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A COMPARATIVE STUDY OF FACTORS AFFECTING LEADERSHIP STYLE AMONG GEN Z AND MILLENNIALS IN VUCA ENVIRONMENT

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Abstract:

Generational distinctions are evident in the ways that leadership styles have changed over time. Baby boomers—those born in the years 1946–1964—tend to take a more conventional, hierarchical approach to leadership, whereas Generation Z and millennials choose more flexible, collaborative approaches.

Baby Boomers: they lead in a hierarchical manner. They place a high importance on performance, loyalty, and hard effort. They also frequently stress the value of connections in business.

Millennials: appreciate diversity and inclusion highly and are generally more cooperative and team-oriented than earlier generations. They consult with others before making choices. In general, they are also more tech-savvy than earlier generations.

The leadership style of Generation Z is continually evolving. They cherish honesty and openness and are highly at ease using social media and technology. They prioritize the welfare of people and hope to spur social change.

We live in a world that is changing quickly these days, with business and technology disruption occurring constantly. As a result, we need individuals who can adapt, accept change, and learn new things quickly. The emphasis now is more on how leaders manage their teams and bring out the best in each member, replacing the previous emphasis on hard abilities.

Objective- The focus of this study will be on VUCA characteristics that influence the various leadership styles adopted by millennials and Generation Z.

Methodology- For this study, data will be gathered from primary sources using a structured questionnaire consisting close ended question through convenience sampling method through a Google Form.

Conclusion- This study will assess millennials and Gen Z's comprehension and application of leadership styles in a variety of environments.

Keywords- *Leadership, VUCA, Gen Z, Millennials, Leadership Style, Boomers*

Introduction:

The global scenario of nowadays is full of instability and extreme uncertainty, with everyday incremental adjustments occurring. The abbreviation VUCA, that means volatility, uncertainty, complexity, and ambiguity, is frequently used to describe this constantly changing setting by everyone including industry leaders and academicians to the commercial journalists and media globally. Market leaders have been forced from their leading positions to a peripheral one by VUCA, which is a game changer. Given VUCA's capacity for destabilization, businesses find it difficult to adapt in order to secure their continued existence and expansion in the twenty-first century (Joshi et al., 2017). Considering the perception that VUCA workplaces are becoming

more prevalent, it is difficult for entrepreneurs and well-established firms worldwide to make money and stay compete in an extremely revolutionary climate. But traditional organizational techniques are said to be unfeasible in the present world, where worldwide market volatility and technology changes have made the economic landscape more unpredictable.

Literature Review:

VUCA refers to ambiguity, complexity, volatility, and uncertainty. The term "volatility" describes the gigantic, unforeseeable, and continual fluctuations (Shaffer & Zalewski (2011), Bennett & Lemoine, 2014). In the workplace, Generation Z signifies a very important generational shift. It's becoming more crucial to comprehend the traits of Generation Z as it begins to enter the workforce (Gabrielova et al., 2021). Compared to the Baby-Boomer generations, millennials possess distinct mindsets, underlying principles, and objectives in their work environment, said by (Chou, 2012). Although VUCA can be challenging and demanding, it can also provide an environment where genuine leadership potential can emerge at all organizational levels (Shaheema et al., 2020). (Shaheema et al., 2020) said that, it is the strategist's responsibility to exercise control over instability, address complication enhancement, and clarify uncertainty while adhering to strategic guidance and advancing the company's interests. A boss that practices non-collaborative methods, including micromanagement or tyranny, will not encourage a productive workplace (Louden, 2012). (Louden, 2012) said that this will damage staff morale and reduce motivation.

Objective:

1. To determine the most typical approaches to leadership used by Millennials and Gen Z in a volatile atmosphere.

   Null Hypothesis (H0): There is no significant difference in the typical leadership approaches between Millennials and Gen Z in a volatile atmosphere.

   Alternate Hypothesis (H1): There is a significant difference in the typical leadership approaches between Millennials and Gen Z in a volatile atmosphere.

2. To investigate how, in the face of VUCA challenges, technology innovations affect Gen Z and Millennial approaches to leadership.

   Null Hypothesis (H0): Technology innovations do not have a significant impact on the approaches to leadership for both Gen Z and Millennials in response to VUCA challenges.

   Alternate Hypothesis (H1): Technology innovations have a significant impact on the approaches to leadership for both Gen Z and Millennials in response to VUCA challenges.

3. To evaluate the choice of interaction channels affecting leadership approaches while taking into account the distinctive traits of Gen Z and Millennials in VUCA environment.

   Null Hypothesis (H0): The choice of interaction channels does not significantly influence leadership approaches for both Gen Z and Millennials in a VUCA environment.

   Alternate Hypothesis (H1): The choice of interaction channels significantly influences leadership approaches for both Gen Z and Millennials in a VUCA environment.

4. To understand and uncover intergenerational variations or resemblances, to evaluate and contrast leadership approach prioritized by Gen Z and Millennials in reaction to VUCA.

    Null Hypothesis (H0): There are no significant intergenerational variations or resemblances in leadership approaches prioritized by Gen Z and Millennials in reaction to VUCA.

    Alternate Hypothesis (H1): There are significant intergenerational variations or resemblances in leadership approaches prioritized by Gen Z and Millennials in reaction to VUCA.

Research Methodology:

The subject for investigation, the goals of the analysis, the kind of research design, and associated methodology—that is, the tools and processes used, such as the demographic under investigation, the approach to sampling, and the participant group size, the research's primary principles, data collection methods, and data analysis strategies are all included in this overview. Description of the research methodology for present study, along with the steps involved in gathering information, choosing the sample, questionnaire design and information, information preparation, and information evaluation. Both qualitative and quantitative research methods were used for course of this research.

Variables- A variable is a factor or characteristic that can be measured, observed, or manipulated in a study. Variables can be independent (manipulated or controlled) or dependent (measured to assess the effect of the independent variable). Understanding and defining variables are crucial for designing and conducting experiments or observational studies. In this research paper the Independent Variables are Generation Cohort (Gen Z and Millennials) and VUCA Condition, Dependent Variable is Leadership Style and Moderating Variable is Technological Influence.

Research Design- Finding any disparities in Gen Z and Millennials' choices for leadership was the aim of the research. For the purpose of gaining understanding, the study gathered information about millennials' and Gen Z's inclinations for leadership through a questionnaire and statistical comparisons. As statistical methods allow one to evaluate and examine information in terms of numbers, that is why this study went with Quantitative Approach. It was possible to compare the leadership inclinations of both distinct generations by using this method of quantifying their choices for various leader traits and behaviors.

Sources of Information- Primary data are those that are genuine and are gathered for the first time. Extremely precise and factual information are provided by primary data, thus being highly beneficial when drawing any study's conclusions. This study mostly used the primary data collection approach, which involves gathering information directly from participants using an online survey form while utilizing the publicly available content on internet as a secondary source.

Data Collection Method- When assessing the behaviors, viewpoints, thoughts, and aspirations of a significant amount of individuals in a productive way, questionnaires are a useful tool (McLeod, 2018). Facilitating the easy comparison of data supplied by various individuals, uniform questionnaires offers easy comparison of data from various respondents since they address similar questions of each respondent in a similar sequence (McLeod, 2018). Therefore, a questionnaire was a suitable approach for gathering data to get details about this big

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population's preferred leadership style. The questionnaire was shared through a link which directed the responded to online platform which is Google Survey Form.

Questionnaire- Here, questionnaire is being employed as the research tool consisting of close-ended questions.

Sampling Technique- Being an approach to non-probability sampling, convenience sampling chooses items for the sample based on those are most convenient for the researcher to reach. This might be the result of factors like close proximity geographically, availability at a specific moment, or interest in taking part in the study. Convenience sampling is a kind of non-random sampling that is also referred to as unintentional sampling **(Nikolopoulou, K. 2023).** The technique employed in this research to collect information is convenience sampling.

Result and Interpretation:

GC- Generation Cohort, VC- VUCA Condition, TI- Technological Integration, LS- Leadership Style

Table 1: Factors Loading with Communality and Redundancy, Convergent Validity

Construct	Item	Factor Loading	Communality	Redundancy (P-value)	Average variance Extracted (AVE)
GC					0.860
	GC1	0.746	0.66061	0	
	GC2	0.871	0.494293	0	
	GC3	0.839	0.329193	0	
VC					0.661
	VC1	0.524	0.682948	0.006	
	VC2	0.531	0.477474	0	
	VC3	0.810	0.687032	0.003	
TI					0.733
	TI1	0.233	0.46611	0.049	
	TI2	0.838	0.433379	0.023	
	TI3	0.907	0.65957	0.035	
LS					0.689
	LS1	0.747	0.435455	0	
	LS2	0.688	0.251085	0	
	LS3	0.510	0.613211	0	

Source: Authors' own calculation

Table 2: Reliability and Internal Composite Reliability (rhoA), rho(C) and VIF

Item	Cronbach's α	Composite Reliability rho(A)	Composite Reliability rho(C)	VIF
GC	0.794	0.860	0.878	2.573
VC	0.707	0.735	0.703	1.891
TI	0.725	0.801	0.840	1.246
LS	0.719	0.729	0.842	1.809

Source: Author's own calculation

On interpretation of data it has been found that the questionnaire used for data analysis meets the criteria of validity and reliability.

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Table 3: Discriminant Validity (HTMT Ratio)

	GC	VC	TI	LS
GC		-	-	-
VC	0.750			
TI	0.755	0.844		
LS	0.117	0.202	0.164	

Source: Authors own calculation

Table 4: Discriminant Validity (Fornell-Larcker Criterion: Correlation matrix of Constructs and Square Root of AVE (in Bold).

	GC	VC	TI	LS
GC	0.76			
GC	0.698	0.707		
GC	0.712	0.652	0.757	
GC	0.095	0.031	0.055	0.683

Source: Authors own calculation

	GC	VC	TI	LS
GC1	0.766	0.585	0.089	0.337
GC2	0.765	0.598	0.088	0.445
GC3	0.815	0.581	0.128	0.315
VC1	0.469	0.645	-0.047	0.325
VC2	0.625	0.802	-0.011	0.418
VC3	0.606	0.686	0.014	0.252
TI1	-0.079	-0.045	0.413	0.021
TI2	-0.070	-0.048	0.681	0.063
TI3	0.093	0.062	0.631	0.016
LS1	0.285	0.162	0.452	0.765
LS2	0.412	0.449	0.029	0.629
LS3	-0.009	0.083	0.012	0.412

Source: Author's own calculation

The correlational matrix shows that the constructs of GC1, GC2, GC3 have high correlation. VC1, VC2, VC3 have moderate correlation with GC. TI1 and GC have negative correlation, VC also and LS have low correlation, rejecting alternate hypothesis and accepting null hypothesis.

Table 5: Hypothesis Testing and Structural Model Evaluation

	$LS				
	Estimate (Beta)	**Mean**	**Std. Dev**	**t value**	**Pr(>|t|)**
Intercept					
GC -> LS	0.15772760	0.03237642	5.391601	0.029254315	0.009
VC -> LS	0.01750617	0.26026563	8.839036	0.001980552	0.431
TI -> LS	0.08661598	0.08726807	2.605137	0.033248144	0.027
TI x GC -> LS	0.01067575	0.03524822	2.227760	0.004792145	0.502
TI x VC -> LS	0.0123578	0.05231	2.8561	0.00617922	0.452

Source: Author's own calculation

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Figure 1: The relationship between GC and VC with moderating variable TI
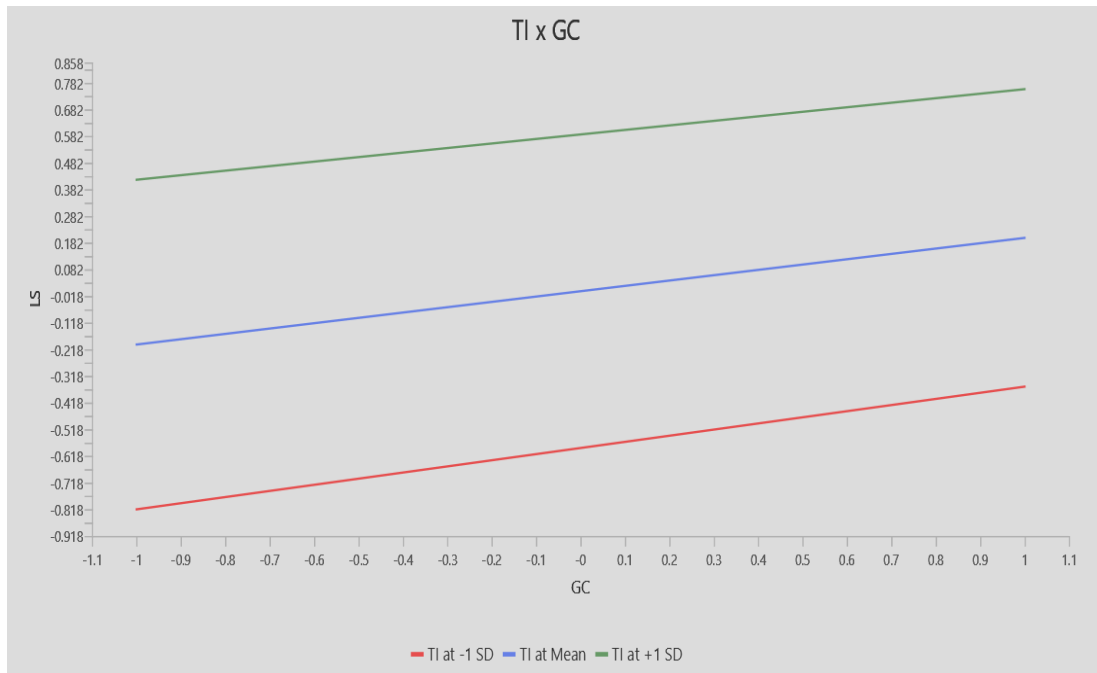
Table 6: Goodness-of-fit indicators for the structural model			
Fit indices	**Structural model value**	**Recommended value**	**References**
gfi	0.943	> .90	Hair et al. (2010)
agfi	0.853	> .80	Hu and Bentler (1999)
nfi	0.942	> .90	Hu and Bentler (1999)
cfi	0.914	> .90	Bentler and Bonett (1980)
rmsea	0.055	< .08	Hu and Bentler (1999)
srmr	0.061	< .07	Hu and Bentler'(1999)

Source: Authors own calculation

Figure 2: Bootstrapped model
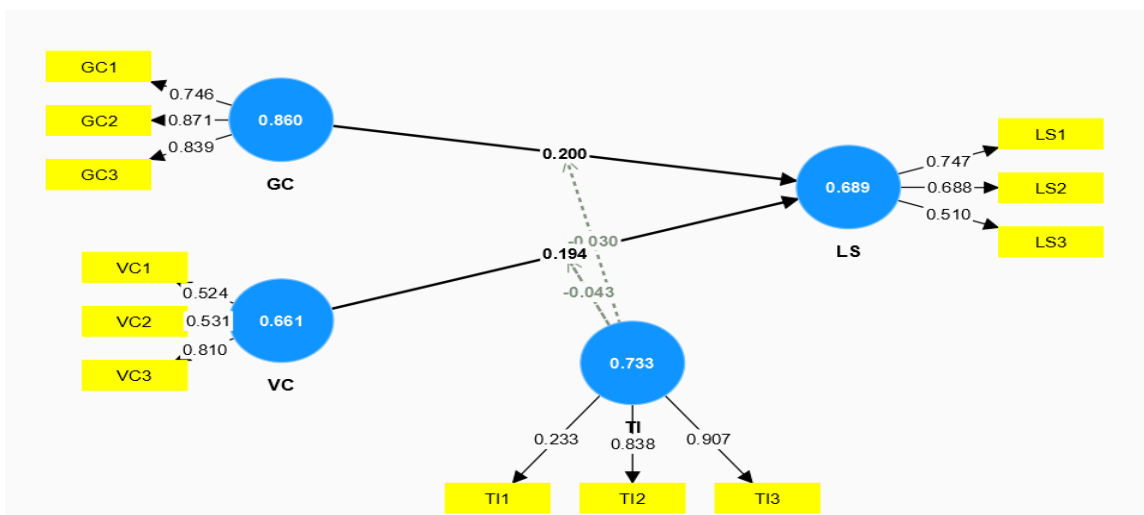
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Based on the relation between variables, the given structural modeling has been derived which shows that GC is the variable that has a very strong orientation towards leadership style.

Conclusion:

On a study of leadership style preferences among Generation Z and Millennials in this research paper, it has been observed that both the cohorts have certain distinctive leadership preferences or orientations while working in a VUCA environment. It has been observed that Gen Z and Millennials both of them in terms of their leadership behavior shows similarities in preferring Democratic Leadership Style over others. Gen z are adaptable to technology and are found to be positively oriented towards technology as an enabler to decision making. The favored technique in leadership development in VUCA condition for both these generations are similar for seminar, webinars and workshops. In this research it has been seen that though Gen Z and Millennials belongs to different generations, they have similar inclination towards working together as a team to accommodate different viewpoints and cooperative decision-making incorporating team feedback while preferring to give team members the authority to make decisions in ambiguity of environment. While millennials make use of technology when required, gen z have seen accepting new technology proactively. Both possess similarity of preferences using online meetings and video conferences for the communication. In terms of changing their styles of leadership to deal with VUCA difficulties both exhibit the same degree of adaptability.

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