

Leadership Preferences of Generation Y

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Review of the Literature

Today's workforce is more diverse than ever. Age diversity is of particular interest, as the workforce is now comprised of four generations (Kyles, 2005). Generational differences are a legitimate diversity issue that organizations need to recognize and understand (Arsenault, 2004). Each generation is distinct, to some extent, in terms of their core values and work values (Salahuddin, 2010). Generation Y is the newest generation of workers to enter the labour force. They are different from other generations in terms of work-related values and attitudes; managers need to tailor their approach to leading Generation Y in order to engage and retain this generation (Salahuddin, 2010).

As Generation Y continues to mature and enter the workforce, it is imperative that organizations and leaders develop an understanding of how to maximize their contribution to the workplace. It is important that employers have an understanding of what this generation expects from all aspects of their employment, from leadership preferences to work-life balance. It is of particular interest to understand the impact of generational differences on preference for leadership styles as it is suggested that leaders can adjust their behaviours in practical ways to enhance subordinates' organizational commitment and performance, to increase organizations productivity (Limsila&Ogunlana, 2008).

While existing studies have examined the leadership styles of managers, there is a lack of evidence on the specific leadership preferences of Generation Y. Understanding what distinguishes Generation Y from other generations is important in order to develop current and future leaders (Arsenault, 2004). Much of the existing literature regarding the preferences of Generation Y is a number of years old since Generation Y is still maturing and continuing to enter the workplace the data is potentially out of date. Furthermore, much of the current literature examines the strategies currently employed by leaders while failing to investigate Generation Y's perceptions of the ideal leader.

The goal of this study is to examine the leadership preferences of Generation Y in order to help maximize their contribution to an organization. More specifically, this study aims to identify preferred leadership styles, and specific leadership attributes valued by Generation Y. Our research will contribute to the current knowledge by focusing on Generation Y when they are at a stage in their lives where leadership preferences are more established. This is significant because Generation Y should now have additional workplace experience and more exposure to various types of leaders and leadership styles. A survey was developed and distributed to members of Generation Y with the goal of determining the top attributes and leadership

preferences that the generation is looking for.

Generation Y

Generation Y is the term given to describe the most recent generation of entrants into the labour force. While the birth dates that have been used to define this generation vary to some extent, Generation Y can generally be described as those whose birth years fall between 1980 and 1994 (McCrindle, 2006). It is important to identify what sets Generation Y apart from other generational cohorts in an organizational context in order to determine how to best manage this new generation of workers. Past research has explored the organizational needs of Generation Y, and as a result the organizational expectations and needs of the generation have now been fairly well explained. Generation Y tend to be self-reliant, independent and like to be allowed the freedom and flexibility to complete tasks at their own pace and in their own style (Martin, 2005). They are the most technologically savvy and educated generation to enter the workforce (Lowe et al., 2011). Generation Y likes to think in the short term, expecting immediate feedback and rewards for their efforts (Lowe et al., 2011). They have developed just-in-time work habits and prefer to have smaller, shorter-term deadlines which allow them to complete projects in smaller segments (Martin, 2005). Generation Y welcomes responsibility and see it as a chance to prove their skills and show their worth within the organization (Martin, 2005). As this generation has grown up in a rapidly changing environment, having experienced technological advances such as the Internet and mobile phones, they not only expect change but desire it (Martin, 2005). They need opportunities to grow and develop inside and outside of the organization, and if their needs are not being met they will not hesitate to find somewhere that will accommodate them (Martin, 2005).

The tendencies and preferences of Generation Y create a number of problems for organizations, with one major issue being low levels of organizational commitment (Martin, 2005). In order to obtain affective organizational commitment from this generation, Generation Y values the flexibility, and quality of their work environment and desire work-life balance (Eisner, 2005). Generation Y seeks flexible work schedules in order to accommodate their other life and goals and ambitions (Yeaton, 2008). Salary and the perceived prestige of a job matter less to this generation than to those in the past, and they give more weight to whether a job will give them the flexibility they need to pursue goals in other areas of their life (Dulin, 2008). Organizations also need to form a more personal relationship with this group, eliminating barriers to communication caused by hierarchical structures (Martin, 2005). As these employees require greater job autonomy, previous research suggests treating these employees as colleagues rather than subordinates enables employers obtain increased commitment and performance, benefiting both parties (Martin, 2005). While this generation is goal and achievement oriented,

they are not overly loyal to any organization and they want a life outside of work (Yeaton, 2008).

Leadership preferences

Several articles effectively described Gen Y as a cohort group, however few describe leadership attributes and styles that are preferred by Generation Y. Sujansky (2004) discusses the need to identify the leadership styles and preferences of Generation Y and McCrindle (2006) discusses further specific leadership attributes that need to be examined. Generation Y feels the need to have a work environment that forms relationships and research suggests that this cohort desires a work environment where humour and constant challenges are present (Eisner, 2005). Eisner (2005) asserts that constructive, specific, and prompt feedback is also an integral component of leading Generation Y. Due to this relationship building environment, Generation Y is more likely to positively rate manager and leadership personal attributes as important, which is an aspect which will be further examined in our research (Eisner, 2005).

An issue addressed in the literature was Generation Y's work ethic and common complaints on the generation usually stemmed from work-life balance and telecommuting. (Eisner, 2005). The literature provides limited evidence of the attributes that generation Y seeks in their leaders and managers (PR Newswire, 2004, Eisner, 2005). In her review of literature, Eisner also notes that a common finding was that Generation Y had a positive attitude towards work. McCrindle describes training and education as a pivotal aspect of engaging Generation Y, and upward mobility was also a recurring theme. Eisner and Mcrindle both describe the propensity for Generation Y to want organizations to adapt to changes in their needs, use technology effectively, and have an overall flexibility provide them with them work-life balance. One issue seldom addressed is Generation Y's view on strategy, specifically how they felt about adopting and changing strategy.

Transformational and Transactional Leadership

Previous research on the subject of leadership styles suggests that followers largely prefer transformational leadership in general (Bass, 1990). A transformational leader focuses on inspiring followers to move beyond their potential, challenging them intellectually. A transformational leader focuses on tailoring leadership style towards the follower (Bass, 1990). Transactional leadership on the other hand provides rewards when a specific behaviour is achieved. This type of behaviour is known as contingent rewards. A transactional manager also works on seeking out unwanted behaviour and correcting that behaviour through negative reinforcement (Northouse, 2001). Another dimension of leadership theory is laissez-faire leadership. This style is characterized by the leader abdicating all responsibility for decision making, effectively becoming a non-leader (Northouse, 2001). To understand the results of the measure used for the transformational/transactional study the reader must be familiar with all of the factors associated with Transactional and Transformational leadership. To gain an

understanding of where Generation Y would best fit on the continuum of leadership styles we consulted the literature to better understand generational preferences (Northouse, 2001). Transformational leadership is an interesting style to investigate because managers can be trained based on the factors of leadership defined by Transformational leadership (Judge & Bono, 2000).

Leadership Attributes

Managers and professionals in different generational cohorts differ to some extent in the leadership attributes they consider important (Sessa et al., 2007). Research on Generation Y has determined key attributes they most admire in their leaders. Based on individual rankings, Generation Y most commonly admired a leader with honesty, determination and loyalty (Arsenault, 2004). Moreover, these preferences in attributes were compared to previous generations' preferences. Comparing and contrasting results from the past three generations, it can be seen that with the exception of honesty, Generation Y has different leadership expectancies (Arsenault, 2004). This research on attribute preferences captured a younger Generation Y, and many of the respondents would have had little to no experience in the workplace. Our study was designed to collect similar data from the generation, which has now had time to mature, enter the workforce and subsequently gain more exposure to different leaders and leadership styles.

Generation Y has a desire to make a difference in the organizations they are a part of so the question then becomes, how do leaders engage this group to ensure they direct that energy towards a benefit for the company. To go outside the confines of transformational leadership theory, we also decided to investigate the attributes that Generation Y looks for in a leader. To investigate this issue we considered different leadership styles and discovered that the transformational style of leadership fit well with our current knowledge about the generation.

Hypothesis

- (1) Generation Y will have a strong preference for transformational leaders as opposed to transactional leaders.
- (2) Generation Y will prefer attributes and traits that are connected to their generation profile.

Methodology:

Sample:

Our sample included 144 individuals born between 1980-1994. We consider individuals born within these years to belong to Generation Y. We used the snowball effect, recruiting

friends, colleagues, co-workers, and teammates in hopes that they would help attract others. This was accomplished by sending e-mails, personal messages and through the use of Facebook.

Measures:

We looked at previous studies completed and then modified them to meet our needs to help determine what attributes, traits and styles generation Y is expecting from their leaders. We asked a total of eight questions to determine their age, past work experience, ethnicity, and their preferred leadership attributes and styles.

To determine if the participants fit our definition of Generation Y, we asked them what year they were born in. We made this an open-ended question, and then filtered through the results for those born between 1980-1994. We then asked participants a yes or no question to find out if they were a visible minority. This allowed us to see how diverse our sample was. To gain further insight in our participants experience with a leader in an organization through a yes or no question we asked them if they had had at least 4 months consecutive work or volunteer experience in the past. Next the participants were asked what the longest time they have worked for an organization is, this was asked using a drop down menu. The participants were given choices starting at less than 6 months, then six months to a year, and then they answers went up in increments of a years up to 10 or more years.

Preferred leadership attributes were measured using the measures developed by Kouzes and Posner in 1993. The measure asks respondents to rank the importance of 10 leadership attributes (ambitious, caring, competent, determined, forward-looking, honest, imaginative, inspiring, loyal and self-controlled). We modified this to meet our needs by asking participants to rank these attributes on importance to them. The response scale ranged from 1= not important to 5= very important. From that data we then calculated the mean and the standard deviations to determine the top attributes generation Y finds important in a leader.

To assess the differences between Transformational and transactional leadership we used a previous measure established by Bass and Avolio, in 1992. The measure was altered because we investigated preferences in a leader, rather than perceptions of ones self as a leader. Questions that read: "I express with a few simple words what we could and should do" were changed to read: "My ideal leader expresses with a few simple words what we could and should do." The questions in the survey are organized based on the Bass and Avolio measure. Respondents answer on a scale which ranged from 1, strongly disagree to 5, strongly agree.

To evaluate what traits generation Y felt was important for a leader to have we designed our own questions to ensure they were concise and avoided any unnecessary jargon. We used the general guidelines on how to develop survey questions that were presented in Veal (2005) text *Business Research Methods*. Most questions asked respondents to rate the trait directly or to rate how important it is for a leader/manager to demonstrate this trait. The response scale ranged

from 1=not important to 5=very important. We then looked at both the standard deviation and the means to help demonstrate what traits generation Y values in their leadersø

Results:

Hypothesis 1

Based on the measure established we investigated the factors of transformational leadership and compared them to the factors of transactional leadership. Idealized influence, a factor of transformational leadership rated the highest with an average score of 10.5 based on the measure. Based on the score interpretation provided by the measure, anything above 9 is considered a high score. Transformational leadership had high scores across all factors with the exception of inspirational motivation, which received a score of 8.5. A score between 5-8 is considered a medium score. Transactional leadership had medium scores across all factors. (See Figure 1 and Table 1)

Figure 1:

This Figure depicts the average scores for the factors of leadership

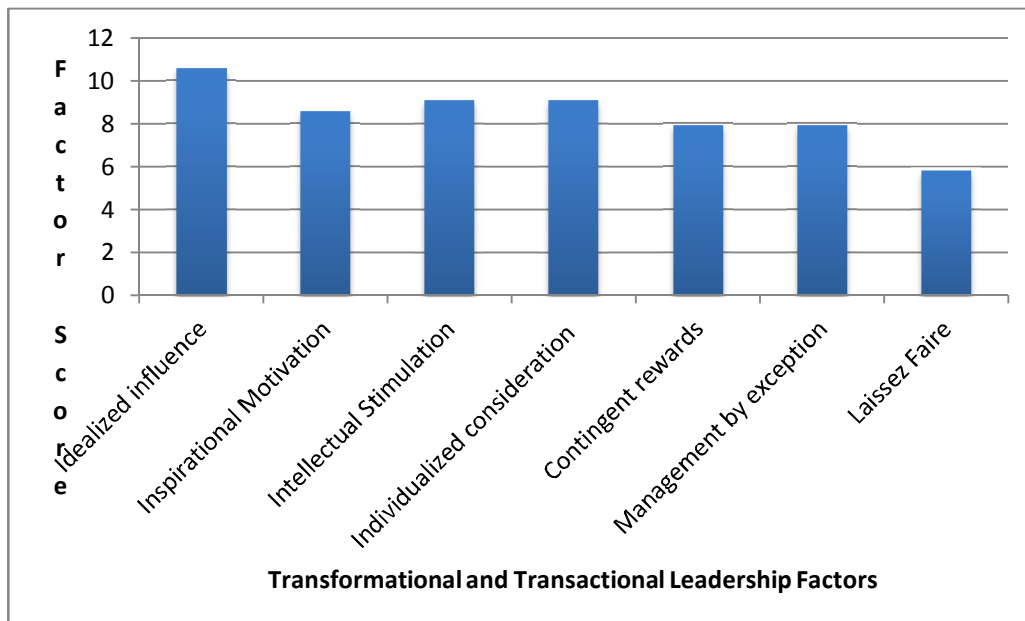


Table 1:

Average score for each factor of leadership

Factor/Leadership style	Average	Standard Deviation
Idealized Influence/Transformational	10.56	1.18
Inspirational Motivation/Transformational	8.55	1.39
Intellectual Stimulation/ Transformational	9.09	1.56
Individualized Consideration/ Transformational	9.09	1.56
Contingent rewards/Transactional	7.90	2.11
Management By Exception/Transactional	7.90	1.62
Laissez Faire/Transactional	5.80	1.89

Hypothesis 2

The results for the traits and attributes studies were compiled to prove that Generation Y ratings of admired leadership attributes would reflect the profile of generation Y established in the literature review.

For the first measure of traits we developed average ratings based on Likert scale responses. The results represent an average response to questions that were linked to each defined trait. We were able to rank these attributes based on the averages collected. Emotional regulation got an average response of 2.89; this indicated that respondents did not see this as an important trait for their leader. The highest average response was for work ethic with an average response of 4.57. This indicates that respondents prefer a leader with a strong work ethic. (See table 2)

Table 2: Average Rating of Measured Traits

Trait	Average	SD
Work ethic	4.57	0.6
Personal Accountability	4.48	0.66
Honesty	4.36	0.57
Implements Strategy/Planning	4.34	0.71
Growth	4.28	0.79
Competency	4.25	0.69
Organisational Commitment	4.24	0.69
Adaptability	4.13	0
Accountability other	3.97	1.09
Emotional Regulation	2.89	0.75

The second measure was used in a similar manner. For this measure respondents used a Likert rating scale to rate specific leadership attributes. We found that all of the attributes received an average score from 3.97 to 4.57. This indicates that most attributes were important to the respondents. But the purpose of this measure was to discover the top three attributes to compare with a previous study. The results indicated that competent, determined, and honest were the top three attributes that respondents looked for in leaders. (See Table 3)

Table 3

Leadership Attribute	Rating Average	Standard Deviation
Ambitious	4.18	0.82
Caring	3.97	0.88
Competent	4.54	0.82
Determined	4.46	0.77
Forward-looking	4.22	0.77
Honest	4.40	0.76
Imaginative	3.87	0.92
Inspiring	4.29	0.97
Loyal	4.28	0.84
Self-Controlled	4.13	0.82
Total number of respondents: 149		

Discussion

The results of our study indicate that Generation Y's leadership preferences reflect the profile of Generation Y; Generation Y prefers leaders that are competent, hardworking, determined, and accountable of their action. These traits coincide with the high preference for idealized influence under the transformational leadership style. Thus, our study indicates that generation Y's profile of attributes should be reflected in the leadership style of their managers or leaders. These results suggest that leaders/managers should modify their style of leadership when leading those in the Generation Y cohort group. Our findings indicate that leaders have to show a degree of personal accountability and incorporate moral aspects such as honesty into their leadership style.

The finding that honesty is a key factor in leadership is important in generation Y is further highlighted by the personal accountability trait preferred in leaders. One of Arsenault (2004) major findings is that generation Y's highest ranked trait is honesty, this is reflective in the preferred leader of generation Y. Judge and Bono (2000) found that transformational leadership style was generally preferred by other leadership cohorts, therefore in conjunction with our results, this suggests that Gen Y also prefers a similar leadership style.

McCordle (2005) suggested that generation Y is hard working and has a positive attitude towards work. This attribute of generation Y coincides with their leadership preference. Our results indicate that this attribute is the most important trait to Gen Y when discussing their ideal leader. Competency was outlined in Eisner (2004) study of college students in New-Jersey as a component of effective leadership/management. This result was reflected an important aspect of leadership in our findings. The construct of work ethic could also be examined further and may suggest the need for organizations to evaluate managers not strictly on performance outcomes but also their attitudes towards work.

These results may offer a basic framework on how leaders and managers should adjust their style in accordance to generation Y's needs. This being said generation Y prefers transformational leadership and the preference for this style is also present in other generations (Bass, 1990). Our findings indicate what traits Gen Y prefers, however our findings do not indicate specific behaviours that would assist leaders in managing Gen Y. The association between preferred leadership behaviours and traits is also an area that can be explored further for the Gen Y cohort. Also determining these specific behaviours is another possible avenue of for future research.

Our findings may also suggest that there is a possible link between the profile characteristics of generation Y and their preferred leadership style. This relationship is another opportunity for future study.

Given the preference for leaders who have idealized influence, accountability and honesty, organizations and their managers may have promote moral decision making within their organizations in order to have strong leadership. Moral leadership and the effects on organizational outcomes for the generation Y cohort can be examined further.

Limitations to Research

The target sample of our research was generation Y - those with birth years from 1980-1994 - however the majority of respondents were born between 1986 and 1991. Therefore, the actual sample was comprised of those on the middle-late portion of the generation Y cohort. The purpose of this study was to investigate Generation Y's preferences in the work place, therefore, we focused on the Generation as a whole rather than studying various sub-groups' preferences. More specifically, our research did not investigate differences based on gender, specific minority groups, or educational differences. This may or may not have led to additional implications of our research.

Our study relied heavily on attitude based measures using a 5-point scale. This method has its typical flaws such as respondent's willingness to accurately respond, and their willingness to complete the full survey. This became apparent as data had to be omitted due to an irregular response pattern of choosing the same option for every question and also for leaving the questionnaire incomplete. Since our research purpose was to address preferences of leadership

attributes and style using a scaled questionnaire, it can be assumed that our data collection was less likely to be affected by exaggeration.

Some issues with our questions measured in exhibit 2 is the lack of diversity of questions used to measure one trait. In addition, only one trait— emotional regulation— had a negatively weighted item, which may have very well had an influence on why it was related lower in importance.

Recommendations for Future Research

Our study looked at moral leadership in regards to idealized influence, accountability, honesty and feedback; it is suggested that future research further examines generation Y's preferences of moral leader.

Another proposition for future research is instead of measuring generation Y's preferences, examine what leadership style they prefer in an experimental setting to gauge if these preferences change in different situations or across a variety of problems.

The categories used in our study looked at general preferences: for example the area of work ethic. Specific questions could be developed to measure subcategories of this trait such as the importance punctuality, staying late or effective use of time. Thus, future research could looked at different components of these categories.

Concluding Remarks

Our research paper examined the preferred leadership traits and style of generation Y, and demonstrated that these traits shared parallels with the profile of the generation Y cohort. Recommendations could also be made to those who manage individual in the generation Y cohort, such that these leaders should be honest, accountable and set a moral example to gain the approval of their subjects. Finally, it is important to note that leaders who utilize transformational leadership may continue to do so effectively with generation Y.

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