

## **ABSTRACT**

Generation Z (Gen Z) represents the greatest generational shift with more than 30 million of today's workforce. This is a new emerging manpower bringing a new set of behaviors, expectations, and preferences into the workplace. As such, Gen Z has presented profound challenges to leaders and managers in every sector of the workforce. Management needs to understand their characteristics and identify key strategies to bring out the best in this new emerging young workforce.

The audience of this paper is millennial managers as many of this generation have now become managers. Studies show that they are often unprepared for this change. Many are not ready to solve conflicts, negotiate, set realistic goals, and increase employee engagement, especially the Gen Z workforce. It is critical to consider not only what Gen Zs want from their work environment but also how companies can best equip millennial managers to create a unique work culture for this dynamic workforce. Aside from offering strategies to millennial managers to successfully lead Gen Zs, this paper also shows how a business can help millennial managers to be good leaders while avoiding burning out in the process.

## **INTRODUCTION**

### **Age definition of Millennials and Gen Z**

1. Gen Y, or Millennials, were born between 1980 and 1994. They are currently between 25-39 years old. They were raised by Baby Boomer parents (born between 1946 and 1955).
2. Gen Z is the newest generation to be named and were born between 1995 and 2015. They are currently 4-24 years old (nearly 74 million in the U.S.). They were, or are being, raised largely by Gen X parents (born from early/mid 1960's to early 1980's).

### **Characteristics of Gen Z**

1. Technologically advanced
2. More digital, prefers communications via texting, messaging, and social media
3. Less patient with short attention spans and less focused
4. Fast to absorb volumes of new information
5. Perceives information visually
6. More independent, self-confident, and autonomous
7. More connected to global interests and cultures
8. More financially conscious
9. More pragmatic and realistic
10. Multi-tasking

## **Highlights of Different Values and Viewpoints of Gen Zs**

While Millennials and Gen Z are close in age, they do not necessarily value the same things. Here are four values that are different.

1. Gen Zs are more dependent on technology than Millennials. In a recent survey by Business Insider, Gen Zs believe technology is what sets them apart from Millennials. Since they can communicate via instant texting and messages, they are less patient than Millennials. This instant gratification changes the dynamic of communication.
2. Most Millennials grew up during healthy economic prosperity while Gen Zs have gone through a global recession (2008). Gen Zs are more frugal and not brand conscious like the Millennials. Some of their top concerns are the economy and their debts. They worry about the cost of higher education and student loans. As teenagers, many had side jobs such as teaching guitar, babysitting, and other ways of making money. Some Gen Zs intentionally choose to attend a more affordable college so that they can graduate with less debt. Having less or no debt means they can enter the job force with more flexibility, allowing them to be choosy in taking a job which may pay less. After all, they do not have to carve out a chunk of their salary to put toward paying their student loans.
3. Different parenting styles instill different values in Gen Zs. They are more pragmatic as a result of their upbringing by their Gen X parents who went through global financial hardship. That's why Gen Zs are more realistic in the job market. They are less likely to take substantial risks, seeking stability and security in their jobs and finances.
4. Gen Zs tend to be more social justice-oriented than Millennials and other generations. They think that advances in past decades such as gay marriage, race diversity, and gender equality are the norm. Their strong belief in social justice has an impact on how they feel about their employer. They are proud of working for a company which champions these advances. They check out potential employers on the internet (websites, social media, etc) before applying for the job. They want to know about the company's underlying beliefs with supporting evidence (data) which may be some of the questions they ask in a job interview.

## **STRATEGIES FOR MILLENNIALS TO BE EFFECTIVE MANAGERS**

Now that you, a millennial manager, are aware of the subtle differences between you and your Gen Z workers, how do you effectively manage this talented workforce? Let's start from the beginning - from recruiting to onboarding to development.

### **1. Hiring**

Invest time in teaching and helping millennial managers to select the right employees. Focus less on hiring capable employees who are the right fit for management and more on candidates who are a suitable fit for the company. Teach millennial managers how to use the company values rather than their own values. Select the right candidates by developing questions, tools, and activities that can be used in the interview process. Prescreen candidates to check for cultural fit. Use a panel of managers and employees to conduct interviews to remove any inherent personal biases or preferences.

### **2. Establish an Effective Onboarding Program**

Onboarding is more than asking new employees to fill out the required paperwork and get acquainted with company's policies and rules. Onboarding includes integrating new employees into the company's culture. When the labor market is competitive, especially in the tech sector, a strong onboarding program

is more critical than ever. An exceptional onboarding program fulfills promises made during the hiring process and lays the foundation for long-term engagement and consistent high performance.

Invest time in orientation with new employees instead of handing them a copy (digital or paper) of the Employee Handbook. Explain the company's benefits, time-off procedures, and other policies as well as what those policies really mean. Give examples, explain flexibility in certain policies, and point out where to draw the line. Letting new employees know "how we do things here" and "what we believe in around here" will help them know the organization culture. Gen Zs prefer clear and up-to-the-point, no frills policies.

### **3. Set Clear and Realistic Expectations**

Setting realistic and reachable job expectations is critical to any new employees, especially Gen Zs. These young workers want to know right away what their role is and what is expected of them. They want to excel in their roles – fast. There should be a connect (direct or indirect) between an internal job description and the work that needs to get done. When employees know their specific role and have confidence in their ability to excel in their role, they are more likely to stick around.

### **4. Career Advancement with Financial Stability**

Set clear career paths upfront and make them transparent to Gen Zs. Let them know what they can do to achieve their career goals in certain time periods. Map out the specific paths that they can take. Document their achievements and reward them as promised. Providing recognition and rewards that deliver financial security will decrease job hopping and help companies long term.

### **5. Cultivate a Culture of Engagement**

Engagement boosts job satisfaction, leading to retention. Gen Zs look for more independence in their careers than Millennials. They seek opportunities that allow them to take ownership of their positions. They are self-starters and have entrepreneurial spirits to make themselves unique. Giving them the autonomy to solve problems and iron out issues themselves goes a long way. It shows that you, as their manager, believe in them. Other than offering financial awards, millennial managers can create small projects (within a big project) for these self-starters. Give Gen Zs specific guidelines with limits and let them take control of their projects. This approach will keep them engaged and focused.

Managers do not need to become best friends with employees. With subtle outreach and interaction, managers can shape their culture and lay the foundation for exceptional engagement. Simply being out on the floor and saying "Hello, how are you doing?" is a good starting point. Employees like to see and be seen by their managers and leaders. They want opportunities to voice questions or concerns. A good leader often includes this on his/her schedule - a periodic town hall gathering with an open Q&A for employees.

A good manager is open and transparent, especially regarding upcoming changes and developments. Frequent communication across the board is required. What is happening in the organization? Explain why management is implementing these changes. Let employees know how these changes will affect their work. This approach will keep Gen Zs motivated and more engaged.

### **6. Formal Communication with Management**

Gen Zs are digital savvy and spend lots of time communicating via texting and instant messaging. But that's with their friends and family. For formal communication, Gen Zs actually prefer regular face-to-face meetings with their managers. All that screen time has made them long for an old-fashioned form of communication – face-to-face. In-person meetings are Gen Z's preferred way to talk to their superiors about project updates and performance reviews. They are accustomed to using abbreviations, slang, and

emojis but they lack professionalism. Talking in-person with their managers is a better way to prove themselves professionally.

### **7. New Teaching & Communication Tool**

For communicating with colleagues, Gen Zs like using apps and social media. Create closed WeChat accounts to communicate with fellow colleagues for problem solving and technical techniques. Other than social media, create validated and curated channels that can be interactive and fast while ensuring effective company-wide distribution of validated information. Set an annual competition (with awards) to encourage employees to create and submit apps that let employees share their problem-solving techniques. Gen Zs love this kind of challenge as they grew up in the digital age.

### **8. Professional Development**

Revamp your traditional onsite face-to-face classroom learning by adding YouTub or Youku/Tudou-type of mobile learning. Gen Zs learn best through visual learning and can absorb more from online teaching. Remember that a trait of Gen Z is the ability to absorb volumes of new information. Online teaching is an ideal learning platform when teaching complex subject matters that require students to do outside research on their own. Adding some fun and interactive Q&A into otherwise mundane learning will surely please this young workforce.

### **9. Hands-on Opportunities**

Provide hands-on opportunities for Gen Zs who are energetic and eager to get onsite and hands-on experience. Build camaraderie and loyalty by engaging them to participate in company-sponsored events where they can taste the fruits of their labor. For example, let them visit hospitals to interact with children with cancer or elderly patients with Alzheimer's when their projects are on drugs related to these diseases. These events bring to life the work that companies do and make it more meaningful to those who work there.

### **10. Leverage Collaboration Across Teams, Departments, and Functions**

Reach out to other teams and departments to create multi-functional projects. Gen Zs like working with co-workers who like to collaborate because they feel that this type of collaboration will help them do their best work. Team spirit, in turn, creates fellowship with colleagues and motivates them to stay put. Such advantages will help lessen turnover, ensure employee engagement, and ultimately result in workers who strive to reach their full potential.

### **11. Know your Employees' Strength and Shortcomings**

Employees need to know from their managers what they do best and don't do best. Invest in strengths-based learning and development as part of the training program. A genuine investment in employees sends the message that management cares about their employees. Don't be afraid to say, "We want to know you personally" and "We want to see you succeed here in the long term." After all, Gen Zs prefer direct and genuine messages, not long and winding lectures on performance review.

### **12. Two-Way Feedback**

According to a recent Gallup report by Wright & Dvorak, modern organizations are decentralized and agile. Good managers cannot just give their employees feedback about what they have done well or poorly. Active listening to employees' feedback is a two-way interactive dialogue. Two-way feedback strengthens relationships in the long run and that, in turn, will keep good employees with their companies. Great managers act like good coaches. Have meaningful and frequent coaching conversations with your Gen Zs are the key to fostering collaboration and engaged performances.

### **13. Recognize and Celebrate Progress**

Offer praise for good work and reward accordingly. Identify, celebrate, and learn from successes. Share success stories with the entire team. Employees (Gen Zs or otherwise) are motivated to stretch and become accountability role models for others to follow.

#### **14. Fight Burn-out and Stress**

Stress is the biggest obstacle keeping Gen Zs from performing higher. They feel hindered in their development due to stress and looming burn-out. According to Stress in America (by the American Psychological Association - APA), 8-33-year-olds and 34-47-year-olds report an average stress level of 5.4 on a scale of 10, compared with a national average of 4.9. In America, 3.5 is defined as a healthy level of stress. Gen Zs said they are stressed by work, money, and job stability. Companies can reduce stress by implementing measures to prepare their workplaces. Stress is rising in China, too. According to Gallup Analytics, feelings of worry and stress are up among Chinese adults. Twenty-seven percent of Chinese say they worried a lot the previous day, and 40% say they experienced a lot of stress.

Here are some tips from APA on reducing and managing stress:

- Track your stresses to identify which situation create the most stress and how you respond to them;
- Develop healthy responses – exercise, avoid junk food, get good-quality sleep;
- Establish some work-life boundaries such as making a rule not to check your phone every 5 minutes;
- Take time to recharge - take short periodic vacations and take time off to relax and unwind;
- Learn how to relax – meditation, deep breathing exercise, practice yoga, and;
- Talk to your manager, get some support.

### **BUILD AN EFFECTIVE DEVELOPMENT PROGRAM FOR MANAGERS**

Great leaders are aware that their millennial managers will one day step into their shoes. It makes sense to invest in them over the long term. After all, the road to becoming an effective leader takes time. Look at the development program as a journey, not a one-day or two-day program.

#### **1. Integrated into the workplace**

Establish manager development programs for a group of managers with diverse responsibilities. The intent is to discuss their experiences with the group and share what they learn from each other. Good development programs integrate learning into the workplace such as role-playing activities to simulate real work scenarios. They may include activities requiring a manager to try something new and then return to assess and discuss their experience with the group. These real-world learning experiences help managers learn from each other. In the long run, this approach builds a network of managers who continually teach, support, and share their best practices with one another. Managers, especially millennial managers, are highly focused on teamwork. Millennials know that no one has all the right answers and that the team is more important than the manager.

#### **2. Role of the millennial manager's manager**

Do not forget the manager's manager. Good leaders guide their managers to the next stage of their development by connecting development training to everyday work situations. This may include tailoring learning and development to fit their managers' unique talents, leading managers to the next stage of their development, and creating a realistic career path for your well-deserved managers.

A manager's manager – the leader – sets the expectation that certain things can and should change following the manager training. The leader should provide managers with the right tools and guidance for them to apply what they learn from the program. Good leaders talk to their managers frequently to

understand what they experience in order to get a realistic view of what life is like as a manager in their organization.

## **HELP MILLENNIAL MANAGERS TO BE MORE ENGAGED**

“Managers’ engagement influences their whole team’s performances; engage your managers change your entire company...,” according to Hickman and Pietrocini from Gallup. When a manager is disillusioned, his/her disengagement will trickle down to the team. A Gallup Report shows 70% of the variance in workgroup engagement is actually caused by their superiors being disengaged and disenchanted. Research indicates that managers are more engaged when they feel that their job has meaning and is important when their work matches with the company’s mission and purpose. A great leader matches rewards to the manager’s performance with that purpose. Making millennial managers feel that their job has real meaning is one of the strongest drivers of millennials’ retention. Good leaders “help their managers build out, not burn out.”

## **INVEST IN COACHING**

A recent report from the International Coach Federation (ICF) says management styles of the future will call for fewer bosses and more coaches, who can “help them reach career development goals...moving from command and control to a new style based on inclusion, involvement, and participation.” The report further says “Coaching is a tool to invest in managers’ development so they can be effective at leading their teams. It is a personalized approach to development that meets the individual managers where they are in time.” The ICF report’s finding is that only 36% of organizations offer coach-specific training to new managers. Smart managers very often seek outside assistance for this kind of development help.

## **CONCLUSION**

By understanding Gen Z’s characteristics, good millennial managers set well-defined and realistic goals, establish measurable development programs, map out clear career paths, have regular communication and constant two-way feedback, and reward their young workers accordingly. All these are a recipe to effectively managing Gen Zs to grow to their full potential. This approach eventually reduces turnover, increases productivity, and brings success to the business.

In about seventeen to twenty years, the next generation, Gen Alpha (those born after 2010) will enter the workforce full time. They will be the most transformative age group and will be a challenge to Gen Z as some of them will be managers themselves to lead Gen Alpha.

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