

Leadership transition: Challenges faced by millennial leaders in leading multigenerational employees at a service company in Surabaya

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Abstract

Purpose: The purpose of this research is to find out what challenges millennial leaders face and the efforts made in carrying out their role as new company leaders, where the employees currently working at the company are multi-generational.

Method: Qualitative study approach using a phenomenological approach, used semi-structured interview techniques with an Area General Manager, who is part of the millennial generation, Company X who is currently responsible for leading a company previously led by baby boomer leaders. Creswell & Creswell, 2018).

Result: Generational transition in a company where the gap between generations is quite large and causes internal conflict which has an impact on the company's internal condition. A leadership transition occurred in a service company in Surabaya where the previous leader was from the baby boomer generation who was then replaced by a leader from the millennial generation. Baby boomer leaders who have a command and control leadership style cause internal conflict which has an impact on low levels of engagement and several employees decide to resign from Company X due to differences in viewpoints between generations. Company X has multi-generational employees. The new leader of Company X, the millennial leader, must start leading the company under conditions that are far from ideal. However, the millennial leader succeeded in overcoming this problem and made Company X employees more productive and positive by adopting a transformational leadership style.

Conclusion: The subject tends to apply a transformational and adaptive leadership style. Not only that, the main principle possessed by the participant, where the participant always tries to serve and help his team members well, makes him can be said to be a leader who has the servant leader type.

Keywords: *millennial leader; transformational leadership style; multi-generational employees*

INTRODUCTION

One of the service companies in Surabaya is experiencing a leadership generation transition period. Currently at Company X the millennial generation has taken over the role and position of leader. Where the leadership style adopted by the leader is very different from previous leaders who came from the baby boomer generation. Baby boomer leaders have a command and control type of leadership, where leaders with this leadership style see employees and other executives as indirectly seen as passive and less able to make decisions without direction (Yu & Miller, 2005). Millennial leaders tend to have a transformational leadership style (Suyanto, Mu'ah, Purwanti, & Sayyid, 2019), which is characterized by empowering their members well,

Proceeding of International Conference on Healthy Living (INCOHELIV)
(Volume 1, 2024)

communicating frequently with their members, responding quickly in making policies, having innovation, and prioritizing collaboration rather than hierarchy. Transformational leadership itself has four main dimensions, namely Idealized Influence, Inspirational Motivation, Individualized Consideration, and Intellectual Stimulation (Yunus, Awang, & Mansor, 2019). His leadership style which focuses on empowering members well and prioritizing collaboration rather than hierarchy certainly looks very different from previous leaders who tended to often command and control their team members.

The consistency of the definition of the millennial generation itself depends on culture and society, such as changes in the culture of the society where this generation grew up, also does not depend on the range of years of birth, but rather the majority of births (Murray, 2011). This explains the differences in information regarding the birth span of the millennial generation in several research journals.

The millennial generation has the characteristics of being a generation that prioritizes work-life balance, teamwork, and is also a generation that dares to take risks (likes challenges), tech-savvy, creative, quick to adapt, instant gratification, and multi-tasking (Harrison, 2017).

Generational characteristics are not the only ones affected by developments over time and technology. Company culture and workflow within the company are also impacted by change. This condition demands an adaptive side from a person, both employees and leaders. Millennials are synonymous with fast adaptive abilities (Murray, 2011), so all changes that occur can be faced well by this generation, both in terms of work aspects and how they are required to be able to interact with people from different generations.

The current composition of employees at Company X is multi-generational. Some employees have been under the leadership of the baby boomer generation for a long time, which makes them less active. On the other hand, the condition of relations between leaders and team members at Company X is currently considered more positive. This is because the leader succeeded in putting trust in his team members and was able to develop the team members' skills well.

A study conducted in Thailand stated that millennial leaders have a democratic leadership approach where they like to participate in teams and share how they lead team members (Medyanik, 2016). Millennial leaders have the characteristics of supportive leaders, can inspire their team members, are creative, adept at solving problems, easy to approach, and professional. These characteristics reflect a transformational leadership style (Gabriel, Alcantara, & Alvarez, 2020).

Leaders who adopt a transformational leadership style are also believed to be able to increase levels of engagement, productivity, influence internal communication, and employee job satisfaction (Mazzei, 2010). Such is the case with four companies operating in the tourism sector in Indonesia which were most heavily impacted by Covid-19. The role of leaders at this time is considered very important (Parent & Lovelace, 2018). The leader succeeded in maintaining employee work motivation by giving them hope and providing creative solutions to dealing with problems caused by the pandemic. The leader succeeded in making employees work more productively and more adaptively (Santoso, Sulistyaningtyas, & Pratama, 2022).

According to Bass, leaders who adopt a transformational leadership style are leaders who stimulate and inspire team members to achieve their targets. In the process, they also increase their leadership capacity. Transformational leaders help team members to develop by empowering team members by aligning with the goals of each team member, leader, and also the company where they work (Bass & Riggio, 2008).

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Transformational leadership itself has four main aspects, namely (Bass & Riggio, 2008):

1. **Idealized Influence:**
Leaders behave in ways that enable them to be role models for their followers, admired, respected, and trusted.
2. **Inspirational Motivation:**
Leaders behave in a way that motivates and inspires the people around them so that they have team spirit, enthusiasm, and optimism.
3. **Individualized Consideration:**
Leaders seek to stimulate their followers to be innovative and creative, reframing problems and approaching them in new ways.
4. **Intellectual Stimulation:**
Leaders position themselves as coaches or mentors to stimulate the achievement and potential development of their followers.

The transition of the generation of leaders at Company X certainly presents challenges and problems that must be faced by the next leaders who are part of the millennial generation.

Apart from applying the right leadership style, adaptability is also needed in facing and resolving problems that arise from generational differences within a company. On the other hand, the COVID-19 pandemic, which has disrupted supply chains and caused global warfare, requires company leaders to be more nimble and agile.

This ability to adapt in a leader is known as adaptive leadership. The main concept of adaptive leadership shows the difference between technical and adaptive challenges. Technical problems require known solutions and expertise. Meanwhile, an adaptive challenge refers to a problem for which the solution is not yet known and requires learning new things to be able to find a solution to the problem faced (Nyland, 2022).

Based on the description above, the purpose of this research is to find out what challenges are faced by millennial leaders and the efforts made in carrying out their role as new company leaders, where the employees currently working at the Company are multi-generational employees.

METHOD

This research uses a qualitative study approach using a phenomenological approach. Data collection was carried out face-to-face and online using semi-structured interview techniques with an Area General Manager, who is part of the millennial generation (male, in the early 30s), Company X who is currently responsible for leading the company previously led by baby boomer leaders. The data analysis technique used in this research uses 6 stages in the process of analyzing data, namely organizing data and preparing analysis, reading all the data repeatedly, coding process, generating themes, presenting descriptions and themes that are formed, and interpreting (Creswell & Creswell, 2018).

RESULT AND DISCUSSION

The results of interviews conducted with participants produced several themes. These themes were then organized into five major themes which discussed how participants faced the problems they encountered after the transition of generations of leadership in the company they currently lead and carried out their responsibilities in leading employees at Company X.

The participant, named Rain (pseudonym), is a man in his 30s who has currently led Company X effectively for approximately two years. The participant is the biological son of the owner of Company X who was also the leader of the company before Rain took his current position.

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Rain started his journey at Company X in 2016 as a Sales Supervisor. Then Rain decided to focus on his preparations to become a trainer and continue his Masters studies. During his master's studies, Rain worked remotely. After completing his master's studies, Rain returned to active work at Company X, but at that time the COVID-19 outbreak struck so all work activities were carried out WFH.

The condition of the company, when Rain returned, could be said to be far from ideal. Employee engagement is considered low and the level of trust in leaders is also low. At the beginning of 2022, an internal conflict occurred which caused several key people to decide to resign and that was when Rain was asked to effectively lead Company X.

Rain assessed that the process of transitioning the leadership of the Company, which was initially led by his parents, was based on compulsion due to circumstances. The condition of the company when Rain effectively led it was also increasingly far from ideal. Where there was a lot of disappointment and dislike towards the previous leader which had been going on for a long time.

"...so if you say that the condition of the office when I started leading, there was a lot of disappointment and dislike that dragged on until it ended in one moment, about nine people resigned... And the process of moving from them to me was meaningless. They seemed forced by circumstances and when they were desperate, I was allowed to lead fully." (Rain, W2,26-39)

The first thing Rain did when he started leading the company was to focus on listening from all sides. Rain did this to find the core of the problem so that he could determine the first step in overcoming problems within the company.

The core problems that Rain discovered from "listening" were communication and generation. The previous leaders were people from the baby boomer generation. Where this generation has a command and control type of leadership, which makes them see employees and other executives as passive and less able to make decisions without direction (Yu & Miller, 2005). Rain said that the quality of previous communication was less structured, where subordinates could directly communicate with the management level without intermediaries. Then in terms of generation, Company These two core problems caused prolonged internal conflict which had an impact on the number of resignation applications received by the company in early 2022.

The first action that Rain took after finding the core of the problem was to take a personal approach to the employees. Secondly, Rain hired HR to help Rain get more information from employees which could provide additional information in improving the company's internal conditions.

"My first action was that I asked to talk because I understood that even though I was younger, because of my position and position and I was still a child, the employee was not always open and comfortable in telling stories. So, I couldn't talk to other people because I was still in that child state. Yes, employees are not always open and comfortable to tell stories and their conditions also vary across generations. So, I took HR who was still young and to cover me, especially in this aspect, listening to stories and chatting with friends." (Rain, W2, 82-90)

The next step taken by Rain in its efforts to improve the situation is to give employees trust, be patient, and continue to try to develop employee skills.

"The three things I personally do to get my friends out of apathy are trust, I myself am patient, and the third is empowerment." (Rain, W2, 124-126)

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In his efforts to improve the company, Rain also decided to re-hire employees who had resigned. Of the number of employees who have resigned, Rain is trying to re-hire five people who are considered to be key people and can help him realize his vision for the company he leads. Of the five people contacted, three managed to return. And the main reason they wanted to come back was because the three people believed in Rain's vision.

Based on the results of the interview, the steps taken by Rain in his efforts to improve the condition of the company show the aspects possessed by leaders with a transformational leadership style. Providing trust and patience in dealing with employees is behavior that reflects the idealized influence aspect of the transformational leadership style (Bass & Riggio, 2008).

Apart from that, Rain also brings up other aspects of the transformational leadership style. In overcoming intergenerational problems, Rain takes a personal approach and provides solutions that are win-win solutions. Rain believes that everyone wants to succeed and has different ways. Rain also considers that conflicts that occur can be used as a medium for self-development and this reflects the aspect of individual consideration.

According to Bernard (in Bass & Riggio, 2008), the behavior of leaders who accept the diverse backgrounds of team members and take different approaches according to their backgrounds are aspects possessed by leaders with a transformational leadership style.

Rain introduced the term "*Ikigai*" to his employees intending to let employees know that whatever they do and do, the world needs them. *Ikigai* is a Japanese philosophy of life that is interpreted literally as the reason we live so that we live life by waking up in the morning. This philosophy is the basis for Rain in motivating employees.

"Ikigai focuses on the four things. Doing what you love, you get paid by what you do, the world needs what you do and love pity needs and you are capable and you are good at what you do. So, as a leader I just need to make sure that my team knows that whatever they do in the company, the world needs it, our clients need it and they help a lot of people about it. Second, I make sure the payment is fair. They get what they deserve based on their performance. And third, I make sure that they try to love what they do. They try to love the process. And fourth, I make sure they know they are good at what they are doing. So, affirmation, appreciation, is a very common thing in our team. But again, teaching and mentoring are still very important." (Rain, W1, 304-313)

In the aspect of inspirational motivation, Rain specifically applies it to employees who are classified as low performers. By taking a personal approach, Rain asked about the employee's condition and why the employee was providing performance that was below company standards. Rain emphasized that the time they spend working at the company is very valuable and Rain doesn't want his team members to spend their work time in vain.

"...I approach the low performers personally. Focus more on asking, what happened and why? I don't let people who have the intention of working but only go to work. They spend their time uselessly and in my opinion it's not good. So if they don't want to work, I encourage them to show what you want to do in your life. The company will help, the company will see where you can help." (Rain, W1, 228-233)

The most prominent aspect of Rain's transformational leadership style is the intellectual stimulation aspect. Rain continually provides various kinds of challenges to his team members to stimulate the development of their skills. Some of the ways Rain provides are delegating tasks, providing new work challenges, and providing problems that need to be solved independently by team members. This is because, for Rain, working for a company is not just money that is the goal, but experience, knowledge, and skills are three important aspects that

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can improve a person's quality for the better. Therefore, Rain ensures that all employees experience self-development in these three aspects.

“Money is just one thing. Experience, knowledge, skills... is what makes you actually be a better man. So, um... if we say they got what they deserved, as a leader I just want to make sure that there's no year they spend on our company that they don't improve. I really don't want someone to work for a year at our place and not develop in any way. So, it's my role, it's my ee.... Responsibility to make sure that they improve in somewhat skills or knowledge that they need or they have during their work in our company.” (Rain, W1, 321- 327)

“So, I just give the problems to them. And let's see how they react and how they manage the problems.” (Rain, W1, 334-336)

In giving a delegation, Rain conveys his vision first, then how he used to do the job, what the targets of the job are, what regulations apply, and the rest is left to the employee who is given the job delegation. Rain also emphasized to them that he would help and support them if needed.

“...for me delegation is to actually give a chance and to actually educate and improve them. How do I do that? Umm... Most of the time I just give my vision. I just give what I've been done, what I want, and what the rules. And I let them improvise. How do you want to execute it? Please let me know, I will support you, I will help you. That what makes some of our teams be more self- confidence. They want to take a risk, they want to appreciate new things, they dare to try.” (Rain, W1, 286-291)

Employees who are high performers or star talents are given new challenges in their work as a form of intellectual stimulation from Rain. Meanwhile, in general, Rain often gives employees new problems for them to solve. For Rain, humans live because they move, and challenges and problems at work are things that can make employees continue to grow. The types of challenges and problems presented vary according to the capabilities of each employee in the company that Rain leads.

In his journey to lead the company, Rain has one unique principle that he continues to adhere to and implement. Rain has the principle of serve others.

“I always try my best to serve others, and that's my value to my own team.” (Rain, W1, 393)

Rain feels that with the capabilities and facilities he has, he can help his team members continue to develop. Both by providing mentoring, coaching, and providing work challenges to stimulate the development of the skills of employees in the company. Rain always tries to help and serve his team members well.

CONCLUSION

Participants face various challenges in leading multi-generational employees at Company X which are the impact of previous leaders who belonged to the baby boomer generation. Participants have a leadership style that is different from the leadership style of previous leaders. The participant leads the company with a millennial mindset and based on the main principle he has for his team members, namely serving others.

Based on the results of interviews which aimed to find out what challenges were faced by participants after the transition of leadership generations and also the efforts made by participants in leading companies with multi-generational employees, it was discovered that

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participants tended to apply a transformational leadership style. Not only that, the main principle possessed by the participant, where the participant always tries to serve and help his team members well, makes him can be said to be a leader who has the servant leader type.

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