

Gen Z and Millennials: The challenge for managers

By Dr Mike Ashby

Overview

Deloitte Global recently published a survey about Gen Z and Millennial staff. We've likely all seen commentary online about how they differ from previous generations.

Which is par for the course. Every generation says the same thing about the generations coming after them, and Gen Z will have a similar view about their equivalent cohort in 30 years, currently referred to as 'Gen Alpha'.

And while we're being slightly sceptical, there is something borderline superstitious in lumping people together based on being born during very particular periods. Perhaps that's why there's some crossover in the traits of Millennials and Gen Z, and are often referred to collectively as 'Zillennials'.

However, there is no doubt that generations are shaped by different events and in turn they influence their children who are also influenced by the great events of their time. In the last century the Great Depression, two world wars and one cold one had massive influences, but they were vastly different on people born in the 1940s versus those born in the 1970s.

So let's just accept there are some useful insights to be gleaned from the survey (that's a message to my critical voice).

And there's a massive demographic reality: these generations now represent a substantial portion of the global talent pool. Their perspectives on work, career progression, and well-being are not the same as their predecessors.

In this article I will report on these findings, but then I want to look at two important dimensions: how should managers adapt to these folk, and how should senior leaders lead and manage these people as they move into management?

The trifecta of priorities for Zillennials

The survey identifies a **"trifecta" of interconnected factors that drive career decisions for these generations: money, meaning, and well-being.**

The authors say that these generations seek a balanced integration of all three in their professional lives to a greater extent than perhaps their parents did (and it's important always remember the great question 'compared to what').

However, while they seek a balance, it's clear that for a significant portion of Zillennials, **financial security comes first.** Without a sense of financial stability, their capacity for positive well-being and perception of work meaning are diminished.

Nearly half of Gen Z (48%) and Millennials (46%) report they do not feel financially secure, a figure that has increased since the previous year.

Beyond financial considerations, **engaging in meaningful work** is important for their job satisfaction and overall well-being. Approximately nine out of ten Gen Z (89%) and Millennials (92%) identify a sense of purpose as crucial to their professional contentment and personal welfare. "Purpose" is very personal; for some, it involves contributing positively to society, while for others, it may entail earning income or acquiring skills to lead change outside of work.

A positive state of well-being is directly correlated with experiencing purpose at work.

Among Gen Zs with positive mental well-being, 67% say their job contributes meaningfully to society. For Millennials, it's 72%. But among those who say their mental well-being is poor, only 44% of Gen Zs and 46% of Millennials feel their work makes a meaningful difference. This is no doubt a reflection of our culture's concern with health and wellbeing that started with the boomers and has been an ever-increasing part of the world Gen Z and Millennials are helping to build.

While these generations are undeniably ambitious (according to Deloitte), they are **less interested in climbing the corporate ladder**. Only a small minority of Gen Z (6%) cite reaching a leadership position as their main career goal. And the rest are not just ambivalent. One source indicates that an astonishing **"94% of Gen Z are now saying they're not interested in a leadership role"**.

Deloitte says this is not so much a lack of ambition as a redefinition of career success. What they define as success is:

- **Work/life balance** (for which read less work and more life)
- **Learning and development**. They demonstrate a strong desire for continuous growth and skill acquisition, seeking employers who actively facilitate this development.

What that says to me as an employer and a leader is that, assuming these things are roughly true, there needs to be some realignment on both sides.

The truth is that employment is a contract for exchange of value. Their time, skills and effort in exchange for our money, time and effort.

It's clear what the new generations want from the contract, as we'll see below. However, I want to talk about how organizations and leaders can get more value from the contract.

Where managerial practices are 'missing the mark'

First up, the survey reports that managers aren't meeting expectations when it comes to Zillennial development needs. They don't just want to be overseen as they perform their activities, they want **guidance, inspiration, and mentorship**. Specifically, they want "more coaching" from their managers, but they see that many managers are "stuck managing tasks, not focusing on growing people".

It seems they are perfectly happy to find another employer who will meet their development needs. Though in fairness, it's not clear how they would know that a new employer actually delivers on that promise.

A large majority of Gen Z (74%) and Millennials (77%) anticipate that **AI will significantly impact their work** within the coming year. While actively pursuing technical skills to collaborate with this new technology, they simultaneously believe that **"soft skills," such as empathy and leadership, are "more important than ever"**.

The challenge for managers is to guide them through this AI-driven transformation while enhancing their people skills.

What do managers need to do to be better?

The survey suggests these folk want their managers to:

- Manage them so they don't burn out
- Provide a development path of interesting and purposeful work
- Develop their soft skills

The challenge is that most managers are already busy, and that while reducing workload, new projects and learning are all good ideas, the manager also has to make sure that their team is meeting their KPIs and getting stuff out the door. Those tasks that managers are 'stuck managing' still have to get done.

What managers really need to do is:

- Spend more time working with AI to identify where it can transform their area. The AI revolution isn't going to magically appear, it has to be harnessed meaningfully to apply to specific business areas
- Observe in real time how AI is changing peoples' roles and reconfigure peoples' jobs in response
- Get comfortable with all aspects of coaching: regular, formal, informal, in the moment
- Develop a greater awareness of themselves and others so they can move between activity and coaching easily.
- Create time to think about where their staff can go next in their development
- Be prepared to let go of some of the sexy stuff they currently do, and instead give all or part of it to people wanting development opportunities

These are all skills that can be learned, but the fundamental thing is that managers need to be upskilled in:

- Managing themselves – they're subject to the same pressures after all
- Managing others
- Managing teams
- Managing work processes like AI

What do managers need from leaders?

So who is guiding managers in developing the skills to better manage the Zillennials? Or do we think that now they've been told that they need to spend more time coaching and developing that managers will just ask ChatGPT how to do it?

There is a big job for leaders in helping today's managers adapt their skills.

First they need to role model the changes. Treat managers the same as they want managers to treat Zillennials.

Second they need to map out development paths for their managers, with both formal training and giving them development opportunities in the workplace. This will allow the managers to delegate aspects of their current roles to aspiring staff.

Third they need to get across what AI means for their business. It is not a technology issue: it is the single most important strategic change on our horizon, but many people are still using it as a glorified search engine, or worse yet, burying their head in the sand.

The most interesting thing about this survey is that the biggest implications are not for Zillennials, but for the leadership group who have to map out how they can elevate their direct reports so that they can cascade the development opportunities all the way to the staff.

Otherwise, the middle managers will be stuck in the middle, unable to develop themselves or their staff, and their staff will seek opportunity elsewhere.

Conclusion

To my mind, the greatest risk is the intersection of low economic growth and the Zillennial attitudes: attrition rates are very low, meaning that there are few internal opportunities for new roles or new work. There is a direct relationship between low attrition and disengagement. People are stuck in roles (the US labour market has been frozen for a couple of years now. Companies aren't hiring, and people aren't leaving).

So it becomes even more important to pay attention to adding energy and opportunity to current people and their roles. Otherwise the organization will stagnate. There's an old saying that the fish rots from the head down. I've got another version: culture dies from the ground up.

About us

Dr Mike Ashby is a global leading keynote speaker and business adviser with a unique background in strategy consulting, senior leadership and business education.

Since 2003, The Breakthrough Co has been running learning and development programs for business leaders and managers. Our training is transformative for learners, effortless for HR teams and delivers guaranteed results. Our customized learning approach builds capability and confidence in your managers in only 2 hours per month.

