational demographics on the way an organization is managed. A successful company must establish an employee value proposition that offers a concrete answer to the question of why talented people would desire to work for their company. Therefore, the prospects and their drivers of what makes a great company, jobs, compensation and lifestyle have to be fully understood (Bova and Kroth, 2001). Existing HR policies and practices have been created by

older generations and may not reflect contemporary requirements. The result can be a shortage of skilled workers. Therefore, employers need to find the right combination of HR tools and strategies to attract young talents and retain the older workforce at the same time (Ng and Parry, 2016). Growing up with smartphones in Gen Z's hands, technology has merged seamlessly into their lives. Consequently, companies face increasing complexity of engaging with the target audience through numerous media channels. Meret et al. (2018) summarize seven traits that characterize Gen Z members:

Regardless of any consideration on the fundamental impact of digitization on this generation, [...] identify seven personality traits, [...]: (a) they feel special, firmly believing in their ability to address the future trends and becoming builders of their own destinies; (b) they are protected, not only by their families, but also by their superiors; (c) they are confident and optimistic about the future; (d) they are quite conventional; (e) they are team-oriented, because of their increased possibility of connection with others, primarily related to the level of technological sophistication they bring. This might imply a greater propensity to cooperation; (f) they aim to feel blessed and aim to achieve greater personal fulfilment in the future, relying on a higher level of education; and (g) they feel under pressure and believe that success in the future is based on choices made today (Meret et al. 2018, p. 246–247).

#### **4. Gen Z expectations from their leaders**

Anecdotes from the popular business press indicate that the Gen Z cohort will revolutionize the job market as it is known, also with respect to leadership requirements (Forbes, 2021). The 'Gen Z' might have a significant impact on the organisational environment, in all industries, and at all levels of the organisation. 'Gen Z', is highly influenced by globalisation and digitalisation. They may expect different leadership styles. Leaders have to be ready to cope with the psychological differences of Gen Z, with their high expectations, difficulties with criticism, job-hopping and high need for praise (Waal et. al., 2017) to name just a few. Zemke et al. (2013) indicate that different leadership styles are needed in order to lead in an atmosphere of generational diversity. There is no uniform style of leadership (Davenport and Prusak, 1998). Arsenault

also underlines this when stating: “[...] these differences require all leaders to have a style that is broad and flexible. The style should include a structured style for Veterans that emphasizes delegation, an individualist approach that values self-expression for Baby Boomers, an excitement style that makes Xers feel like change agents and a team one that is relevant to Nexters’ values of accomplishing greater societal and corporate goals” (Arsenault, 2004, p. 129).

To date, little is known about expectations of Gen Z members from their leaders. There exist conceptual papers, but only scant empirical knowledge has been reported in the scientific literature. With respect to communication behaviour, Meret et al. (2018) found that Generation X is familiar with personal computers, but they use technology mainly for convenience purposes. Generation Y, who already grew up with wireless devices are more technology-savvy. They are used to social networks and online environments. Gen Z, also referred to as digital natives, grew up being highly interconnected with people from all over the globe and are technological professionals. This generation considers technology as their sixth sense, which has effects on leader-follower communications as well. Being acquainted to very fast and direct peer-to-peer communications, Gen Z also prefers quick and direct person-to-person communication with company leaders and desires feedback with more frequency than any previous generation (Lanier, 2017).

Chillakuri (2018) emphasize the requirement of timely feedback about Gen Z members’ performance so they can focus on the improvement areas instead of waiting for the year-end review. While emphasizing the need for instant feedback, the participants of also underlined the need for candid feedback. Lanier (2017) found that Gen Z is even more entrepreneurial than the Millennials, therefore, managers and leaders can motivate these talents by implementing and cultivating entrepreneurial goals at work, such as supporting a sense of agency at work and supporting innovation, autonomy and project ownership.

Furthermore, Schroth (2019) revealed that Gen Z has an idealistic perspective that their work is meaningful and exciting and that their ideas will be implemented by their managers. Leaders should help employees to understand their contribution and how it is important to the success of the organization (Pradhan and Jena, 2019).

Klein (2018) reports that Gen Z members tend to separate between professional and private worlds, and flexible working hours are not only seen positively, as this is suspected to be beneficial for the company



only. The assumption of management responsibility is playing a minor role (Scholz, 2014).

Özçelik (2015) reminds leaders to provide Gen Z members opportunities for challenging assignments, job enrichment, customized leadership styles such as reserve mentoring and training programmes as well as „[...] giving personal acknowledgement, ongoing training and consistent frequent feedback as well as recognition of achievement [...] drive[s] employee engagement and retention“ (Özçelik, 2015, p. 103).

With respect to differences in work values and attitudes, there is indication that the cohorts prefer distinct types of leaders and leadership styles (Lyons and Kuron, 2014). A study conducted by (Sessa et al., 2007) asked participants to select and rank their preferred leadership qualities. They found that attributes such as credibility, persuasiveness and delegation rank lower in the eyes of the younger generation. Contrary to that, characteristics such as dedication, optimism, trust and support rise in gain importance with every evolving generation.

The scientific knowledge so far suggests that these generational differences may call for adaptations to our current theories of leadership (Anderson et al., 2017). To better understand the magnitude and the direction of these adaptations, this contribution provides empirical evidence on how younger workers expect their leaders to provide a working environment that supports individual fulfilment as well as puts a focus on tasks and organizational goals (Lyons and Kuron, 2014).

## 5. The empirical context: Austria

According to Statistik Austria, the country's population is growing and said to be reaching the 9 million people mark by 2030, compared to 8.4 million inhabitants in 2010 (Statistik Austria, 2021). The size of the elderly population is expected to rise and the Baby Boomers reach retirement age by that time. This results into a shortage of skilled workers in the economy, and consequently attracting and retaining talented (young) people will gain importance. Companies are doing their best in convincing talents to join and stay with their workforce (Hillebrandt and Ivens, 2012).

Not only do the demographics change, but the value system does as well. Individuals are not only striving to fulfil their material needs, but also to accomplish their individual goals. Gen Z has arrived in

Austria as well. For companies, this implies taking a careful look at their ability to provide a proper balance between professional and private life. This requires a great deal of organizational resources. Ultimately, globalization exacerbates the situation for companies due to international competition and an increasing the level of rivalry (Hillebrandt et al., 2015). Technology has changed the prerequisites for employers as well as the attitudes of employees. Out of Austria's population of 8.76 million, 7.71 million inhabitants are actively using the internet, and 4.4 million people are actively using and engaging on social media, mostly on mobile devices (Datareportal, 2019).

Austrians are mostly satisfied with their jobs, including their workplace and working atmosphere, and the quality of their employers. A little more than 73 % of the population is pleased or rather pleased with the leadership skills of their managers coupled with flexible working hour, holidays, home-office opportunities, health check-ups and sport programs, all of which are highly valued by the Austrian workforce. Additionally, attractive salary, job security, a comfortable work environment and a good work life balance are amongst the most significantly positive aspects (Randstad, 2018).

## 6. Methodology

This study tests a set of characteristics with respect to leadership expectations of Gen Z. Methodologically, a 'mixed-methods approach has been selected. As Johnson et al. state, 'Mixed methods research [...] is becoming increasingly articulated, attached to research practice, and recognized as the third major research approach or research paradigm, along with qualitative research and quantitative research' (Johnson et al., 2007, p. 112). According to Denscombe (2008), a rigorous mixed-method approach requires quantitative and qualitative methods within the same project, a design that specifies the sequence and priority of qualitative and quantitative methods, information about how the methods relate to each other and pragmatism as the philosophical foundation of the research.

The selected approach comprised a (qualitative) pre-study and a quantitative main study. Within the pre-study, a thorough literature review, the application of existing frameworks, qualitative findings from student interviews and the contents of national job-platform were analysed with the aim of identifying Gen Z members' expectations of their future

employment including leadership related matters. In the main study, these criteria were subjected to a large number of respondents in order to rank them according to their importance for different groups of Gen Z members. Finally, the findings were contrasted to existing leadership styles.

**6.1. Pre-study**

An exploratory study was conducted among university graduates who have recently entered the labour market. 13 participants were contacted through social media and asked about the most important factors they are expecting from their company and its leadership. The aim was to include experiences and insights of recently hired people into the criteria development. In total, 75 criteria were collected, analysed and discussed. The most frequently mentioned factors were used in the final list of criteria.

Secondly, and in order include trends and developments, which were not parts of former studies due to their degree of novelty, some evolving trends were included in the list of potential criteria by the authors.

Thirdly, job descriptions in online job portals helped to get insights into leadership related criteria offered already by the employers. A content analysis was completed of two Austrian career platforms (karriere.at, stepstone.at). 36 business related job offers were analysed and 30 criteria were found.

Based on the data collected from the sources mentioned above, 36 criteria were selected. The framework provided by Jin et al. (2014) was used to systematically structure the data (Figure 1). This framework

Criteria affecting job attractiveness		
Job Criteria	Location Criteria	Individual Criteria
Mentoring program	Low commuting time from and to work	I know somebody in the company
Easy application process	Company kindergarten	Identification with the product
Job security	Big company	Good team spirit
High level of responsibility	Low costs of living	Room for creativity
Flexible working hours	Central location of the job	Tasks that challenge me
Opportunities for international career advancement	Canteen available	Lots of free time
Company car		Travelling opportunities
Work-life-balance secured		Collection of experience for future job positions
Good image of the company		Compatibility with family planning
Financially stable company		Possibilities to relax at work (lounge area, gym, etc.)
Good working climate		Flexible working space (home office, hot desking, coworking space, etc.)
Flat hierarchies		New high-tech equipment in the office
Opportunities for further training/education		
Good salary		
Career advancement possibilities		
Employee benefits (such as discounts)		
Shaping the future of the company		

**Figure 1.** Criteria affecting job attractiveness

Source: Pre-study results. Based on Jin et al.'s (2014) framework

categorizes factors affecting job choice along three criteria, namely job characteristics, location characteristics, and individual characteristics.

From this set, a choice of criteria that may be influenced by leadership and leader-follower interactions was made. 19 criteria remained and were used in the main study.

## **6.2. Main study: Sampling and data collection**

Pupils from Austrian commercial schools and students from Austrian Universities with a focus on sales and/or marketing formed the population of this study. In total, 555 pupils and students participated in the survey, 62% female and 38% male. 23% were younger than 18 years, 62% were aged between 18 and 22 years, 15% were between 23 and 27 years old. 72% of the sample were attending commercial secondary schools and 28% were university students.

To ensure a high response rate, researchers visited classrooms, preceded by a participation request email explaining the purpose of the study. A process description was prepared in order to brief the teaching staff. The questionnaires were printed and contained 36 characteristics labelled 'how important are the following criteria for your future job decision'. Criteria were ranked on a ten-point Likert scale ranging from 'not important' to 'very important'. Demographic questions (gender, age, educational institution) completed the questionnaire. Pupils and students completed the questionnaire in class (paper and pencil). The average time needed to answer the survey was between 10 and 15 minutes. The study was conducted from October to December 2019.

## **7. Analysis**

The aim of this project was to identify the most important criteria for potential commercial Gen Z employees, when engaging in a first employment. All criteria were checked for completeness and data input errors, where no errors were detected.

### **7.1. Individual characteristics ranking**

In a first analysis step, all criteria were mean-ranked according to their perceived importance by the respondents. Table 1 shows – in descending order – Gen Z's expectations from future employers and leaders.

**Table 1.** Ranked criteria of attractiveness

	N	Mean	Std. Dev.
Good team spirit	555	8,92	1,336
Pleasant working environment	555	8,88	1,314
Secured work-life balance	555	8,36	1,856
High salary	555	8,35	1,469
Financially stable company	555	8,27	1,601
Job security	555	8,22	1,833
Good career opportunities	555	8,06	1,560
Flexible Working hours	555	7,97	1,791
Continuing training offerings	555	7,90	1,603
Job-Family compatibility	555	7,88	2,432
Collecting experience for the future	555	7,75	1,742
International career opportunities	555	7,27	2,377

Source: Study results (N=555)

The top three criteria when heading for their first employer are covering social aspects. team spirit, working environment, and work-life-balance were most important. The second set of criteria relates to incentives and security, like salary, career and job security issues. Flexibility-related characteristics, including aspects like ‘flexible working hours’ or ‘job is compatible with family’ form a third set of criteria. A fourth set of characteristics relates to learning and growing such as collecting experience, international career, challenging tasks, and responsibility.

**7.2. Gender differences**

Next, group differences were analyzed for gender and age groups. Independent sample t-tests revealed significant group differences (table 2).

There are similarities as well as differences between female and male respondents in the ranking of the criteria. The top six characteristics for female respondents are related to social and security aspects, while, for male respondents, salary, career and flexibility are among the top 6.

Statistically, female respondents reacted significantly stronger to socially attributed criteria like ‘secured work-life balance’ (t=6.57, p=.000) or ‘job security (t=6.34, p=.000), but also ‘pleasant work

**Table 2.** Gen Z: Differences in criteria by gender

<b>Female</b>	<b>Mean</b>	<b>Male</b>	<b>Mean</b>
Pleasant working environment*	9,14	Good team spirit*	8,64
Good team spirit*	9,10	Pleasant working environment*	8,46
Secured work-life balance*	8,78	High salary	8,32
Job security*	8,62	Good career opportunities	8,00
Financially stable company*	8,49	Financially stable company*	7,90
Job – family compatibility*	8,46	Flexible Working hours*	7,75
High salary	8,36	Secured work-life balance*	7,69
Continuing training offerings*	8,13	Job security*	7,58
Flexible Working hours*	8,10	Continuing training offerings*	7,52
Good career opportunities	8,10	Collecting experience for the future*	7,45
Collecting experience for the future*	7,93	International career opportunities	7,31
Challenging Tasks	7,29	Challenging Tasks	7,21
International career opportunities	7,25	Job – family compatibility*	6,93
Flexible work locations (home office, desk sharing)	6,77	High degree of responsibility	6,79
High degree of responsibility	6,73	Contribute to the company's future*	6,54
Contribute to the company's future*	6,17	Flexible work locations (home office, desk sharing)	6,38
Flat hierarchies	6,09	Flat hierarchies	6,18
Mentoring offerings	5,97	Mentoring offerings	5,71
Room for Creativity	5,87	Room for Creativity	5,53

\* Indicates significant differences at the .005 level

Source: Study results (N=555)

environment ( $t=5.95$ ,  $p=.000$ ). Naturally, 'job-family compatibility ( $t=7.21$ ,  $p=.000$ ) ranked significantly higher for women than men. For leadership, this means that female Gen Z employees are not significantly deviating from social attitudes and behaviour than previous generations. Traditional role-models seem to withstand the time and generational change. Females pay more attention to social criteria than male candidates.

### 7.3. Age group differences

Analyzing age groups allows to better understand Gen Z’s expectations towards their future leaders within the generational cohort. Respondents younger than 18 years will enter the job market within the next 3–5 years, hence allow a medium-term perspective on relevant criteria. Table 4 shows significant differences between the age groups of < 18, 18–22, and 23–27 years. A one way ANOVA with Tukey HSD post-hoc tests (Abdi and Williams, 2010) was calculated in order to reveal significant differences between age groups (table 3).

**Table 3.** Gen Z: Differences in criteria by age group (only criteria with significant differences are displayed)

Multiple Comparisons				Std.		% Con denc	
Tukey HSD			Mean Difference (I-J)	Error	Sig.	Interval	
Dependent Variable						Lower Bound	Upper Bound
Good team spirit	< 18 y.	18 to 22 y.	0,245*	0,136	0,170	-0,07	0,56
		23 to 27 y.	,471*	0,184	0,029	0,04	0,90
	18 to 22 y.	< 18 y.	-0,245	0,136	0,170	-0,56	0,07
		23 to 27 y.	0,227	0,159	0,330	-0,15	0,60
Financially stable company	< 18 y.	18 to 22 y.	-0,227	0,159	0,330	-0,60	0,15
		23 to 27 y.	-,471*	0,184	0,029	-0,90	-0,04
	18 to 22 y.	< 18 y.	0,101	0,164	0,810	-0,28	0,49
		23 to 27 y.	,893*	0,222	0,000	0,37	1,41
Contribute to the company's future	< 18 y.	18 to 22 y.	-0,101	0,164	0,810	-0,49	0,28
		23 to 27 y.	,792*	0,192	0,000	0,34	1,24
	18 to 22 y.	< 18 y.	-,893*	0,222	0,000	-1,41	-0,37
		23 to 27 y.	-,792*	0,192	0,000	-1,24	-0,34
High degree of responsibility	< 18 y.	18 to 22 y.	-0,049	0,206	0,969	-0,53	0,44
		23 to 27 y.	-,961*	0,279	0,002	-1,62	-0,30
	18 to 22 y.	< 18 y.	0,049	0,206	0,969	-0,44	0,53
		23 to 27 y.	-,912*	0,242	0,001	-1,48	-0,34
Job security	< 18 y.	18 to 22 y.	,961*	0,279	0,002	0,30	1,62
		23 to 27 y.	,912*	0,242	0,001	0,34	1,48
	18 to 22 y.	< 18 y.	-0,378	0,208	0,165	-0,87	0,11
		23 to 27 y.	-1,272*	0,282	0,000	-1,93	-0,61
Job security	18 to 22 y.	< 18 y.	0,378	0,208	0,165	-0,11	0,87
		23 to 27 y.	-,895*	0,244	0,001	-1,47	-0,32
	23 to 27 y.	< 18 y.	1,272*	0,282	0,000	0,61	1,93
		18 to 22 y.	,895*	0,244	0,001	0,32	1,47
Job security	< 18 y.	18 to 22 y.	0,146	0,185	0,711	-0,29	0,58
		23 to 27 y.	1,333*	0,251	0,000	0,74	1,92
	18 to 22 y.	< 18 y.	-0,146	0,185	0,711	-0,58	0,29
		23 to 27 y.	1,188*	0,217	0,000	0,68	1,70
23 to 27 y.	< 18 y.	-1,333*	0,251	0,000	-1,92	-0,74	
	18 to 22 y.	-1,188*	0,217	0,000	-1,70	-0,68	

\* The mean difference is significant at the 0.05 level.

Source: Study results (N <18=127; N 18–22=344; N 23–27=84)

In several characteristics respondents younger than 18 years reported significantly higher importance than the oldest group of respondents: ‘Good team spirit’ ( $M=0.471$ ,  $p=.029$ ), ‘financially stable company’ ( $M=0.893$ ,  $p=.000$ ) and ‘job security’ ( $M=1.333$ ,  $p=.000$ ). In contrast, the criteria ‘contribute to company’s future’ ( $M=-.961$ ,  $p=.002$ ) and ‘high degree of responsibility’ ( $M=-1.272$ ,  $p=.000$ ) were significantly more important to the oldest age group. There is a tendency that, within Gen Z, the younger the respondents are, the more they care for relationships and security, in contrast to ‘older’ Gen Z’s, who have a more long-term and less individualistic attitude, and are willing to engage and take care for their company’s wellbeing.

## 8. Discussion, conclusions and practical implications

A major challenge for European companies will be to provide their future employees with a fitting employer value proposition:

‘Generation Z looks for meaningful and exciting work but seeks also meaning and excitement in private lives. In particular, they demand a clear separation of their private lives from their job. All this stands in contrast to the ambitions of the industrial sector in Germany promoting a more Generation Y-type environment with flexibility, agility and work–life blending.’ (Scholz and Grotefend, 2019, p. 169).

The central question of this study was: ‘What does Generation Z expect from its future leaders, and which leadership style fits best to these requirements in order to unfold the full potential of this generation?’ The results show that Gen Z representatives are motivated and willing to perform, however, social and convenience factors play an important role.

In table 4, the authors attempt to deduct consequences from the findings for leadership and appropriate leadership styles, which are discussed in detail below.

The data gives some arguments for the relationship of Gen Z’ers and their leaders. Good team spirit or pleasant working atmosphere indicate that Gen Z’ers feel well in flat hierarchy working conditions. These can be best provided by transformational, servant, or coaching leadership styles, where caring, coaching, supporting, motivating, nurturing are



**Table 4.** Study findings’ consequences for leadership

<b>Implications for Leadership</b>	
Leader-member exchange	Good team spirit, pleasant working atmosphere, flat hierarchy working conditions are expected.
Motivation	Secured work-life-balance, job security, good team spirit, but also extrinsic motivation (salary) are drivers, extrinsic (salary, career) more for male. Job security and team spirit are more important for younger Gen Z’ers. They also are less interested in higher degrees of responsibility and contribution to the company’s future.
Interaction and communication	Expected direct and fast communication and flat hierarchies call for leader-member interaction on even leveled and communication through advanced technologies.
Reward systems	Salary and career are more frequently expected by males. For both, they are complemented by good working atmosphere, teamwork, flexibility and job security. Career opportunities are of medium importance.
Work-life relationship	Social life is happening also at work, a pleasant atmosphere or “family-like” teams are appreciated.
Gender roles	Aspects of traditional role models were found, but social aspects like team spirit, pleasant working atmosphere and stability are important for both genders.

Source: Authors

main elements. Other elements of servant leadership, such as a ‘parent style’ emotional support and care might be seen positively by Gen Z. This goes in line with Anderson’s (2017) discussion of generational changes in the leader-member exchange.

Motivation systems for Gen Z members are not only extrinsic, but more social and security related. This holds more for female than for male individuals. Work and life are separated and room for ‘living’ at work provides motivation. With respect to leadership styles, supportive and coaching leadership are appropriate. Gen Z members are motivated, if individual and practical support is provided but at the same time, individual space for acting is guaranteed. Also presenting the leader as a role-model, as it is seen in transformational leadership styles, could help Gen Z members to unfold intrinsic motivation.

Gen Z grew up using direct communication tools, responding fast, including social (not only task related) messages. For leaders,

communicating on even levels and using advanced technology to communicate allows easy interaction with Gen Z individuals. However, the results show that Gen Z highly appreciates security and stability. Consequently, also elements of transactional leadership, such as clear and fast communication, clarified expectations and transparent rules, help Gen Z to feel safe.

Female Gen Z members respond less to extrinsic motivation like salary and career. Providing security, stability, a good team and a pleasant atmosphere is more important. Salary and career, however, are hygiene factors which play a role, even more for male Gen Z'ers. A transformational leadership style, with intrinsic rewards such as showing appreciation, potential of growth, job safety etc. fit very well to the expectation of Gen Z. However, also elements of transactional leadership, such as payment for performance, might play a role, depending on situational variables.

Gen Z sees social life also happening at work and work atmosphere is important. Characteristics of servant leadership, such as caring for good working conditions and encouraging personal growth, would help Gen Z'ers to balance work and life accordingly and show more engagement, vigor and dedication (Haar et al., 2017). Also, a coaching leadership style could be appropriate, because of flexibility and individuality that is granted to employees. Especially for female Gen Z'ers, job-family compatibility ranks high in importance, and leading by coaching can take care of those individual needs.

In the study, aspects related to social life are at least of the same importance than task and career related aspects. The *'how is it there?'* questions are more important than the *'what do they offer here?'* With Gen Z, a paradigm shift might come to place: In most current job descriptions 'what' statements prevail: 'What will be your tasks?' 'what are your career paths?', or more generally, 'what is expected from you?' (Backhaus, 2004). Gen Z'ers are more interested in 'how does it feel to work here?', 'how does my team look like?', 'how will my working day in this company look like?' or 'how varied and exciting is my job?'. This paradigm shift has consequences for leadership styles as well. As Seemiller and Grace (2016) state, the motivation of Gen Z lies in keeping up with others and sharing personal information and expertise or opinion. Gen Z representatives want to dive deep into the environment which they will be part of after their job decision. They are used to share and forward "stories" rather than facts and may expect the

same from the communication with their employers. Also, convenience is important in Gen Z's decision making. According to Seemiller and Grace (2016), 88% of Gen Z feel that they have tight bonds with their parents and see them as sources of emotional support. A 'family like leadership' and familiarity with the employment surrounding plays a role in maintaining the comfort zone of job applications as well. Of the leadership styles discussed, most likely the servant and the coaching would meet the needs of Gen Z'ers in this dimension.

Also, diversity, variety and flexibility in the job is important to Gen Z, according to the data. Gen Z is accustomed to fast changes, because that determines also their media-dominated private live. Jobs that are cross-functional, include job rotation, interdisciplinary tasks, tasks in groups with changing team members etc. are exciting for Gen Z. Flexibility in leadership procedures will be positively acknowledged by Gen Z'ers, rather than a style which is very much oriented on structures and processes.

The study results indicate that for Gen Z'ers characteristics of various leadership styles are appropriate, and that a singular leadership approach might be too narrow-sighted. Scholz (2014, p. 167), by citing the title of an Australian study, states a clear Gen Z message: "Don't manage me, understand me".

## **9. Limitations and directions for future research**

For the scientific community and research agenda on Generation Z and leadership theory, this contribution provides descriptive empirical evidence on what Gen Z expects from their future employers, and how this can be connected to established leadership theory. Future research could match individual leadership theories with Gen Z employees' satisfaction, motivation, or performance.

A major limitation of the study lies in its nature: a descriptive analysis has been completed to understand a rather new phenomenon. The composition of the criteria has been done with great care and consideration, but, due to the nature of the study, did not use validate scales, which limits the generalizability of the results. The large sample size, however, provides reliability. Future steps of the research shall include a more detailed analysis aiming at validating the preliminarily identified Gen Z's expectations of their leaders.

Furthermore, the study was conducted in Austria. Whilst the Austrian labour market shares some similarities with other European countries, e.g. Germany or Switzerland (Wueest and Fossati, 2015), but also south-east European countries (Savić and Zubović, 2015), it cannot be concluded that the findings are transferable to other regional or cultural settings. Future research could shed more light on the relationship of leadership styles, generations, and cultural differences in order to better understand specific differences of these variables.

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