

# Generation Z and Leadership Readiness in Volatility, Uncertainty, Complexity, And Ambiguity (VUCA) Environments: A Qualitative Exploration Across Key Sectors

Prativa Sharma<sup>1</sup> and Prakash Kumar Gautam<sup>2</sup>

<sup>1</sup>Shramik Shanti Campus, Lalitpur, Nepal  
Email: nam.prativa@gmail.com

<sup>2</sup>Corresponding Author Faculty of Management  
Tribhuvan University, Nepal  
ORCID: 0000-0002-2197-3851  
Email: prakash.gautam@sdc.tu.edu.np

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## Abstract

**Purpose :** Gen-Z is entering the workforce in increasing numbers; however, their ability to adapt and prepare for leadership roles under VUCA conditions remains insufficiently examined. This study investigates how Gen-Z professionals understand and experience leadership readiness within VUCA business contexts.

**Design/Methodology/Approach:** A qualitative phenomenological design was used to capture the lived experiences of Gen-Z professionals. Data was gathered through 12 semi-structured interviews of emerging leaders across banking, tourism, trade, and hospitality. Interview data were thematically analyzed.

**Findings:** Leadership readiness among Gen-Z is promising and incomplete when considered in relation to the demands of a VUCA environment. At the individual level, emotional intelligence, resilience, and digital competence emerged as critical traits. At the developmental level, mentorship, peer collaboration, and learning agility were central to growth. At the contextual level, organizational culture, hierarchical structures, and environmental turbulence acted as key enablers or barriers.

**Practical Implications:** The findings suggest the urgency of leadership development strategies tailored to Gen-Z. Organizations should invest in institutional structures for a continuous and structured mentoring culture, cross-generational knowledge-sharing stages, and flexible working cultures that inspire investigation while reinforcing resilience.

**Originality/Value:** It provides pragmatic insights into an emerging leadership regime whose preparedness for VUCA contexts remains relatively unexplored.

**Keywords:** Availability bias, Financial Literacy, Loss aversion, Moderating effect, Mutual funds

## Background

The current business environment is manifested by volatility, uncertainty, complexity, and ambiguity (VUCA), circumstances that demand adaptive and resilient forms of leadership to cope with unpredictable and fast-changing variables (Bennett & Lemoine, 2014). The business environment is gaining complexity because of unpredictable markets, disruptive technologies, and global crises (Bennett & Lemoine, 2014). Leaders today must circumnavigate rapidly shifting competitive landscapes because of the inventions and workforce transformations, requiring readiness that extends psychological and adaptive capacities along with technical skills.

Existing literature highlights that leadership readiness in VUCA contexts encompasses individualities such as agility, resilience, emotional intelligence, and strategic foresight (Horney et al., 2010; Syamsir et al., 2025). However, most studies focus on senior leaders, leaving a critical gap in understanding how younger generations, i.e., Gen-Z (born between 1995 and 2010), recently entering the workforce, develop leadership responsibilities (Ozkan & Solmaz, 2015).

Gen-Z is featured by idiosyncratic attributes: digital fluency, entrepreneurial drive, inclusivity, and strong social values (Francis & Hoefel, 2018; Navodya et al., 2025; Wandhe, 2024). Unlike their predecessors, they entered adulthood in the repercussions of global recessions, climate change crises, and the COVID-19 pandemic, circumstances that shaped their prospects of work and leadership (MacDonald et al., 2023; Seemiller & Grace, 2019). While these features suggest potential advantages in leading within blustery environments, empirical research has not yet clarified whether Gen-Z is adequately prepared for the ambiguity and complexity inherent in VUCA conditions. Organizations, for their sustainable growth, need to develop their newly entered workforce as future leaders.

Organizations will be predictable as business leaders in a changing economic and competitive landscape not only by their financial outcomes but also by their capability to be adaptable, flexible, and forward-looking (Junaid et al., 2024). In the business environment marked by constant tech-led disruption, characteristics such as agility, resilience, digital adoption, and a strong sustainability focus are increasingly vital (Doz & Kosonen, 2010; Khan, 2025). Agility enables business firms to adjust speedily to developing situations, resilience prepares them to tolerate unexpected tremors, and digital capability enables them to connect technology to enhance decision-making ability and strengthen ties with stakeholders (Verhoef et al., 2021; Khan, 2025).

The objectives of high-performing organizations are likewise evolving (Do, 2020). Rather than being focused narrowly on short-term profit, many of them are now dedicated to delivering long-term value for a greater community of participants, including consumers, shareholders, employees, society, and the environment at large. This replicates departure from the traditional shareholder-centric model (Rock, 2013) and indicates a sound sense of social and ethical responsibility (Freeman et al., 2020; Mubarak, 2021). Contemporary business firms often pursue a purpose-driven mission, invest in developing talent, and emphasize corporate responsibility (Carreno, 2024; Oluwole, 2025), attributes that strongly resonate with Generation Z, who are more likely to choose employers affiliated with their values and principles (Ng et al., 2018).

Generation Z, those born between the mid-1990s and the early 2010s, are entering professional positions with distinguishing perspectives and methods of problem-solving (Efendi & Anwar, 2025). As digital communities, they are skilled in accessing and analyzing information efficiently (Efendi & Anwar, 2025; Turner, 2015). Their approaches often include collaboration, creativity, and inclusiveness, while digital tools such as collaborative platforms, data-driven applications, and online networks are central to their decision-making processes (Francis & Hoefel, 2018) as they enhance co-creation (Panori et al., 2021).

Zen-Z are sound in technology adaptation and approach for data-driven approach, display innovation and entrepreneurial drive, empirical studies (e.g., Seemiller & Grace, 2017; Kraght & Brøndum, 2025) suggest that Gen-Z professionals may struggle to maintain resilience under prolonged uncertainty and often find it difficult to balance independence with the structures imposed by formal organizations. Misalignments on generational values and expectations may miss the sustainability opportunity (Kraght & Brøndum, 2025), as their perseverance on meaningful and purpose-based efforts can create tension within traditional hierarchical systems (Schroth, 2019). Yet, their strong promise of inclusiveness, sustainability, and social impact places them as probable drivers of optimistic organizational transformation.

Based on the above discussion, a pertinent research gap arises in two critical areas: the lack of empirical indication on how Gen-Z is prepared for leadership roles, and the limited qualitative understanding of their working experiences in circumnavigating ambiguity within dynamic organizational settings. Most previous research studies have relied on surveys or theoretical assumptions, controlling how Gen-Z infers, experiences, and conceptualizes leadership readiness in a VUCA environment. This study initiates discourse on the gap by adopting a qualitative approach to explore how Gen-Z professionals or prominent professionals perceive leadership readiness in VUCA business situations. It seeks to investigate the individual learning and contextual variables that outline preparedness and adaptation in VUCA circumstances, incorporating leadership theory, and offers practical implications for organizations seeking to cultivate future-ready leaders. This study answers the following questions:

- How do Gen-Z leaders conceptualize VUCA environments?
- How do Gen-Z leaders conceptualize leadership readiness in VUCA environments?
- What individual competencies and traits contribute to Gen-Z leadership readiness?
- How do learning processes (mentorship, peer networks, learning agility) influence readiness?
- What organizational and contextual factors support or hinder Gen-Z leader readiness?

## 2. Literature Review

### 2.1 Theoretical foundations

This study integrates three complementary theories: Resource-Based View (RBV), Adaptive Leadership Theory, and Upper Echelons Theory, to elucidate how Gen-Z professionals prepare for and respond to VUCA conditions. RBV posits that business organizations develop a permanent advantage by cultivating competitive and unique resources that create rareness and unique value that cannot easily be copied and substituted (Barney, 1991). In this context, leadership readiness can be vital to developing competitive intangible assets, where qualities like resilience, learning agility, and digital fluency provide a competitive superiority (Probojakti et al., 2025). For Gen-Z leaders, psychological strengths such as hope, optimism, and self-efficacy further serve as valuable resources that help familiarize themselves in

VUCA environments (Luthans et al., 2007). Adaptive Leadership Theory modifies the emphasis from static skills to the enduring process of guiding subordinates and systems through challenges (Nelson & Squires, 2017) that lack ready-made solutions. This approach is especially relevant in a VUCA setting, where sense-making, experimentation, and collaboration are more imperative than technical proficiency alone. Finally, Upper Echelons Theory prompts that leadership behavior is also shaped by the values, experiences, and demographic traits of leaders themselves (Abatecola & Cristofaro, 2020; Hambrick & Mason, 1984). For Zen-Z leaders, i.e., younger leaders, factors such as generational identity, digital upbringing, and a strong sense of social responsibility influence how they approach uncertainty and decision-making (Garg et al., 2025). By knitting these standpoints, the study spots Gen-Z readiness as a multidimensional paradigm - anchored in personal resources, adaptive practices, and generational worldviews.

## 2.2 Leadership readiness in VUCA contexts

Scholars argue that succeeding as a leader in VUCA settings requires more than technical expertise; it calls for foresight, emotional steadiness, and mental agility (Bennett & Lemoine, 2014; Horney et al., 2010). Leaders must be able to interpret ambiguity, juggle competing priorities, and maintain team morale when circumstances are tense or unpredictable (Harms et al., 2017). In such environments, traditional top-down leadership structures often fall short, while adaptive, flexible, and participatory approaches prove far more effective.

Empirical studies (e.g., D'Souza et al., 2025) show that qualities like emotional intelligence and psychological capital have a strong positive relationship with leadership effectiveness during uncertain times (Goleman, 2017; Luthans et al., 2007). Another critical factor is learning agility, the ability to learn, unlearn, and relearn, and let go of outdated practices as conditions change, which have been consistently linked to adaptability and long-term effectiveness (De Meuse et al., 2010). However, most of the research has focused on seasoned leaders, leaving a noticeable gap in understanding how these competencies apply to younger, emerging generations preparing for leadership roles. This discussion highlights the need to examine how upcoming cohorts, such as Generation Z, perceive and demonstrate leadership readiness in contexts characterized by volatility and uncertainty.

## 2.3 Generation Z and Leadership

Generation Z is almost ready for managerial positions with a different set of values and expectations that contrast with those of earlier cohorts. Studies highlight their strong preference for inclusion, authenticity, and sustainability in leadership practices (Francis & Hoefel, 2018; Seemiller & Grace, 2019). Their digital expertise enables them to have a distinct competency in workplaces dominated by rapid technological change and constant innovation (Ozkan & Solmaz, 2015). Nevertheless, research reports have also reported potential challenges. Many Gen-Z members grew up in an atmosphere shaped by instantaneous access to information and quick response loops. This background, while valuable, may leave them less prepared to deal with prolonged uncertainty, delayed outcomes, or the sustained resilience required in high-pressure leadership contexts (Stillman & Stillman, 2017). As a result, it cannot be presumed that Gen-Z professionals are fully ready for leadership in VUCA environments; their readiness must be examined carefully. Building on this, it becomes essential to identify what existing research has overlooked and clarify how this study intends to address the gap.

## 2.4 Identified research gap

Although prevailing literature delivers insights into the values, attitudes, and digital strengths of Gen-Z, few studies have examined their preparedness for leadership in volatile and uncertain settings. Even fewer have taken a qualitative approach that allows Gen-Z professionals to express in their own words how they interpret and experience leadership readiness. This study seeks to address that gap by exploring the lived experiences of Gen-Z professionals across multiple sectors, with a particular focus on how personal attributes, learning processes, and organizational contexts interact to shape their preparedness for leadership in VUCA environments. In doing so, the research provides a foundation for both theory and practice, offering new perspectives on how emerging leaders can be supported in an era defined by complexity and change.

## 3. Methodology

### 3.1 Research design

This study adopted a qualitative, phenomenological design to investigate how Gen-Z professionals perceive and experience leadership readiness as they step into or prepare for leadership roles in VUCA contexts. A phenomenological approach was chosen because it allows researchers to focus on the lived experiences of participants, capturing how they interpret and make sense of leadership demands in fast-changing business environments (Creswell & Poth, 2018). This design was particularly appropriate since leadership readiness, especially among emerging leaders, is a deeply personal and context-driven phenomenon.

### 3.2 Sampling and participants

Purposive sampling was employed to select 12 participants, with three representatives drawn from each of four sectors: banking, SMEs–tourism, SMEs–trade, and hotels. These sectors were intentionally chosen because they reflect industries that are both central to economic development and highly exposed to VUCA conditions. The banking sector operates in a tightly regulated environment, frequently affected by technological disruption, compliance demands, and market volatility, making it a key site for studying resilience and adaptability. SMEs in tourism represent a sector heavily influenced by global trends, shifting consumer preferences, and external shocks such as pandemics or political instability, thus requiring leaders to demonstrate improvisation and flexibility. SMEs in trade highlight the entrepreneurial side of leadership readiness, as they often function in competitive markets with limited resources and high uncertainty, where collaboration and agility are critical for survival. Finally, the hotel industry was included because it faces constant pressures of customer service excellence, crisis management, and fluctuating demand, requiring leaders to balance resilience with people-centered leadership.

The criteria for inclusion were as follows: participants had to belong to the Gen-Z cohort, defined as individuals born between 1995 and 2010; they were either employed in managerial or supervisory positions or actively aspiring to such roles, and they possessed at least two years of professional work experience to ensure sufficient exposure to organizational practices and challenges.

### 3.3 Data Collection

Data were gathered through semi-structured interviews (40–60 minutes each) with 12 participants, proportionately from four sectors. Interviews allowed for individualized exploration of leadership readiness, while focus groups facilitated peer reflection and cross-sectoral comparisons.

### 3.4 Data Analysis

The data collected for this study were analyzed using thematic analysis, following the six-phase framework proposed by Braun and Clarke (2006). The process began with careful familiarization, where transcripts were read and re-read to capture the depth of participants' accounts. This was followed by systematic initial coding using NVivo software to organize significant ideas across the dataset. From these codes, broader candidate themes were developed to capture recurring patterns in the narratives. These themes were then reviewed and refined to ensure they accurately reflected both the data and the research objectives. Once finalized, each theme was clearly defined and given a meaningful name to highlight its central idea. Finally, the results were written by weaving in illustrative quotes from participants, ensuring that their voices remained central to the interpretation of findings.

### 3.5 Ensuring Trustworthiness

To establish the trustworthiness of the study, several strategies were applied throughout the research process. Credibility was strengthened through member checking, where participants were allowed to review and validate interpretations, as well as by triangulating insights across interviews and focus group discussions. Dependability was ensured by maintaining detailed records of coding decisions and the analytic process, allowing the research steps to be traced and reviewed. Confirmability was addressed through reflexive journaling, where the researcher consistently reflected on and documented potential biases to minimize their influence on the findings. Finally, transferability was supported by providing rich, contextual descriptions of participants' backgrounds and organizational settings, enabling readers to assess the relevance of the insights to other contexts.

## 4. Findings and Discussion

Each transcript excerpt is anonymized and coded (e.g., B1 = Banking Participant 1, ...; T1 = SMEs Tourism participant 1, ...; Tr1 = SMEs Tourism participant 1, ...; H1 = Hotel participant 1, ...). Each research question was asked to each of the participants, and the major thematic findings were recorded as follows:

- RQ1: How do Gen-Z leaders conceptualize VUCA environments?

A VUCA environment is not just an abstract idea but something organizations and leaders experience daily. For emerging leaders, particularly those from Generation Z, these conditions shape how they think about leadership and readiness. Thus, VUCA environments call for leaders who can not only survive disruption but also turn uncertainty into opportunities for innovation and growth.

Table 1: Interview excerpts on understanding of VUCA environments

Sector	Understanding of VUCA
B1	"As a young officer managing a small team, I often face uncertainty in regulatory policies and customer expectations. While I am confident with digital tools, I sometimes struggle with decision-making when guidelines are ambiguous."
B2	"We are expected to deliver innovative financial solutions, but the pressure to perform in a traditional hierarchy makes me cautious. Leadership readiness, to me, is about balancing adaptability with compliance."

B3	"I feel technically competent, but emotionally, dealing with sudden crises like digital fraud cases tests my resilience. I wish there were structured mentoring programs to build confidence."
T1	"Tourism is highly volatile. The pandemic showed how quickly markets collapse. As a Gen-Z entrepreneur, I adapt fast with social media marketing, but I sometimes lack patience in managing older employees."
T2	"Customers expect quick digital responses, but local suppliers often work traditionally. Bridging this gap requires leadership flexibility, something I am still learning."
T3	"Readiness, for me, means being able to absorb shocks. I am good at improvising strategies, but I lack long-term planning experience."
Tr1	"Trade faces unpredictable imports and supply chain issues. My leadership readiness is about making fast decisions, but uncertainty makes me second-guess myself."
Tr2	"I am comfortable with digital negotiation platforms, but older clients prefer face-to-face deals. Navigating both worlds is challenging."
Tr3	"I find myself relying heavily on peer networks. Leadership here means collective problem-solving rather than individual authority."
H1	"In hospitality, customer expectations shift daily. I feel ready when it comes to digital guest management, but sudden labor shortages expose my weaknesses in crisis handling."
H2	"My adaptability is tested with cultural diversity. As a young leader, I sometimes feel my ideas are dismissed because of my age."
H3	"VUCA for us is real pandemics, seasonal demand, and global reviews. I think my readiness is high in creativity but low in managing ambiguity when multiple problems occur simultaneously."

The excerpts in Table 1 illustrate how Generation Z leaders for banking, travel and tourism, trade and hospitality dimensions make sense of leadership readiness amid VUCA settings. Although all respondents displayed a high degree of confidence in digital tools, methodologies, and innovative practices for the future, what they said about themselves still spoke to some persistent issues, including managing emotions with agility; making decisions when there is not enough certainty available to do so; and reconciling different approaches across generations. For example, banking experts (B1–B3) stressed technical and digital competences and fears of unclear regulatory aspects, hierarchical pressures, and poor mentoring. Tourism entrepreneurs (T1–T3) demonstrated strong adaptability by way of digital marketing and improvisation, while acknowledging challenges in exercising patience and long-term planning when dealing with older workers or when responding to bigger surprises. Traders (Tr1– Tr3) stressed the role of quick decision-making and peer networks in addressing disruptions of supply chains, but also the contradictions between digital platforms and traditional client demands. Likewise, the hospitality leaders (H1–H3) showed flexibility in guest management and inventiveness in solving problems, but also revealed weaknesses in crisis response, cultural adaptation, and handling several uncertainties together. Taken together, these observations indicate that Gen-Z leaders, while digital natives and disruptors, may not be fully ready in terms of emotional maturity, strategic vision, or integration of the old with

the new. This suggests that structured mentoring, resilience training, and a cross-generational learning environment are key to a more robust preparation of emerging leaders in the light of VUCA world.

- RQ2: How do Gen-Z leaders conceptualize leadership readiness in VUCA environments?

Modern business firms are giving greater emphasis on adaptability, learning agility, and emotional intelligence as indicators of leadership readiness in indefinite times (Luthans et al., 2007; De Meuse et al., 2010). Gen-Z professionals bring idiosyncratic qualities to the workplace, including digital fluency, a priority for inclusion and legitimacy, and strong value alignments toward social responsibility and sustainability (Francis & Hoefel, 2018; Seemiller & Grace, 2019). Exploring facts on the question of whether Gen-Z professionals feel prepared and conceptualize the leadership preparedness is essential in shaping organizations' preparedness for VUCA environments. Table 2 summarizes the excerpts from the interviews exploring facts regarding the stated question.

Table 2: Interview excerpts on how Gen-Z leaders conceptualize leadership readiness in VUCA

Sector	Participant Excerpt
Banking (B1)	“To me, readiness is not just knowledge; it is about staying calm when regulations or client demands change suddenly.”
Banking (B2)	“Being ready means being able to anticipate challenges before they escalate and guiding my team through uncertainty.”
SMEs Tourism (T2)	“Readiness is improvising solutions for sudden tourist cancellations, adapting our operations instantly.”
SMEs Trade (Tr1)	“It is the ability to make decisions quickly when supply chains collapse or markets fluctuate.”
Hotel (H3)	“Leadership readiness is knowing how to handle multiple crises at once and still ensure guests' satisfaction.”

The excerpts in Table 2 demonstrate that Gen-Z professionals hypothesize leadership readiness in VUCA environments as a dynamic interaction of emotional stability, eagerness, adaptability, and managing crises. In hospitality (H3), readiness was viewed as the ability to manage multiple crises simultaneously while maintaining customer satisfaction, underlining the balance between operational resilience and service excellence. Banking professionals (B1, B2) emphasized the need for composure and anticipation, signifying that readiness is not simply about technical knowledge but also the ability to remain tranquil under fluctuating regulations and to guide work teams through emerging uncertainties. Trade participants (Tr1) emphasized readiness around decisiveness, particularly in volatile supply chains, where hesitation could lead to missed opportunities or losses. Similarly, in the tourism sector (T2), readiness was pronounced as the ability to improvise and adapt quickly to unexpected disruptions, such as last-minute cancellations, and prominence flexibility as a core competency. These perspectives signify that Gen-Z professionals comprehend readiness as more than technical competence; it is a holistic capability

that integrates emotional resilience, proactive problem-solving, and adaptability to sustain leadership effectiveness in unpredictable situations.

- RQ3: Individual competencies and traits contributing to leadership readiness

Leadership readiness in today's unpredictable environments is often rooted in the personal traits and competencies that individuals bring to their roles. Qualities such as emotional intelligence, resilience, and adaptability form the foundation of how young professionals, particularly Gen-Z, navigate challenges. These individual attributes not only shape how emerging leaders perceive readiness but also influence their confidence in handling complexity, building trust with colleagues, and sustaining performance in volatile environments. Based on these propositions, a research question regarding how Gen-Z leaders understand the competencies and traits contributing to Gen-Z leadership readiness, the following interview excerpts are drawn.

Table 3: Interview excerpts on how Gen-Z leaders conceptualize competencies and traits contributing to Gen-Z leadership readiness

Sector	Participant Excerpt
Banking (B3)	“Confidence and emotional control are critical. Without them, I second-guess every decision”.
SMEs Tourism (T1)	“Being digitally fluent helps me manage online bookings and promotions quickly”.
SMEs Trade (Tr2)	“I rely on negotiation skills and patience when dealing with traditional clients”.
Hotel (H2)	“Creativity and interpersonal empathy help me lead a culturally diverse team”.

The interview excerpts in Table 3 highlight how Generation Z leaders perceive the competencies and traits that underpin leadership readiness in VUCA environments. Banking participants (B3) emphasized the importance of confidence and emotional control, suggesting that these personal traits are essential for making timely and effective decisions under pressure. In the tourism sector (T1), digital fluency emerged as a key competency, enabling leaders to manage online operations efficiently and respond rapidly to changing customer demands. Trade sector participants (Tr2) highlighted negotiation skills and patience as critical traits, reflecting the need to balance modern digital practices with traditional client expectations. Meanwhile, hospitality leaders (H2) pointed to creativity and interpersonal empathy as vital for guiding culturally diverse teams and fostering collaboration. Collectively, these insights suggest that Gen-Z leaders view readiness not merely as a matter of technical expertise but as a combination of personal traits and practical competencies, including emotional regulation, digital capability, interpersonal skills, and adaptive creativity, that allow them to navigate uncertainty and lead effectively in complex, fast-changing business environments.

- RQ4: Learning Processes (Mentorship, Peer Networks, Learning Agility) for development of contingencies for leadership readiness

Leadership readiness in VUCA environments extends beyond individual traits and competencies, encompassing the ways emerging leaders acquire knowledge, skills, and adaptive strategies. For

Generation Z professionals, learning processes such as mentorship, peer networks, and learning agility play a central role in preparing for leadership challenges. By engaging in these learning processes, Gen-Z leaders can build flexible strategies and contingencies that enable them to respond effectively to unpredictable circumstances, enhancing both personal readiness and organizational resilience. To explore the answer of question, the interview excerpts are tabulated as follows:

Table 4: Interview excerpts on how Gen-Z leaders conceptualize learning processes for development of competencies for leadership readiness

Sector	Participant Excerpt
Banking (B2)	I regularly consult senior colleagues to get advice on handling compliance issues in uncertain situations.
SMEs Tourism (T3)	We share strategies with other young entrepreneurs; peer learning helps me avoid mistakes.
SMEs Trade (Tr3)	Collective problem-solving with peers is vital; no one can know all market fluctuations alone.
Hotel (H1)	I continuously observe best practices online and apply new techniques quickly; agility is everything.

The interview excerpts in Table 4 illustrate how Gen-Z leaders conceptualize learning processes as essential for developing competencies that underpin leadership readiness in VUCA environments. In the banking sector (B2), participants emphasized mentorship, describing how consulting senior colleagues helps them navigate regulatory uncertainties and build confidence in decision-making. In tourism (T3), peer learning emerged as a critical process, with young entrepreneurs exchanging strategies to avoid mistakes and enhance operational adaptability. Similarly, trade participants (Tr3) highlighted the value of collective problem-solving within peer networks, recognizing that no single individual can anticipate all market fluctuations alone. Hospitality leaders (H1) stressed learning agility, explaining how observing best practices and rapidly applying new techniques enables them to respond flexibly to shifting circumstances. Across these sectors, the findings suggest that mentorship, peer collaboration, and learning agility are interconnected mechanisms through which c-Z leaders acquire the knowledge, skills, and adaptive strategies necessary to prepare for leadership in uncertain and complex environments.

- RQ5: Organizational and contextual factors responsible for Gen-Z leadership readiness

Beyond personal skills and learning experiences, the readiness of Generation Z leaders is heavily shaped by the environment in which they work. Organizational factors, such as culture, leadership structure, and available support systems, can either foster or hinder the growth of leadership capabilities. Workplaces that promote collaboration, open communication, and experimentation provide young leaders with opportunities to take initiative and navigate uncertainty, while rigid hierarchies or overly controlled environments may restrict their adaptability and decision-making (Schein, 2010). Access to mentorship, resources, and inclusive practices further helps emerging leaders gain confidence and practical competence. Additionally, external pressures, including industry volatility, shifting market trends, and regulatory demands, influence how Gen-Z professionals interpret readiness, requiring them to balance

innovation with risk management and flexibility with compliance. Recognizing these organizational and contextual elements is crucial for understanding how young leaders develop the skills and mindset needed to succeed in complex, unpredictable settings; the interview excerpts have been summarized in Table 5.

Table 5: Interview excerpts on how organizational and contextual factors for the development of competencies for leadership readiness

Sector	Participant Excerpt
Banking (B1)	“Hierarchical structures sometimes slow down decision-making, limiting my capacity to act quickly”.
SMEs Tourism (T2)	“Supportive leadership from older generations helps me experiment without fear of failure”.
SMEs Trade (Tr1)	“Rapidly changing supply chains force me to think on my feet, but inconsistent policies create stress”.
Hotel (H3)	“During peak seasons, understaffing and unpredictable guest demands are barriers to readiness”.

The extracts in Table 5 demonstrate how particular organizational issues and sector contexts influence the leadership readiness of Gen-Z professionals and employees in different industries. Respondents in banking (B1) identified how and why certain decision-making hierarchies may impede the ability of employees to think and act quickly when the situation demands it. In positive contrast, respondents in the tourism sector (T2) appreciated the leadership role of older professionals, who, in addition to fostering a certain level of confidence, allow and encourage leadership to be exercised through trial and error. Respondents in Trade (Tr1) identified the need for quick decisions and flexible thinking in the Trade sector due to the global supply chain issues, while also observing the policy inconsistency in their organization and the trade regulations, which compound their organizational level stresses and 'readiness'. Respondents in Hospitality (H3) described understaffing levels and flexible, and particularly peak, season guest demands, and described them as operational constraints and challenges to their adaptability and crisis management. Collectively, these various issues influence readiness not to be followed, which may be interpreted as the organizational climate, the readiness of leadership, and their social and policy dynamics, as well as any constraining trade.

From the viewpoint of the Resource-Based View (RBV), the results suggest that Generation Z leaders hold an idiosyncratic balance of intangible resources, such as technological competency, creative thinking, emotional balance, and learning adaptability, that jointly outline their internal competency to deal with VUCA contexts. When appropriately cultivated through targeted organizational mechanisms like mentoring, intergenerational learning, and experiential exposure, these resources can serve as a foundation for enduring competitive advantage. Yet, viewed through the lens of Adaptive Leadership Theory, leadership readiness for this cohort is less about possessing fixed capabilities and more about dynamically deploying and reshaping them in response to evolving situational demands. Their adaptability is visible in acts of improvisation, collective learning, and agile problem-solving; however, emotional depth and long-term strategic vision are comparatively inadequate. The interplay between personal capacities

such as emotional intelligence and digital proficiency and contextual supports to empower structures, flexible institutional norms, and developmental mentoring suggests that readiness materializes when organizations convert these individual and relational capabilities into adaptive leadership actions based on the Upper Echelons Theory. Their effectiveness is further shaped by cognitive and experiential factors that influence how they interpret and act within complex contexts. Overall, Gen-Z leadership readiness emerges as an outcome of the interaction between personal capabilities, organizational support, and leaders' interpretive frameworks, highlighting that effective leadership in VUCA settings depends on the continual refinement and alignment of these interdependent elements.

## Conclusion

The overall discussion across the five thematic areas suggests that leadership readiness among Generation Z professionals is both promising and incomplete when considered in relation to the demands of a VUCA environment. On the one hand, these emerging leaders demonstrate confidence in digital fluency, innovative practices, and peer collaboration, highlighting the strengths of a generation comfortable with rapid technological change and improvisation. Across sectors—banking, tourism, trade, and hospitality—respondents showed adaptability, creativity, and resilience, qualities that align with the dynamic skill set required in unpredictable contexts. Yet, the findings also underline several recurring concerns. Emotional regulation, strategic patience, and intergenerational integration remain weak points that may hinder sustainable leadership growth. For example, while banking professionals recognize digital competence as a strength, they also acknowledged that hierarchical rigidity and regulatory ambiguity often undermine their decision-making capacity. Tourism and trade respondents valued improvisation and quick action but also pointed to gaps in long-term planning and balancing digital and traditional client expectations. In hospitality, creativity and flexibility were present but frequently constrained by operational pressures, understaffing, and challenges related to cultural diversity.

## Theoretical contributions

This outlines the primary theoretical contributions of the study to leadership within VUCA contexts. Adaptive Leadership Theory to include a generational angle, illustrating how Gen-Z leaders perceive and value adaptability, digital proficiencies, and social relations. Anchored in the Resource-Based View (RBV), the study posits how organizational competencies such as resilience, emotional intelligence, and learning agility are strategic, valuable, and inimitable within the context of uncertainty. It also adds to the Upper Echelons Theory by showcasing how generational identity, cognitive frameworks, and evaluative systems impact the efficacy of leadership, asserting that leadership is a confluence of competencies and the generational superstructure. Collectively, these respond to the frameworks with the lived realities of contemporary leaders, elucidating how younger members of the workforce conceptualize and prepare for leadership in VUCA contexts.

## Practical implications

For organizations, educational institutions, and legislators aiming to groom Generation Z leaders in the VUCA world, this study holds valuable insights. For organizations, findings indicate the need for leadership development frameworks that focus on strengthening leaders-in-training and young leaders' resilience, ambiguity tolerance, and adaptive learning so that they can deal with uncertainty. Preparing for this role can also be aided by educational institutions providing VUCA simulations, scenario-

driven activities, and learning through case studies, which offer students hands-on experiences for the problem-solving and decision-making abilities they need in VUCA situations. And for policymakers, we encourage them to support leadership initiatives directed at the youth and the strengthening of psychological capital, learning agility, and exposure to ever-changing environments in the workplace. With these actionable insights, all involved can potentially equip future leaders with the necessary skills, a positioned mindset, and self-confidence to operate in VUCA and lead effectively.

## Limitations and future research

This analysis highlights important limitations and future directions for research on Gen-Z leadership in VUCA environments. To enhance generalizability, future studies should include participants from rural areas, diverse socioeconomic backgrounds, and different cultural contexts. Comparative studies involving Millennials and Gen-X leaders could shed light on generational differences in leadership readiness, revealing unique strengths and challenges. Additionally, longitudinal research would be valuable to observe how leadership skills and traits evolve, offering deeper insights into the developmental processes needed to succeed in complex, uncertain environments. These approaches would contribute to a more comprehensive understanding of emerging leadership across different populations and over time.

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