

The Disruption of the Z Gen Employee: Change Strategies for A Smoother Workforce Entry

Shaheema Hameed, Meera Mathur

Abstract: Studies on Generations have gained momentum in recent times as businesses realize that each generation has different approaches towards work and workplaces. The classification of generations is only a theoretical attempt to classify people of a particular behavioral similarities and differences but generational studies is essential for understanding workplace traits and the multi-faceted approaches people take towards corporate issues on an individual and organizational perspective. This research paper seeks to study the relevant aspects of this latest entry into the workforce with especial focus on what makes them a critical value addition to the workforce. Despite the fact that Z Generation employees are projected to bring about a marked change in organizations, the very term 'disruption' needs an operational definition in this context. Disruption is often relegated only to technological advances and innovation. The research methodology incorporates Focus Group discussions and a survey instrument (Structured questionnaire) to fulfill objective 1 and 2. The study was done in a time frame of 2.5 years with a sample of 350 drawn from Southern Rajasthan. SPSS 20.0 and AMOS 21.0 were used to test hypotheses. Descriptive and Inferential statistics have been used to arrive at the findings and conclusions of this research study. Findings from the study substantiated the literature review showing that Z Generation employees are entrepreneurial, learning driven and altruistic in addition to being brand conscious about their workplaces. Certain change strategies have been suggested towards the end of the research paper, both for the corporate bodies as well as for the Z Generation employees.

Index Terms: Competency, Change Management, Managerial Competency, Z Generation

I. INTRODUCTION

The growing complexity and unpredictability of the socio-economic scenarios and the frequent organizational changes and variations in the socio-demographic dynamics are just some of the most cited phenomena that have induced a renewed focus on people, their talents and their work attitudes as critical sources of sustainable competitive advantage. With each generation of workers entering the workforce, changes are inevitable due to the respective unique demographic characteristics of every generation. The Z generation is the latest cohort to enter the workforce worldwide. It is predicted that the disruption that they will bring about to the workplace in all elements of a basic job is one that organization should take note of. A well-prepared organization that recognizes the competencies of this generational cohort stands an advantage to gain from this tech-savvy generation.

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Shaheema Hameed, Faculty of Management Studies, Banasthali Vidyapith, Rajasthan.

Meera Mathur, Faculty of Management Studies, Mohanlal Sukhadia University, Udaipur, Rajasthan, India.

The Z Generation is the last of the millennial cohort generation. Their year of birth cannot be distinctly specified but experts place their estimates anywhere from the early 1990s to 2000. This generation has been under extensive study as no generation before. This is due to the research that projects the mass retirement of the baby boomer generation (born 1960s). The Z generation presents some unique challenges to stakeholders in this domain. This includes the corporate and academia as well (Tulgan, 2013). The world's largest concentration of the Z Generation cohort is in India. Consequently; after the Philippines, the highest share of the youngest workforce also belongs to India. This is reflective of the growing addition to the HR challenges that India faces.

The Z Generation employee brings a whole new perspective as far as diversity is concerned. In addition to this, values and approaches towards environmental issues is a key area where the corporate need to focus on as the average Z Generation employee is projected to be more conducive to organizations that prioritize the environmental and social issues. Despite the fact that Z Generation employees are projected to bring about a marked change in organizations, the very term 'disruption' needs an operational definition in this context. Disruption is often relegated only to technological advances and innovation. New forms of technology carve new roles in our everyday lives. The Z Generation employee lives in an era where the impossible is possible and changing every day. Thus, disruption for a Z Generation employee is in terms of what is valuable within culture. The Z Generation employee is redefining entertainment, consumption, the workplace, and marketing. They are empowered, connected, empathetic self-starters that want to stand out and make a difference in the world. They have created a new culture that values uniqueness, authenticity, creativity and recognition. This research paper studies the competencies of the Z Generation with emphasis on their managerial competencies.

II. REVIEW OF LITERATURE

Competency is a commonly used term for people's asserting of their working potential in real activities. At present, there are many definitions of this term. In principle, there are two main meanings on which individual definitions of competencies are generally based (Königová Martina, 2012). The first characterizes competencies as a power and a scope of authority associated with a certain person or body. The second meaning of competencies refers to the capacity, i.e. abilities to perform a certain activity,



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to have certain general and specific characteristics and skills, to be qualified in the given area. Generally it can be said that it is a set of specific knowledge, abilities, skills, traits, motives, attitudes and values essential for the personal development and successful participation of each person in an organization. Managers need to have a set of managerial competencies which will enable them to function in the most optimum manner. Managerial competencies are a combination of knowledge, skills, abilities and behaviors that an employee uses in carrying out their work that are critical to achieving results which are consistent with the strategic goals of the organization (Raisova, 2012). Managerial competencies are further divided into

- **Threshold Competencies:** those competencies that are essential and without which the employee is unable to perform specified work. Excellent performers and average performers cannot be distinguished based on these threshold competencies.
- **Divergent/ Performance competencies:** those competencies that pave the way for high performance managerial competencies. Their aim is to emphasize the difference between excellent, above average and average workers.

The research study deals with only a particular generational cohort- the Z Generation. This generational cohort has been under study for quite some time. According to (Godbold, 2017), by 2020, more than half of the workforce will be comprised of members of Generation Z. Review of literature shows the interest they have created specially in the fields of marketing and Human Resources. Han(2007) states that Generation Z, who in most cases are the offspring of Generation X, is born after 1996. This generation has garnered much interest due to their unconventional methods of work. Drewery (2008) states that Generation Z employees are keen to develop their skills and seek out employers where they can have a sociable element in their workplace. They are less concerned than any other generation about job security and only 3 in 10 are concerned about gaining competitive pay in immediate time. Montana and Petit (2008) explore the kind of work environment that attract, retain and motivate Generation Z employees. With the Gen Z focused on diversity and changing trends, they wish to have great role models to lead them, prefer to work with friends and have fun. Lipinski (2018) lists 3 major changes that would happen in the workforce once the Z Generation start their careers. 'Nice-to-have' mentoring programs would give way to 'Need-to-have' mentorship flags, leadership of the organizations would have to support societal causes outside the organization, and career growth opportunities need to be highlighted in order to retain the Z Gen employee.

III. STATEMENT OF THE PROBLEM

The literature study has revealed that even though various studies on Competencies, Competency Mapping, Generational Cohorts and the Z Generation has been carried out on the International and national level, very few studies have attempted to study and delve into the managerial competencies of the Z Generation. No work to this effect has been done in India, especially in the state of Rajasthan. The

researcher seeks to assess the managerial competencies of the Z Generation in Southern Rajasthan.

IV. OBJECTIVES OF THE RESEARCH

The research study was carried out in fulfillment of the objectives listed below:

- 4.1 To identify the key characteristics of the Gen Z
- 4.2 To assess the managerial competencies that would contribute to value added growth in organizations
- 4.3 To suggest key change strategies for a smoother influx of the Z Generation employee.

V. RESEARCH METHODOLOGY

In order to map the managerial competencies of this Generation, this study utilized a multi-phase research design that incorporates both qualitative as well as quantitative research techniques. Utmost importance for the study was given to exploratory and further descriptive research design. The main objective of the researcher was managerial competencies of the Z Generation. Emphasis has been laid on mapping the competencies of this particular demographic only. The researcher has chosen the geographical limits of southern Rajasthan comprising of 6 districts:

- (i) Udaipur
- (ii) Pratapgarh
- (iii) Banswara
- (iv) Chittorgarh
- (v) Dungarpur
- (vi) Sirohi

To cover the wide spectrum of the Z generation population, the researcher interacted with the working professionals of different fields as well as the student body slated to enter the workforce in the near future. For the second objective, an initial pool of items was identified from extensive literature review. The researcher identified 82 managerial competencies that impacted managerial roles (Mahdiah Sadat Khoshouei, 2013). Discussions and expert opinions from academicians and scholars resulted in critically reducing the number of competencies to be measured. Eminent academicians in the field purported that the quality of data might be affected if all 82 competencies were to be measured. Besides, the veracity of the responses was doubtful due to the sheer number of competencies to be measured. Keeping these inputs in mind, the researcher purposively selected the standardized questionnaire by Dierdroff and Rubin, which measured 18 competencies, was incorporated into the questionnaire. A total of 800 questionnaires were employed to complete the research study.

The questionnaire was floated on Google docs and also circulated among of this, 685 questionnaires that were filled and seemed relevant at first glance were taken into consideration for analysis. This accorded a response rate of 85.62%. Further screening of the collected questionnaires led to the rejection of incomplete questionnaires.



In all, 655 questionnaires were coded and further analyzed on SPSS 23 and AMOS 18.

(SKILL) and Trait (TRAIT). The hypothetical Framework of this research study is represented as follows:

VI. ANALYSIS OF DATA

A. Descriptive statistics

The descriptive statistics of the dataset were initially examined.

TABLE 1: Descriptive Statistics

Attributes	Frequency	%
<i>GENDER</i>		
Male	444	67.8
Female	211	32.2
<i>EXAMINATION BOARD</i>		
CBSE	262	40.0
RBSE	380	58.0
OTHER	13	2.0
<i>WORK EXPERIENCE</i>		
Yes	105	16.0
No	550	84.0
<i>ARE YOU RECRUITED FROM CAMPUS?</i>		
Yes	177	27.0
No	478	73.0
<i>INCOME</i>		
Below 1,00,000	0	0
1,00,000-3,00,000	504	77.0
Above 3,00,000	151	23.0
<i>SECTOR OF EMPLOYMENT</i>		
Engineering	119	18.2
Banking	197	30.1
Insurance	21	3.2
IT/BPO/KPO	100	15.3
Manufacturing	145	22.1
Pharmaceutical	68	10.4
Other	2	0.8

Source: Developed for this research

B. Inferential statistics

The normality and the reliability of the data were checked before proceeding with further analysis. The skewness and kurtosis of the data was inspected and found to be within the standard range.

Table 2: Reliability Statistics

Alpha	Items
.932	18

All values fall under the acceptable range of +2 and -2. This deems the data as normally distributed (George and Mallery, 2010) Cronbach’s Alpha was used to test the reliability of the data. A value of .932 was obtained which showed that the data was reliable and further analysis could be conducted. The questionnaire had 4 constructs which make up the dependent variable managerial competencies (MGRLCOMP). They are Managing Responsibilities (MR), Knowledge (KNOW), Skill

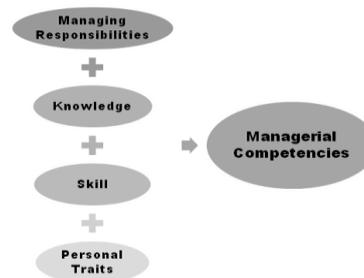


Figure 1: Hypothetical framework of the study

All the constructs were subject to a reliability check using Cronbach’s alpha. This was done to ensure that each item of the constructs would contribute to the latent construct. All constructs were deemed fit for analysis as they returned values of above 0.7. The overall reliability of the constructs is shown in the table below: (See Table 3)

TABLE 3: Reliability of constructs

LATENT CONSTRUCT	ALPHA	Result
MANAGING RESPONSIBILITIES	.754	GOOD
KNOWLEDGE	.780	GOOD
SKILL	.752	GOOD
TRAITS	.788	GOOD

Source: Developed for this research

The data was subject to a Confirmatory Factor Analysis to test the underlying a priori hypothesis.

H_{a1}: MGRLCOMP is measured by MR, KNOW, SKILL and TRAIT.

The following fit indices have been utilized to test the measurement model:

Table 4: Fit Indices used in the study

INDEX	RECOMMENDED FIT
GFI	>0.90
CFI	>0.94
TLI	>0.93
NFI	>0.92
RMSEA	<0.05

The measurement model was constructed using AMOS. The model showed a good fit with the following indices (See Table 5)



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Table 5: Model Fit

INDEX	FIT INDEX ACHIEVED
GFI	.932
CFI	.995
TLI	.957
NFI	.991
RMSEA	.038

The measurement model that was developed for this research is given below:

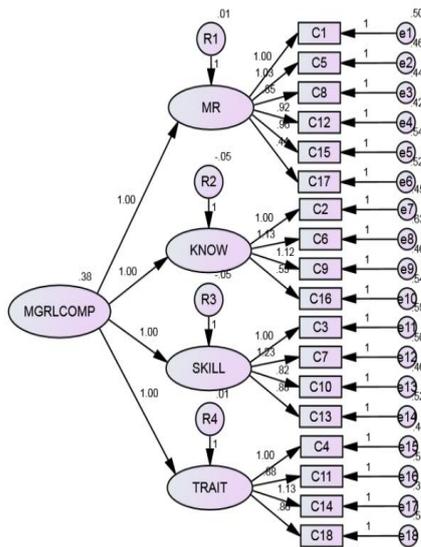


Figure 2: Measurement model

6.2.1 ESTIMATES OF PARAMETERS

After the measurement model and fit indices were established, the parameter estimates were examined in an attempt to find out how significantly each item loaded onto the construct. The P values of all the items to the latent construct were significant. The model is an acceptable one and the research contributes to the use of this model for further mapping of managerial competencies.

The fitness indices have all achieved the required level. Thus no item deletion and modification was required. The results show that Managerial Competency (MGRLCOMP) loads well on the 4 sub-constructs. The factor loading of MGRLCOMP on MGNRES, KNOW, SKILL and TRAIT are 0.822, 0.832, 0.858 and 0.811. In other words, the theory that Managerial Competency consists of 4 sub-constructs is well supported.

VII. FINDINGS AND DISCUSSION

Being Technologically Savvy is a defining feature of this demographic. The Z Generation has an unprecedented access to technology and dedicate around 27% of their waking time to the internet. This results in the development of a highly knowledgeable multi-tasker who could be trained to channelize this energy. Studies reveal that '61% of Gen Zs have televisions in their rooms, 35% have video games and 14% have a DVD player. Of those who have a television in their room 75% report multitasking with other media while watching TV' (Mastroianni, 2016) (FiServe Corporate Solutions, 2018)

Table 7: PARAMETER ESTIMATES

	Estimate	S.E.	C.R.	P
MNGRES ← MGRLCOMP	0.822	0.053	15.51	***
KNOW ← MGRLCOMP	0.832	0.052	16	***
SKILL ← MGRLCOMP	0.858	0.053	16.19	***
TRAIT ← MGRLCOMP	1	REFERENCE POINT		
C1 ← MNGRES	1	REFERENCE POINT		
C5 ← MNGRES	0.881	0.056	19.38	***
C8 ← MNGRES	0.885	0.053	16.68	***
C12 ← MNGRES	0.877	0.053	16.4	***
C2 ← KNOW	1	REFERENCE POINT		
C6 ← KNOW	0.868	0.07	16.57	***
C9 ← KNOW	0.806	0.059	20.42	***
C16 ← KNOW	0.609	0.056	10.87	***
C3 ← SKILL	1	REFERENCE POINT		
C7 ← SKILL	0.918	0.059	20.67	***
C10 ← SKILL	0.921	0.052	17.6	***
C13 ← SKILL	0.827	0.056	14.76	***
C4 ← TRAIT	1	REFERENCE POINT		
C11 ← TRAIT	0.907	0.06	15.19	***
C14 ← TRAIT	0.891	0.057	21.06	***
C18 ← TRAIT	0.903	0.058	15.63	***

The Z Generation has a **higher tolerance of diversity and cultures** than any of their previous counterparts. This opens avenues for global opportunities as they are highly open to embracing diversity in terms of cultures, caste and ethnicity (Dishman, 2015). The research shows that most Gen Z would prefer **own startups and ventures** than being bound down by a 9-5 job (Patel, 2017). They picture a venture where they are not bound down by authoritative norms and are masters of their domain. This reiterates the aversion to defined leadership roles. 73.58 % of the respondents revealed that instead of being traditionally employed in a restricted office space, they would like the freedom and flexibility to work productively at their own pace (Gumbs, 2017). This presents a challenge to companies who will have to train and develop strategies to attract and retain this particular set of employees.

A growing challenge that most members of this generation raised was their concern on the educational gap and the pragmatic gap in corporates. Studies show that 60% of students in management and engineering institutes around the country do not feel ready for a job as they felt that the imparting of soft skills was major drawback in educational institutions while corporates are quick to employ a person with a high level of these skills.



Social Consciousness: Another defining feature of this generation is the social consciousness and environmental concern. (Portell, 2017). Studies show that the Gen Z is more supportive of stricter environmental laws, more likely to attribute global warming to human activity, and more likely to favor environmentally friendly policies. The 2nd objective of this research formed the crux of the study. For this purpose, an empirically derived model of managerial competencies was used for the study. (Dierdorff, Erich C., & Rubin, Robert S (2006). The descriptive statistics yielded the following findings:

1. Gender-wise distribution of the sample is represented by 67.8% males and 32.2% females.
2. All respondents indicated their qualifying examination board. 40% of the respondents were from the Central Board of Secondary Education (CBSE); 58% were from the Rajasthan Board of Secondary Education (RBSE) and 2% were from the ICSE Board.
3. 16% of the respondents had previous work experience; 84% of the respondents indicated that their current job was their first exposure to the corporate.
4. 27% of the respondents were recruited into their jobs via campus placements; 73% were in their current jobs after their own efforts to seek employment there.
5. 77% of the respondents fell in the income bracket of 1, 00,000 -3, 00,000; 23% of the sample drew an income of above 3, 00,000 p.a.
6. 18.2% were employed in the Engineering sector; 30.1% in the Banking sector; 3.2% in the Insurance sector; 15.3% in the IT/BPO/KPO sector; 22.1% in the Manufacturing sector; 10.4% in the Pharmaceutical sector and 0.8% in other sectors.

The Inferential statistics reveal that Managerial Competencies of the Z Generation can be mapped, which gives organizations a better understanding of how to deal with the influx of the Z Generation. A Second order CFA was done to validate the hypothetical model. The findings are as follows:

- A Second order Confirmatory Factor Analysis was conducted to validate the main construct Managerial Competency (MGRLCOMP) using AMOS 23.0 software. The causal effects from the main construct to all the sub constructs was studied after the fit indices criteria were ensured. The 2nd order CFA on the measurement model met all required criteria of fit indices. ($\chi^2/df=4.557$, NFI=.946, RFI=.901, TLI=.921, CFI=.957, RMSEA=.074).
- The path co-efficient of sub-constructs to the main construct were significant. The parameter estimates show that the factors contribution to the latent construct is significant.
- The discriminant validity index was calculated. All values did not exceed the cut off criteria of 0.85.
- The Construct Reliability of the variables was assessed. All values exceeded the required criteria of 0.6.
- The Average Variable Extracted of the variables was assessed. All values exceeded the required criteria of 0.5.

VIII. STRATEGIES FOR A SMOOTH ENTRY OF THE Z GENERATION INTO THE WORKFORCE

Based on the research study, the following strategies have been formulated for smooth induction and development of this distinct demographic:

8.1 **Decide your Management style at the Induction stage:**

The Gen Z manager is a versatile one and is able to adapt quickly to a management style that is revealed at the outset. The ability to synthesize information rapidly allows this group to find their comfort level in an 'X' style or 'Y' style management style. However, the management style that is used at the probationary period most likely will stay with them during their tenure in the organization. So it is essential to decide whether the employee needs to be micro-managed or be autonomous before he begins.

8.2 Being socially conscious: The social factor is an important one to the members of this generational cohort. Prospective employers who are committed towards sustainability and social causes are in a position of advantage to recruit the youngest workforce.

8.3 Catch them young: The development of an ideal Gen Z manager begins at the teaching stage itself. A proper revamping of the existing management curriculum would serve the purpose of practically exposing them to the real corporate situations. Teaching pedagogies must be examined and, innovative, relevant matter must be incorporated with hands on, practical mentoring approach to management education.

8.4 Employer Value Proposition: For attracting and retaining a Gen Z employee, an important step is to make sure that the company values are clearly established and highlighted. With a proper EVP in place, the Gen Z who is consciously looking for a high employer brand would be willing to be a part of something 'bigger'.

8.5 Recognize and reward: Organizations need to implement authentic work recognition programs. Employers can retain Gen Z managers longer, while leveraging their entrepreneurial spirit, by developing incubator and intra-preneurship programs and opportunities. The Z generation expects to gain job satisfaction from achievement, as much as, or more than, reward.

8.6 Let's keep learning: The Z Generation is a learning generation. With the advent of online learning and the fading of stigmas of age and learning, the Z generation is on a continual learning mode. Workplaces that support their employees in augmenting their skill sets and education are an attractive option for this generation. Studies show that the Z generation expects workplace support and technology for this purpose and are more loyal to employers who invest in their learning experiences.

8.7 Play, work and be flexible: The Z Generation is expectant of a workplace that is without boundaries of traditional organizational hierarchies and formal structures. There is an emphasis on informality in workplaces and flexibility in working styles. Results are given more importance than processes that contribute to the same. Embracing private spaces, open spaces, and fun, social spaces in technology-rich environments will be keys to creating a work environment that is attractive to Gen Z.

IX. CONCLUSION

As a new generation enters the workforce, organizations have to be sensitized to the unique strengths of this cohort. This will result in a lasting value to organizations if they take advantage of this generation's emerging strengths. This would involve mapping their competencies in a holistic manner and continuing to pursue existing strategies and tactics. Organizations need to focus on well-being, learning and flexibility, which seem a natural outgrowth of practices that organizations have begun to adopt over the past decade. Development and hiring practices may need to be revamped to accommodate the new characteristics of this next generation. Change is an inevitable part with the entry of the Z Generation into the workforce. Despite the disruption they are slated to bring about, studies reveal that a planned change strategy would help organizations build on the strengths of this demographic.

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