HIGH PERFORMANCE LEADERSHIP HABITS

Even millennials are discouraged from being a boss. Who will lead companies in the future?

As seen in Forbes

8 min read



Companies are facing a new reality: Gen Z and millennials are increasingly turning down leadership positions.

According to a <u>ManpowerGroup survey</u>, career growth no longer means a promotion to management. What stops individuals from taking on leadership roles, and who will take over company management in the future?

Previously, managerial positions symbolised career success, offering prestige, higher pay, and more significant influence.

Employees willingly accepted additional responsibility to move up the corporate hierarchy.

Today, however, the situation is changing.

Younger employees, including millennials, who are now in their thirties and forties, prioritise work-life balance, significance, and flexibility. For them, growth in the company no longer necessarily means moving up the ladder but instead developing their skills and finding new ways to apply themselves.

"If this trend does not change, filling management positions will become increasingly difficult. While people used to move up to higher roles, today, naturally, they are more likely to move horizontally, develop expertise, and become more independent."

Explains Jiří Halbrštát, Director of Recruitment and Marketing at ManpowerGroup.

Companies are responding to this change by moving to more flexible management models. Self-managing teams and shared leadership are becoming increasingly popular, where responsibility is shared among multiple people, and the classic hierarchy is gradually dissolving.

According to Jiří, it's not that the younger generation doesn't know how to lead - it's more that they don't want to manage in the way their predecessors did.

"We're seeing a trend where managers act more as facilitators than direct superiors. This approach involves less control, more collaboration, and a focus on mentoring and supporting the team."

Jiří adds.

Another factor is the development of the labour market. Alma Career analyst Tomáš Ervín Dombrovský points out that in times of economic crisis, managers are often among the first to be made redundant.

"Over the past six years, we have gone through several shocks - COVID, lockdowns, the war in Ukraine, the energy crisis and inflation. It has turned out that managerial positions are less stable than specialist roles that companies hold on to at all costs,"

says Tomáš,

adding that companies have no choice because **finding a specialised expert is much more difficult today than finding a good manager**.

Alma Career data also confirms this trend: 80% of businesses that plan to hire mostly look for specialists, not managers.

"Companies today are in constant motion and stress, as a result of which people conclude that it is better to specialise and be needed in times of crisis. The chances of becoming a top manager in a huge competition are smaller than becoming a top expert in a narrow field,"

explains Tomáš.

He says another phenomenon that follows the lower interest in leadership positions is the tendency to flatten management structures.

"Companies no longer have so many layers of management. It's more efficient, and the trend is greater autonomy at work - responsibility has been transferred to specific teams,"

the analyst describes.

According to Tomáš, it pays off for companies because they can react more quickly during upheavals. Companies that have eight layers of management, make decisions only from the top down, and receive reports from the bottom up have problems in times of turbulent change.

"They may have the appearance of control, but they are not capable of action,"

Tomáš specifies.

Uncertainty and stress discourage.

What the trend looks like in practice describes SBR Consulting, a consulting firm specialising in business process optimisation & revenue acceleration, especially in professional services, information technology, and financial services.

One of the most challenging career steps in the field of professional services is reaching a management position, where you are expected to deliver contracts and win deals.

"In our cooperation with the Big Four, for example, we often find that people have the necessary skills and access to excellent business systems. However, the biggest obstacle is their emotional resilience, ability to work with internal dialogue, and willingness to step out of their comfort zone, build relationships, and thus win new contracts. However, business does not exist without occasional rejection,"

describes Josef Dvořák, partner at SBR Consulting.

A similar situation is observed in the IT segment.

"As an IT professional advances in his career, he reaches a crossroads where he must decide whether to focus on deepening his technical knowledge and become a top expert or develop his business skills and advance into the company's management structure. The number of predators with high emotional resilience is definitely not increasing; in fact, it's quite the opposite - more and more people are saying that it is not their job, that someone else should do it."

Adds Josef.

Pluxee ČR increasingly sees some millennials preferring to specialise in a given field rather than being promoted to management.

"It's an interesting phenomenon when people don't want to be promoted because they simply want to be experts in their field and don't want the stress of leading other people or dealing directly with management. These personalities often find themselves in their work, are satisfied and do not aspire to higher positions. But they want further development in their field. If they get it, they don't complain about anything,"

confirms Martina Machová, HR Director of Pluxee ČR.

He adds that this trend is coming to us from abroad, where some companies already have trouble filling managerial positions.

"It's not even about age or generation, but about the priorities of the person in question and also about the overall shift in society towards a balance between work and personal life,"

Martina thinks.

"Millennials are supposed to run a company mostly owned by Generation X and with management based on Generation Z. The clash of these generations is huge in every respect, and connecting these disparate poles is extremely difficult. Millennials misunderstand the older and newer generation's style and requirements. At the same time, the intersection of the requirements of these generations is essential for their success."

Says Ondřej Salaba, an authorised representative at Warex.

According to Ondřej, the conversion mix between financial and non-financial benefits and responsibilities constantly decreases, which does not motivate millennials to grow within management. Therefore, he says, millennials are also not ready to exchange free time for work, as a leadership position is naturally expected to be time-consuming.

"Quality control tools make it easier to point out even the slightest error in virtually real-time, which leads to fear of decision-making, prolongation of the decision-making process and overall pressure for flawless work performance, which is not in line with the requirement for work-life balance,"

adds Ondřej.

"This trend has not yet been confirmed in the Czech Republic, neither by Gen Z nor by millennials,"

adds Ruslan Skopal, co-owner and CEO of Trenýrkárna.cz.

Josef Jankovský, HR manager at Czech fashion brand Vuch, also doesn't see the situation with millennials as dramatic yet.

"This generation is more likely to take responsibility for family life and time spent at work, which doesn't rule out their ambitions and high work commitment."

Concludes Josef.

The future of leadership

If companies want to convince Gen Z and millennials that it makes sense to be in management, they will have to change their approach, according to Jiří Halbrštát.

"Flexibility will be key. The traditional idea of a manager being available 24/7 is dead. The younger generation expects to be able to manage their time and work according to their own needs,"

says Jiří.

It won't be possible without support and education either.

"Instead of turning people into throwaway bosses, companies must offer them mentoring, coaching, and training focused on empathetic leadership."

Jiří advises.

Future managers will insist on work-life balance, and he says they will no longer want to sacrifice their lives for their careers.

"Companies that understand that their leaders need time for regeneration and personal growth will have an advantage. As well as those that can give people a clear meaning of work – the younger generation does not accept management for management's sake. They want to see the value of their work, its contribution to society and a clear vision."

Explains Jiří.

If companies fail to realise this shift, they will have a big problem, according to Jiří Halbrštát, because they will not have people who want to lead. However, this change can benefit those who adapt and develop a modern leadership model.

"The job market is changing, and with it, the definition of career success. And that no longer means just the title "director", but rather the ability to find a balance between leadership, the meaning of work and personal life,"

concludes an expert from ManpowerGroup.

Rethink the leadership model now – embrace flexible, purpose-driven, and people-centered leadership that resonates with a new generation. To discuss more about leadership, <u>let's talk growth</u>.