

NextGen Leadership Isn't Next...It's Here and Now

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Great leaders provide great leadership. Sounds obvious, but in fact, effective leadership is significantly impacted by the environment in which business leaders find themselves operating at specific points in time. In an era of 24/7 global connectedness, today's great leaders must motivate and manage a workforce impacted by rapidly advancing technologies, constantly evolving social values, and the realities of economic inequality, pandemics, and climate change.

Boomers Retire, Millennials Take Over as Next Generation of Leaders

With the oldest baby boomers now in their 70's and the youngest turning 57 in 2021, all around the world more boomers are retiring every year. The next generation, millennials, are ascending to take their place, driving a palpable generational shift

in corporate leadership. In addition, the majority of the workforce these NextGen leaders manage includes not only fellow millennials but also the ensuing generation Gen Z.

Sociologists define generations not only by year of birth but also by historical events and technological changes occurring during their coming of age, which impacts the way they see the world. Major events and technology impacting millennials include 9/11, the 2008 Great Recession, the rise of global internet, social media, and the 24/7 news cycle. For Gen Z, the list includes global terrorism, Brexit, LGBTQ normalization, social media "nativism", and the explosion of digital content on platforms such as YouTube, Instagram, and TikTok.

These events and advances have shaped millennial and Gen Z behaviors and values in several key ways, which effect their career goals, expectations of employers, workplace behaviors, and ultimately, how they lead. In its 2019 Global Millennial Survey, Deloitte concludes millennials and Gen Z'ers "want all of the talk business gives to purpose to become meaningful action and for business leaders to serve as agents for positive change."

NextGen Leaders Prioritize Culture of Purpose

As millennials assume corporate leadership, they are driving initiatives which prioritize purpose-driven work, and how the pursuit of profit can also serve the greater good. IMSA Denmark Managing Partner Jens Christian Jensen agrees: "More than 64% of millennials do not want to work for companies which have no social purpose. This changes the management landscape radically and social intelligence is the new gold on the C-level."

Stakeholder capitalism is a concept whereby businesses can enhance long term value by including workers, customers, and communities as stakeholders in their business proposition. The rapid increase in Benefit or B Corporation certification is evidence of this growing phenomenon. Certified B Corporations are businesses that meet the highest standards of social and environmental performance, public transparency, and legal accountability to balance profit and purpose. According to McKinsey, the first B Corporations were certified in 2007; in 2020 there were more than 3,500.

Commitment to sustainability is another focus for NextGen leaders putting purpose at the center. The 2020 Deloitte Global Millennial Survey confirmed climate change as a central issue for millennials and Gen Z'ers. 80% of those surveyed think governments and businesses need to do more to protect the environment. The Green Sector is now considered a growth opportunity area and more companies are jumping on the sustainability bandwagon because it's good for business. The global investment firm BlackRock reported in its 2021 *Global Outlook* that "the tectonic shift towards sustainable investing is accelerating" and will "help enhance returns."

Technology and Reskilling are Key to Innovation and Lifelong Learning

NextGen and Gen Z'ers are digital natives, understanding and embracing technology as a foundational tool for creative problem-solving. They see themselves as cutting-edge when it comes to the use of technology, and according to the 2019 Deloitte Millennial Survey, nearly half believe new technologies will augment their jobs. COVID has accelerated digital transformation, confirmed by a 2020 McKinsey Survey which found "companies are 3X more likely than before the crisis to conduct 80+% of customer interactions digitally." For NextGen leaders technology is central, no longer siloed in an IT department but rather integrated across the organization to encourage cross-team interaction and cooperation on new product development, customer service, and to facilitate a culture of innovation.

As technologies evolve, workers must be retrained. NextGen leaders champion workforce development as a necessary ingredient for innovation. Reskilling is a business imperative, identifying what is needed now and for the future, and creating the training to meet those needs. For the millennial/Gen Z workforce, opportunities for apprenticeship and mentorship are key contributors to employee engagement, so building a culture of lifelong learning is critical to success.

Coaching, Feedback, Diversity, and Work-Life Balance

NextGen leaders see themselves as a coach whose role it is to support as well as to lead. In a Jan. 2021 article on "the next normal," McKinsey asserts companies see real returns when managers spend the majority of their time coaching in addition to leading. Millennials and Gen Z'ers value transparent communication, motivated by ongoing immediate feedback rather than the traditional annual evaluation. And diversity in the workplace is now essential, and an internalized value of younger generations.

Work-life balance is not just an ideal but an imperative for NextGen leaders and their workforce. According to Deloitte, work-life balance is cited as one of the top 3 concerns of millennials moving into leadership positions. As parents, and with many in dual-working-parent households, they feel the pressure of childcare demands and family responsibilities, exacerbated most recently by the pandemic and the closing of schools. And NextGen leaders are embracing the post-pandemic hybrid workplace as providing better work-life balance for their employees.

NextGen leadership is already fueling radical shifts in corporate culture and how successful businesses are run. In the face of rapidly evolving events and technology, their values will surely continue to set the standard for the "new normal" today, tomorrow, and beyond.

