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Aspiring Leaders:
What Generation Z Has to Offer

Whitepaper

CEO FOR ONE MONTH

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Introduction

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The global pandemic exemplifies the power of change and the fundamental importance of adaptability[2]. Cognitive diversity - the difference among us due to our life experiences, world view, and how we process information[2] - has been deemed critical for overcoming the wave of change that organizations are experiencing today. The rate of change can often resemble surf against rocks, where experienced swimmers and so-called idle creators - who may find novel ways to overcome the splash - are both necessary.

Generation Z, those born in the late 90's and 2000's, are often seen in mainstream media as less resilient and more prone to taking offense than previous generations. However, this group of young aspiring leaders offer a difference in perspective and information processing styles that is only possible for these digital natives[3]. For them, the imagination curve for what is possible in the world starts now. For the rest of us, we are mid-flow – having witnessed more social transitions and global developments.

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Great minds think unalike is consistently argued by Matthew Syed[4], suggesting that a problem is best solved, a strategy is best formed, when you allow individuals with varying expertise, experiences, and world views to engage with equal 'power'. Importantly he argues you need to ensure that the environment views criticism of ideas as a positive path to the most impactful resolve.

If such a perspective of Generation Z is socially held, then perhaps there's a critical role for us to play, as members of organizations in senior positions, in creating an environment that allows for ideas to float and sink, and for the young to practice sharing ideas and embracing critique.

The lament that Generation Z have faced in the media is perhaps a fault entirely of our own. We have for too long held on a pedestal the importance of experience through time, as the master factor for good decision making.

Going against the grain, the fashion giant Gucci embraced the input from young aspiring leaders to achieve a 136 per cent retail growth over four years when its direct competitor Prada where sales declined of 11.5 per cent. They did this by allowing their senior leadership team to be infiltrated by a younger subset of their workforce to directly feed into strategic decisions - they introduced a 'shadow board'[2,4]. The shadow board helped to quickly shift its marketing and designs to adapt to the changes in how people shop and gain information. Therefore, we, the other members of society, do not want to lose the perspective of the young; instead, we need to nourish and harness the cognitive diversity they offer.

A similar initiative is run annually by The Adecco Group called CEO for One Month. Here, young aspiring leaders across the globe, between the ages of 18 to 23, express interest to shadow the Adecco CEO in their country for one month. The winners also work together to help shape strategy and contribute and learn as part of the executive leadership team.

This paper focuses on the profile of the top young aspiring leaders to identify where their natural potential lies in terms of workplace behaviors and capacity to solve problems. The aim is answering the question of what the young have to offer in our everchanging workplace.

About the Cohort

The group includes 2628 candidates from 42 countries across the Americas, Europe, Asia, and Middle East. These candidates are those who progressed through the initial sifting process of cognitive ability and, situational judgement test –by achieving 31st percentile or higher across all instruments.

The situational judgement test focused on workplace behaviors that were deemed essential for success in the CEO shadow program – these included Deciding & Initiating Action, Working with People, Relating & Networking, Creating & Innovating, Delivering Results for Customers, and Adapting & Responding to Change.

Key Finding 1

Thinking Style: They will apply their view of the world to solving strategic problems.

These aspiring young leaders showed greatest relative strength for Deductive Reasoning – suggesting that solving problems that link to applying general life principles to a specific situation would come naturally. Hence, they are likely to draw on how they process the world and apply it to a strategic problem.

The graph below shows the distribution of scores across the three cognitive ability areas. Note that all candidates who scored below average were sifted out of the process so expected proportions are 14% are well above average compared to a global norm, 29% are above average, and 57% are average.

A similar trend was observed across all regions which suggests there is little difference across geographies for how aspiring young leaders solve problems.

This finding contrasts to what is typically witnessed for executive level leadership where there is usually exceptional talent for Inductive Reasoning – reasoning linked to applying specific rules to a general situation. This contrast highlights the cognitive diversity between senior leadership and the younger generation, which can be leveraged through collaboration with the 'shadow board'.

Inductive Reasoning
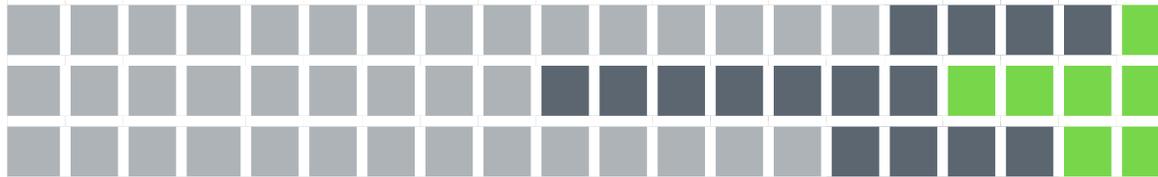
Deductive Reasoning

Numerical Reasoning

Average

Above Average — 5%

Well Above Average

Key Finding 2

Behavioral Style: They are active, thorough, and strategic. And will question the status quo and need support managing set-backs.

SHL's Universal Competency Framework (UCF) was applied to review the workplace behavioral strengths that are exhibited by this group. The UCF is a validated framework which consists of 20 competencies deemed to cover all workplace behaviors globally across all jobs and levels. This framework allows us to explore where strength may lie and the trend for where the young aspiring leaders are likely to need more support. Overall the group showed a strong behavioral profile with specific strengths like:

1. Technical and learning behaviors – which includes thorough & accurate outputs;
2. Strategic thinking – which accounts for a value driven mindset;
3. Taking decisive action in a planned manner – which links to a consistent progressive approach.

On the other hand, the group is likely to challenge the status quo, they prefer action over customer needs, and they may have a learning curve for managing change and setbacks. They are also likely to have a greater focus on business benefits over softer relationships, and although building new relationships and working cross functionally should come easily, delivering through others is a learning point.

Like cognitive ability, a similar trend was observed across all regions which suggests there is little difference across geographies for strengths and gaps.

This trend raises the important question of how we harness the strengths and balance the areas that need development. How do we draw out the strong work ethic, strategic thinking, and exceptional drive in a psychologically safe environment–we need young aspiring leaders to build resilience, manage setbacks, place structure in a meaningful way, and model how to deliver through others.

Competency	Low	Moderate	High
Deciding and Initiating Action	3%	60%	37%
Leading and Supervising	6%	61%	33%
Working with People	12%	65%	23%
Adhering to Principles and Values	18%	67%	15%
Relating and Networking	9%	66%	25%
Persuading and Influencing	9%	63%	28%
Presenting & Communicating Information	7%	66%	27%
Writing and Reporting	3%	67%	30%
Applying Expertise and Technology	3%	61%	36%
Analyzing	4%	61%	35%
Learning and Researching	4%	60%	36%
Creating and Innovating	5%	61%	34%
Formulating Strategies and Concepts	2%	51%	47%
Planning and Organizing	4%	59%	37%
Delivering Results and Meeting Customer Expectations	17%	67%	16%
Following Instructions and Procedures	35%	58%	7%
Adapting and Responding to Change	6%	71%	23%
Coping With Pressures and Setbacks	17%	65%	18%
Achieving Personal Work Goals and Objectives	7%	59%	34%
Entrepreneurial and Commercial Thinking	7%	63%	30%

Low
Moderate
High

Key Finding 3

Solving Challenges: They offer strength for leading change and will thrive if offered meaningful structure and support.

Globalization and technological advances over the last two decades, along with the current pandemic, have created a greater reliance on geographically dispersed workforces, more matrixed structures, and higher productivity. These changes, coupled with economic disruptions and an ever-shifting political landscape, have introduced an unprecedented amount of volatility and uncertainty into the workplace[7]. Leaders are therefore left to navigate in consistently changing, novel, and unfamiliar circumstances. This creates an interesting problem of: who then is the best leader? What are their traits?

The SHL and Gartner Leadership Study[8] included nearly 9,000 leaders from 85 companies— and showed that a key factor for consideration was the context in which leaders operated. Concluding that, workplace behavioral strengths, experiences, and ability are all relative to the challenges the leader is faced with – that is, their context. We used the Leadership Study to discover how young aspiring leaders fair with resolving leadership challenges.

The graphic below shows the level of strength against various leadership level challenges (full 27 challenges in appendix) and draws out two areas of interest. The expected proportion against a global norm is that 30% will show low alignment, 40% moderate and 30% high.

Potential against categories of Leadership Challenges

Aspiring Leaders: What Generation Z has to offer
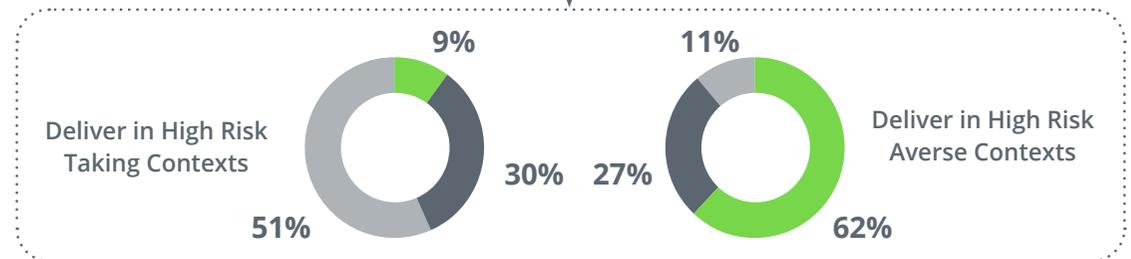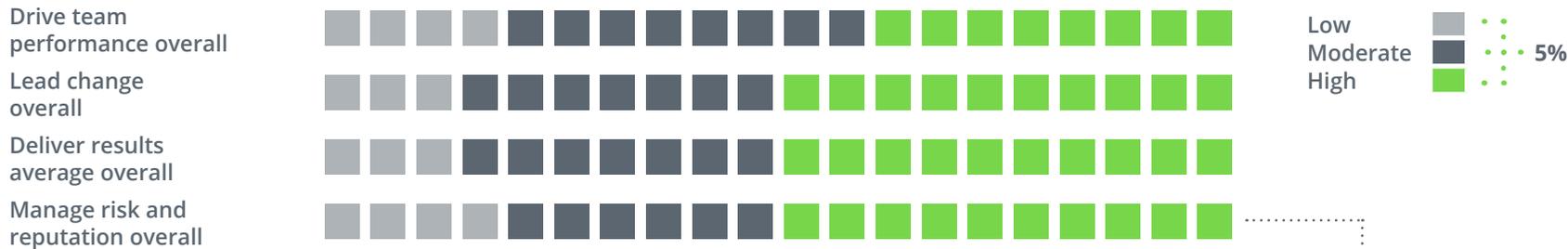
Overall this group shows underlying strength for succeeding when faced with a range of leadership challenges, with specific strength for leading change – which is unsurprising given their strength for deciding and initiating action. Interestingly, where we see the need for maximum development falls under managing risk. The contrast between the strength we see for delivering in risk-averse context with risk-taking is a fundamental indicator for the structural and psychological support we need to provide Generation Z.

Knowing that this group showed a relatively lower preference for following the status quo, resilience, and managing setback – when they deliver in a risk adverse setting, they are likely to excel by benefiting from an environment that provides meaningful structure and is open to sustainable change. A setting that is boundary free and high risk taking is unlikely to provide the psychological safely for growing resilience.

Hence, there is a responsibility among leaders to create an environment that allows for the expression of the identified strengths, yet, invest in mechanisms to build a culture of feedback, meaningful boundaries and values, and create opportunities for their drive and initiative to be infectious with others in the firm.

Concluding Remark

The current pandemic has given the workforce a seismic shakeup – with flexible working becoming the norm, rises in unemployment leading to re-skilling, job sharing opportunities, and redeployment, to state a few. This presents us the chance to fundamentally rethink what we need to make better decisions at work. Consider how we as members of society and leaders in organizations can embrace Generation Z to increase cognitive diversity.

We know from this study they can offer sound, creative, and well research outputs; excel in strategic thinking which ensures a value driven mindset, are planful and have drive to make ideas real. On the other hand we can:

1. Help increase their resilience by creating a culture where it is safe to share ideas and where critique is viewed as a support mechanism for improvement.
2. Provide purposeful, in time, and constructive feedback with actionable behaviors to help overcome setbacks
3. Introduce meaningful work structures, and meaningful organizational values – be prepared to be questioned and let these evolve.

Here is a call for separating experience through time in role or profession with experience through differences in thought, information processing, and world view.

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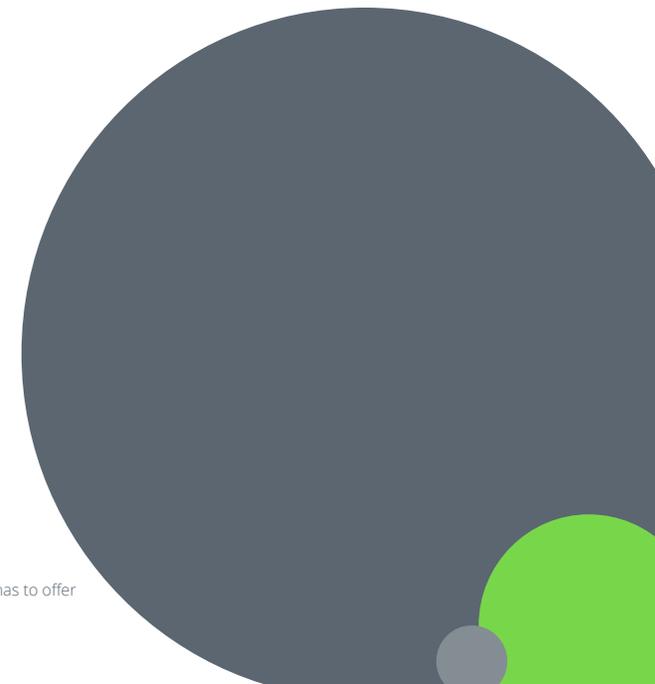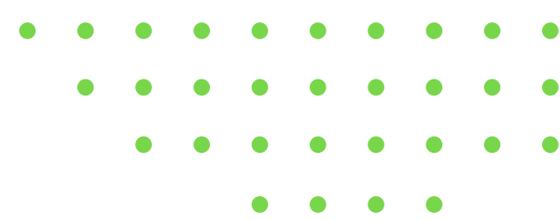
Solving Leadership Challenges

Expected – 30%
Low, 40% Moderate,
30% High
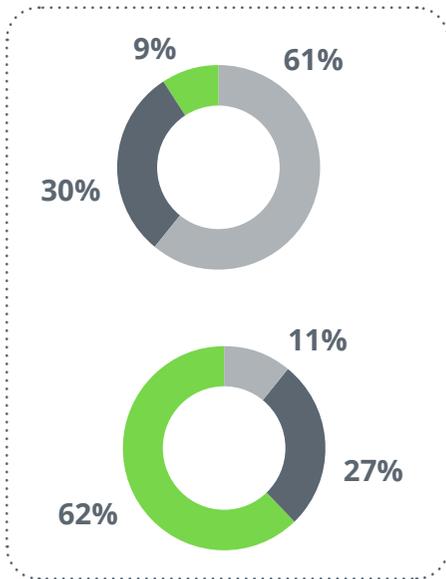
Underlying Potential to Resolve Leadership Challenges

Drive Team Performance

Challenge	Low	Moderate	High
Optimize Talent	20%	43%	37%
Drive Creativity and Innovation	26%	45%	29%
Drive Network Performance	16%	45%	39%
Lead Geographically Dispersed Teams	25%	41%	34%
Lead Global / Cross-Cultural Teams	23%	38%	39%
Transform a Low Collaboration Culture	19%	40%	41%

Lead Change

Challenge	Low	Moderate	High
Transform a High Conflict Culture	16%	37%	47%
Design and Drive New Strategies	12%	34%	54%
Deliver Rapid Changing Products Services and Processes	9%	34%	57%
Deliver Under High Uncertainty and Ambiguity	17%	38%	45%
Lead Through Mergers and Acquisitions	14%	34%	52%

Deliver Results

Challenge	Low	Moderate	High
Adjust to Frequent Leadership Change	15%	39%	46%
Deliver High Margins	6%	27%	67%
Grow the Business through Innovation	13%	35%	52%
Grow the Business through Market Share	11%	31%	58%
Grow the Business through Cost Competitiveness	23%	42%	35%
Grow the Business through Geographic Expansion	20%	42%	38%
Run an Intact Business	12%	38%	50%
Manage a Broad Portfolio of Products and Services	19%	34%	47%
Deliver Exceptional Customer Service	30%	43%	27%
Lead a Centralized Team	15%	34%	51%

Manage Risk & Reputation

Challenge	Low	Moderate	High
Deliver In High Risk Taking Context	61%	30%	9%
Deliver In Risk-Averse Context	11%	27%	62%
Operate With High Resource Constraints	14%	32%	54%
Ensure Safety and Security of Persons or Operations	13%	33%	54%
Represent the Organization Externally	12%	36%	52%
Ensure Environmental Sustainability	16%	35%	49%

Donut charts:
- 61% / 30% / 9%
- 62% / 27% / 11%

Legend:
- Low
- Moderate
- High

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