

## The Impact of Sustainable Leadership Principles on Managing Generation Z in IT and Beyond

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doi: 10.25019/STR/2024.022

### Abstract

*The growing presence of Generation Z in the workforce necessitates reevaluating leadership strategies, particularly in the rapidly evolving IT industry, where innovation and adaptability are essential. Sustainable leadership, characterized by long-term value creation, ethical behavior, and social accountability, has surfaced as a strategic approach to align corporate objectives with Generation Z's values, emphasizing purpose-driven careers and responsible business practices. This research analyzes the influence of sustainable leadership on the performance, contentment, and engagement of Generation Z employees inside IT organizations, providing insights applicable to many industries experiencing generational shifts. This paper examines different leadership styles, such as transformational, ethical, and servant leadership, to clarify their alignment with a workforce driven by sustainability and meaningful involvement. The research employed an exploratory narrative literature review to investigate viewpoints on sustainable leadership and its impact on workplace dynamics. The findings have substantial implications for effective people management and workforce development strategies that foster progress.*

### Keywords

*Sustainable Leadership; Generation Z; Talent Management; Organizational Behavior; Employee Engagement; Workforce Expectations.*

### Introduction

Generation Z's entry into the workforce is shaping the future of work, with significant implications for leadership approaches, particularly in the dynamic IT sector (Pînzaru et al., 2021). Born between 1997 and 2012, Generation Z introduces distinct expectations regarding company culture and work values, emphasizing purpose, social responsibility, and sustainability (Schroth, 2019). Unlike previous generations, they seek meaningful employment that aligns with their values, expecting companies to provide growth opportunities while positively impacting society and the environment (Francis & Hoefel, 2018; Schroth, 2019). The IT industry, characterized by continuous innovation and transformation, provides a relevant context to explore these generational expectations and their implications for leadership (Berkup, 2014).

Sustainable leadership, focusing on behaviors that ensure long-term organizational and stakeholder success, has emerged as an essential response to Generation Z's work preferences (Avery & Bergsteiner, 2011). Its principles include cultivating an ethical, inclusive, and purpose-driven work environment, which enhances organizational resilience and adaptability (Deloitte, 2019). While this research primarily focuses on the IT sector due to its rapid evolution and high representation of Generation Z employees, sustainable leadership principles are applicable across industries, fostering alignment between leadership practices and workforce values.

Existing research predominantly explores leadership styles such as transformational, servant, and ethical leadership (Northouse, 2018). While these styles emphasize individuals and shared objectives, they often lack the holistic focus on sustainability, integrating social, environmental, and economic considerations over the long term (McCann & Holt, 2013). Moreover, the specific influence of sustainable leadership strategies on Generation Z in IT remains underexplored; despite these demographics' unique traits like digital proficiency, social awareness, and desire for purpose (Kirchmayer & Fratričová, 2020; Desai, 2019). Understanding how sustainable leadership affects this cohort is vital for companies aiming to attract, retain, and effectively manage Generation Z talent.

This paper addresses this research gap by analyzing how sustainable leadership influences Generation Z employees' performance, satisfaction, and engagement within IT firms. The research explores the effective implementation of sustainability-driven leadership styles in the IT sector and their alignment with Generation Z's values. The findings offer practical implications for cultivating a robust, purpose-driven company culture while holding broader significance for leadership practices across diverse industries.

## **Literature review**

Generation Z has become a transformative force in the contemporary workforce, driving shifts in corporate objectives through their unique beliefs and aspirations. This cohort prioritizes meaningful work with a positive social impact and aligns with their emphasis on sustainability and ethical business practices (Schroth, 2019). Organizations are responding by adopting purpose-driven missions and socially responsible practices to attract and retain Generation Z talent (Francis & Hoefel, 2018). Additionally, Generation Z's intrinsic digital proficiency differentiates them from prior generations, requiring adaptability in work structures, including options for remote employment and collaborative digital work environments (Berkup, 2014).

Sustainable leadership encompasses a comprehensive approach that extends beyond economic considerations, emphasizing long-term organizational sustainability, stakeholder well-being, and ethical behavior (Avery & Bergsteiner, 2011). The fundamental concepts of sustainable leadership encompass ethical decision-making, inclusivity, a long-term vision, social responsibility, and environmental stewardship. Leaders who incorporate these principles into their business practices harmonize profitability with social and environmental factors, promoting sustainable value among stakeholders, including employees, communities, and future generations (Pless, Maak, & Stahl, 2011; Benn, Dunphy, & Griffiths, 2014).

This paper concentrates on sustainable leadership concerning Generation Z and the IT sector, although the principles articulated possess broader relevance across other industries. The focus of sustainable leadership on long-term value, ethical conduct, and employee welfare appeals to Generation Z, Millennials, and future workforce generations who increasingly desire purpose-driven careers. The congruence of sustainable leadership principles with Generation Z's work values—such as social responsibility and inclusivity—establishes a framework for addressing the requirements of a socially conscious, engaged workforce.

Transformational leadership aligns with sustainable leadership by emphasizing the inspiration of employees and the establishment of a collective purpose (Northouse, 2018). Servant leadership, which prioritizes the development and welfare of others, coincides with sustainable leadership's focus on ethical behavior and the promotion of ongoing progress (Brown & Treviño, 2006). Despite these overlaps, sustainable leadership remains distinct in its explicit focus on long-term impact, environmental stewardship, and integrating social, environmental, and economic sustainability (McCann & Holt, 2013). Moreover, limited empirical research exists on how these leadership approaches are effectively implemented to meet Generation Z's expectations within the IT sector (Kirchmayer & Fratričová, 2020; Desai, 2019).

**Table 1: Generation Z's Work Values vs. Leadership Styles**

Work Values	Sustainable Leadership	Transformational Leadership	Servant Leadership	Ethical Leadership
Purpose-Driven	Focus on long-term value and meaningful work	Inspires vision and a sense of purpose	Encourages personal development and meaning	Emphasizes integrity and ethical conduct
Social Responsibility	Aligns corporate actions with societal impact	Encourages positive social change	Prioritizes the well-being of others	Promotes fairness and social justice
Flexibility	Supports work-life balance and adaptive work styles	Motivates through adaptable leadership	Adapts to employees' needs	Encourages ethical flexibility and inclusiveness
Growth & Development	Offers continuous learning opportunities	Encourages innovation and professional growth	Focuses on personal development and mentorship	Reinforces ethical growth and leadership
Sustainability	Prioritizes environmental stewardship and sustainable business practices	Emphasizes visionary changes for sustainability	Serves community and promotes sustainability	Upholds long-term ethical and sustainable actions

**Methodology**

This research adopts an exploratory methodology through a narrative literature review to examine the impact of sustainable leadership on workplace dynamics, focusing on Generation Z employees within IT companies. A narrative literature review is chosen for its flexibility in exploring themes and theoretical perspectives across diverse sources (Baumeister & Leary, 1997). Unlike systematic literature reviews, which involve rigid criteria and exhaustive searches, narrative reviews provide conceptual depth and allow for synthesizing broader insights, emerging themes, and contextual analysis (Green, Johnson, & Adams, 2006).

This approach is particularly valuable for analyzing the evolving nature of sustainable leadership alongside Generation Z's work preferences. By employing a narrative review, this research explores how leadership styles—such as transformational, ethical, and servant leadership—align with Generation Z's expectations for purpose,

sustainability, and ethical business practices while providing a holistic understanding of these concepts in the broader context of social, economic, and cultural changes.

The review includes academic articles, industry reports, and books that cover sustainable leadership principles, Generation Z's work values, and talent management practices within IT firms. Sources were selected based on their relevance to understanding how leadership styles can be tailored to align with Generation Z values and organizational goals. This narrative approach provides a comprehensive analysis of existing research, offering insights into effective, sustainable leadership practices that align with the values of the modern workforce.

**Results and discussion**

The research constantly supports the link between sustainable leadership and the ideals of Generation Z. Sustainable leadership is characterized by values like ethical decision-making, social responsibility, inclusion, and the development of long-term value (Avery & Bergsteiner, 2011). These concepts coincide with Generation Z's focus on meaningful employment, ethical behavior, and social responsibility, reflecting their aspiration for a positive societal impact (Francis & Hoefel, 2018). Leaders dedicated to sustainability, diversity, and purpose-driven goals are more likely to attract and engage Generation Z talent, especially in the IT sector, where innovation and adaptation are essential (Deloitte, 2019).

Sustainable leadership positively impacts employee performance and satisfaction, especially in technology-driven settings. Generation Z employees are driven by leaders who offer purpose, foster their development, and dedicate themselves to social and environmental welfare (Northouse, 2018). Sustainable leadership cultivates an environment prioritizing collaboration, ongoing education, and enduring achievement.

Effective strategies for executing sustainable leadership in the management of Generation Z encompass establishing a clear, purpose-oriented mission, cultivating inclusive and collaborative work environments, offering professional development opportunities, exhibiting environmental stewardship, and embracing transparent, ethical decision-making practices (Pînzaru et al., 2019).

**Table 2: Impact of Sustainable Leadership Practices on Generation Z's Job Satisfaction and Performance**

Sustainable Leadership Practice	Impact on Job Satisfaction	Impact on Performance	Source
Fostering Inclusivity	High	Medium	Avery & Bergsteiner (2011)
Purpose-Driven Missions	High	High	Francis & Hoefel (2018); Deloitte (2019)
Ethical Practices	Medium	High	Northouse (2018); Brown & Treviño (2006)
Continuous Learning & Development	High	High	Pînzaru et al. (2021)
Environmental & Social Responsibility	Medium	Medium	McCann & Holt (2013)

In Table 2, leadership practices such as fostering inclusivity and purpose-driven missions have been shown to strongly influence job satisfaction and performance, especially for Generation Z employees. Research by Avery & Bergsteiner (2011) demonstrates that inclusivity fosters a supportive environment where employees feel valued, enhancing satisfaction. Similarly, studies by Francis & Hoefel (2018) and Deloitte (2019) emphasize that purpose-driven missions significantly impact both job satisfaction and performance by aligning organizational goals with employees' personal values. While ethical practices and environmental responsibility show more moderate impacts, their contribution to an engaged workforce remains important, as Northouse (2018) and McCann & Holt (2013) highlighted.

**Table 3: Practical Strategies for Implementing Sustainable Leadership**

Strategy	Description	Benefits to Generation Z Employees	Source
Develop a Clear Purpose-Driven Mission	Articulate a mission that aligns with ethical and social values	Engages Generation Z by providing meaningful work	Francis & Hoefel (2018); Deloitte (2019)
Foster an Inclusive and Collaborative Environment	Encourage diversity, inclusion, and open feedback	Builds a sense of belonging and voice in the organization	Avery & Bergsteiner (2011)
Promote Professional Growth	Provide mentorship, training, and career development opportunities	Enhances job satisfaction through personal development	Pînzaru et al. (2021)
Demonstrate Environmental Responsibility	Implement sustainability initiatives and model ethical behavior	Resonates with Generation Z's social and environmental values	McCann & Holt (2013)
Adopt Transparent & Ethical Decision-Making	Ensure fair and transparent leadership practices	Builds trust and aligns with Generation Z's ethics and integrity	Northouse (2018); Brown & Treviño (2006)

The strategies in Table 3 are particularly aligned with Generation Z's emphasis on meaningful work and social impact. Developing a clear purpose-driven mission provides Generation Z employees with a strong sense of belonging, as supported by Francis & Hoefel (2018) while fostering an inclusive environment builds trust and engagement. Additionally, offering professional growth opportunities and demonstrating a commitment to environmental responsibility resonate with Generation Z's values, as Pînzaru et al. (2021) noted.

**Conclusion**

This narrative literature analysis provides significant insights into talent management strategies in IT companies and other industries. The substantial overlap between sustainable leadership concepts and Generation Z's beliefs highlights the necessity for leadership approaches beyond profit maximization, prioritizing long-term value creation, employee well-being, and social responsibility. Leaders who embrace sustainable leadership are more adept at attracting, engaging, and retaining Generation Z talent, thereby improving innovation and overall organizational performance.

While this analysis primarily centers on the IT industry, the findings hold broader relevance for leadership in diverse sectors undergoing generational transitions in worker demographics and expectations. This research demonstrates how purpose-driven leadership can influence the future of work by promoting innovation, resilience, and long-term success across several industries, not solely in technology-driven contexts.

Sustainable leadership is founded on ethical decision-making, a long-term vision, inclusivity, and social responsibility (Avery & Bergsteiner, 2011). These values significantly enhance employee performance and satisfaction, especially among Generation Z, who value meaningful work and ethical corporate practices (Francis & Hoefel, 2018; Deloitte, 2019). This analysis suggests that sustainable leadership exerts a more significant impact on Generation Z than earlier generations, owing to their heightened emphasis on purpose-driven careers and social responsibility. The findings indicate that Generation Z's alignment with sustainable leadership approaches fosters increased engagement and satisfaction, thereby facilitating innovation, improved performance, and long-term organizational resilience.

Future empirical research should investigate the perception and implementation of sustainable leadership across various industries. Examining the challenges and opportunities associated with sustainable leadership adoption will help deepen understanding of its effects on employee engagement, retention, and organizational performance.

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