

Z Generation's Impact on Today's Organizations, Human Resource Management and Leadership

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ABSTRACT

Organizations are working with issue such as hiring the wrong person, organizing unnecessary workplace training, not operating a proper incentive system, not having human resources performed by professionals, working without legal regulations, and not paying attention to diversity in the workplace. In addition, company and enterprise managers have faced a lot of difficulties in understanding and working with new and young employees. Generational differences are evident. Not only are they born, brought up, and studied in different environments, but there are quite a few differences in their views and values. This study focuses on Generation Z and aims to examine how this generation's behavior affects organizations, human resource management, and leadership. Managers face the challenge of how to recruit Gen Z and predict what they will expect once they've been recruited. Management is concerned about how to manage Generation Z. As directors, managers, and line managers lead Generation Z, there is a need to understand them, be sensitive to them, and incorporate them into their HR policies. Generation Z also faces challenges in adapting to work in organizations. This study has theoretical and practical implications and can be further explored.

Keywords: Generations, Z generation, organizations, HRM, Leadership

INTRODUCTION

People are individually different and are influenced by their social environments such as education, school and professional life. Furthermore, they shape their own

experiences as they grow up, and through their experiences with friends and colleagues. The development of individual values and attitudes is affected by a continuous learning process throughout their life. The New Generations are changing framework conditions into today's organizations and cause significant changes. Further, they differ dramatically from their predecessors. Z generation don't accept a traditional leadership, and old human resource management and its implement. G generation people are looking for new organization, effective leadership style and HRM. Z people want Work-life balance plays a significant role. This study focuses on Generation Z and aims to examine how this generation's behavior affects organizations, human resource management, and leadership. Items of variables are acceptable.

LITERATURE REVIEW

This part includes Z generation's behavior, organization, human resource management and leadership studies. The current study relies on Z generation behavior literature to study the proposed research framework. Figure 1 shows the research model.

Z Generation's behavior and organization

Each generation has its own characteristics and in terms of time, 1883-1900 or the lost generation, 1901-1924-the great generation, 1925-1945 or the silent generation, 1946-1964 baby boomer, 1965-1980 Generation X, 1981-1996 Millennial generation, 1997 - Generation Z in 2012, while generation Alpha will be formed in 2013-2025. There are generations of people working in any organization, and Generation Z makes up a significant percentage.

The organization provides the framework for companies and creates the conditions for processes. It is rational designed and thoroughly structured social entity where whose members work together as a team towards an explicitly stated common goal. Different generations cause a constant change in the organization over time. Never before have so many different generations worked in today's companies, and therefore, corporate culture plays an important role. Scientists assumed that number of Z people will increase in organization. That's why organization have to be ready to hire them. Compared with ten years ago, today the young and educated workforce has aspirations and preferences that are more aligned with those prevalent in "Western" industrialized societies [1].

Z generation's behavior and human resource management

A key issue in human resource management is job analysis. It consists of job description, job selection, training and career development. Today simple human resource management for Generation Z is no longer sufficient. In addition to personnel administration such as billing or contracting, the areas of personnel organization and personnel development are part of operational human resource management. The New Generations show the motivation for continuous education and demand from their future employer the possibility of internal or external training. A key factor in determining the level of resource allocation and quality of HR activities is the dedication and commitment of the top management [2]. Generation Z joining the workforce brings in a group of individuals with distinct traits—whether it's their abilities, what they look for in a job, or how they act on the job [3]. Generation Z's desire for flexible working hours stems from the environment they were raised in a fast-paced, globalized world that shaped their expectations and lifestyle [4].

Z generation's behavior and leadership

The difference between management and leadership is one of the most critical aspects of the New Generations. Millennials do not want to receive instructions but want to work on equal terms and want to be involved in the decision-making process. Therefore, an authoritarian style of leadership is no longer possible because it will be rejected. For organizational transformation, it is essential to find a leader who can support and transport the change and has all the required skills to lead the New Generations. Although Generation Z often has not yet arrived in the workplace, they already make demands on their future leaders. In the last decades, many pieces of research about the New Generations have been published and they did not stop until today, even though they have already entered the working world. The progressive and different definition of the generations reflects this. It seems that the organizations have failed to prepare for the changes and missed out on implementing measures. [5] highlighted that a leader has to be skilled enough to lead different kinds of employees, under different circumstances in the future. Comprehensive theoretical research provides a good starting point to test the researchers' statements in practice. Therefore, relying on the above discussions, we propose the hypotheses H1, H2 and H3.

Hypothesis 1 (H1). Z generation behavior has a positive association with organization

Hypothesis 2 (H2). Z generation behavior has a positive association with management

Hypothesis 3 (H3). Z generation behavior has a positive association with leadership

RESEARCH METHODOLOGY

In this study, the quantitative approach was applied. The respondents for the survey were chosen from Mongolian all sectorial companies. Question of questionnaires prepared as Philipp Klein's New Generations concept map [6].

Therefore, CEO, HRMs, and Up-middle level managers evaluated their employees. The questionnaires were distributed to CEO, HRMs, Up-and mid-level managers in order to get their response about their employees.

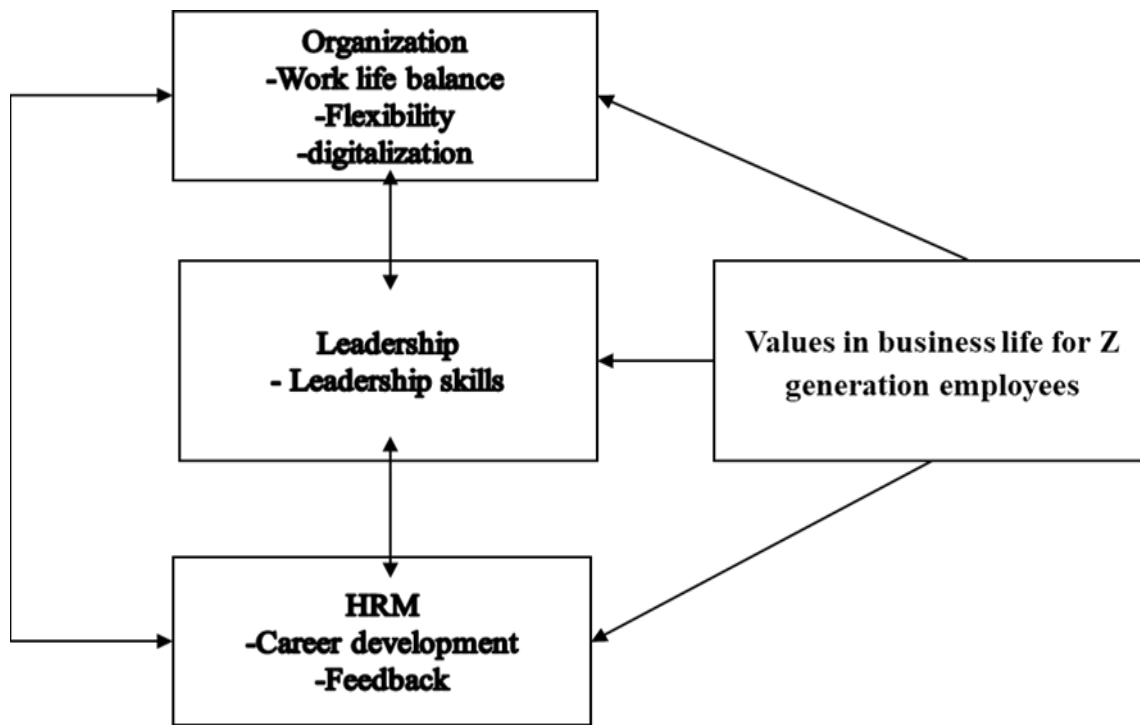


Figure 1. Research framework

Source: Philipp Klein's New Generations concept map.

RESULT

30 CEO, HR managers participated in this study and they evaluated their Z employees.

Demographic characteristics

Table 1 presents the data related to the respondents' profile, such as business sector and Percent of Z employees. As shown, the majority of respondents are food sector (N = 6, 20%), between 16 to 20 % (N = 16, 40%) is Z generation employees.

Table 1. Respondents' profile

NO	Variables	Items	Frequency	Percent
1	Business sector	Food	6	20.0
		Tourism	3	10.0
		Technology	5	16.7
		Education	5	16.7
		Agriculture and Farming	2	6.7
		Construction	4	13.3
		Health care	1	3.3
		Other	4	13.3
2	Percent of Z	Until 5%	11	36.7

	employees	6 to 10%	4	13.3
		11 to 15%	3	10.0
		16 to 20%	12	40.0

Reliability test

Exploratory factor analysis (EFA) enables researchers to refine measures, evaluating construct validity and also test hypotheses. To get a satisfactory model, we followed a set of general suggestions by [7] Tabachnick and Fidell (2001). Accordingly, the Kaiser–Meyer–Olkin measure of sampling adequacy must be greater than 0.6, communality values must be greater than 0.5, and eigenvalues must be greater than 1. Table 2 presents the results of factor analysis, instrument validity, and reliability. All factor loadings are above 0.5. The Kaiser–Meyer–Olkin (KMO) Test measures the suitability of the data for factor analysis [8]. Reliability test shown $\alpha=0.633$ to 0.838, then total is 0.960 and it is more than 0.6.

Table 2. Reliability and Validity

No	Variables	Item	Cronbach Alpha α
1	Organization (ORG)	8	0.713
2	Leadership (LS)	7	0.710
3	HRM	7	0.633
4	Z generation's behavior (ZGB)	4	0.838
	Total	26	0.960

Table 3. Linear regression (Coefficients ^{a)}

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.777	.660		-1.177	.250
	ORG	.486	.223	.341	2.177	.039
	LS	.310	.301	.255	1.032	.312
	ZGB	.294	.257	.293	1.144	.263
a. Dependent Variable: ZGB						

Table 3 shown result of linear regression analysis, therefore, H1, H2 and H3 are supported. Beta coefficient is shown $\beta=.223$, $\beta=.301$, $\beta=.257$, it means that all independent variables has weak association with dependent variable.

CONCLUSION

As the society we live in is rapidly changing over time, representatives of generations live side by side, and it is important to recognize and appreciate their diverse views and experiences. This study focuses on Generation Z and aims to examine how Z generation's behavior affects organization, human resource management and leadership. Specially, this study focuses on the changes in the working world caused by the New Generations. Therefore, the changing requirements need to be considered in an overall context regarding the changes in

organization, human resource management and leadership must be analyzed. These areas have a significant influence on the introduction or adaptation of processes, methods and tools and are responsible for the implementation of possible measures. This study has shown that the key areas flexibility, feedback, career & personal development, digitization and leadership need future adjustments and adaptations in the areas of the organization, human resource management and leadership to respond to the requirements of Z Generation. Result shown that Z employees's behavior influence to orgnaization, leadership and implementation of HRM. One of the challenges in the science of Human Resource Management is generational leadership, and as Generation Z will lead, it is necessary to improve our understanding and understanding of them. For example, enterprises and organizations need to know about Generation Z and study their behavior in order to deliver their products and services to their target customers.

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