

# Transforming Leadership and Retention Strategies for Generation Z in the Indian IT Sector: Bridging Generational Gaps with Inclusive, Flexible, and Tech-Driven Practices

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## ABSTRACT -

This study explores how Indian IT organizations can effectively retain and engage Generation Z employees, whose digital orientation, preference for flexibility, and need for continuous learning differ sharply from traditional workplace practices. Using secondary data and case analyses of Infosys and TCS, the research examines Gen Z's motivations, values, and workplace expectations, as well as generational conflicts with Millennials. A distinctive contribution of the study is its focus on the influence of Indian parenting styles—authoritative and protective—on Gen Z's need for frequent feedback, psychological safety, autonomy, and structured growth. Findings reveal that real-time recognition, hybrid work models, gamified learning, innovation platforms, and coaching-based leadership significantly improve retention. The study concludes that Indian IT firms must adopt adaptive, inclusive, and tech-driven HR strategies to reduce attrition and build cohesive multigenerational cultures.

## Key words:

Gen Z , Indian IT sector, Employee retention , Parenting style, Digital native, etc.

## 1.INTRODUCTION –

Despite increase in Gen Z in Indian workplace most of the organizations still follow old practices, their policies do not reflect the way how to cater new mindset and pave the way to innovate and build leadership in them. Also there is lack of understanding how Experienced GenZ can be retained in IT industry.

Digital native, with a preference for flexible remote work and work-life balance over traditional carrier clients. In addition to that, opportunities for learning and growth, and a chance to develop their technical and soft skills, help them feel assured that they will be able to work alongside computers because this creates turnover in organizations.

Gen Z, while entering they bring a refreshing approach to industry, pro active in suggesting changes that modernize companies and keep them in an ever changing market. When they do not get the workplace culture, it leads to the turnover rate.

## Notable Data Points

- Gen Z comprises 32 percent of the world's population and is set to make up 30 percent of the workforce by 2030.
- In India, more than 92 percent of its workforce in the Gen Z category utilize multiple digital tools simultaneously.
- 94% of Gen Z value practical hands-on learning for career development.
- 2.8 trillion investments in flexible, tech-driven workplace redesigns in India (Unispace Report, 2025)

## The following new elements based on up-to-date findings and trends:

1. Statistics such as the reported fact that about 69-74% of Indian Gen Z employees plan to switch jobs within six months to a year due to pay dissatisfaction, lack of flexibility, or career growth limitations. This sets an urgency for organizations to act. [deels.com](https://deels.com)
2. Studies reveal that 41% of Gen Z in India are unhappy with their pay due to rising inflation and suggest that organizations benchmark their salaries competitively to retain talent.

3. Companies with inclusive cultures retain employees 2.6 times better. Gen Z would likely lean toward workplaces that value diversity and corporate social responsibility, concepts which could be included in retention strategies. [alp.consulting](#)

3. Add evidence that frequent, informal feedback and coaching can raise Gen Z retention rates by more than 30%. Gen Z prefer rapid feedback cycles rather than annual reviews; leadership development should focus on equipping managers with these skills. [infeedo](#)

## 2.LITERATURE REVIEW-

The growing presence of Gen Z in the Indian IT workforce has attracted scholars' attention rather increasingly in recent years. However, much remains to be done regarding truly understanding the specific retention and leadership needs of this particular generational cohort. Defined by their digital nativity, preference for flexibility, and distinct values about work, Gen Z presents fresh challenges and opportunities for IT human resource management.

Studies show that the intention to leave among Gen Z employees is higher compared to the previous generations, mainly because of dissatisfaction with pay, lack of career growth opportunities, and rigid work policies (Barhate & Dirani, 2022). Globally and in India, the IT industry faces high attrition rates, which generational differences in workplace expectations further amplify. Thus, innovative HR and leadership approaches have become key in terms of meeting the needs of Gen Z for sustainable talent retention.

Research on strategic human resource management indicates that to meet the preferences for hands-on, digital, and gamified learning experiences of Gen Z, employee development frameworks need to be upgraded. Such learning experiences are associated with higher levels of engagement and retention. Software platforms that facilitate continuous learning, such as Infosys's Lex and TCS's iON, are good examples of effective implementations in line with these recommendations

Workplace culture is emerging as a crucial factor affecting the retention of Gen Z. Diverse, inclusive, and socially responsible cultures evoke higher levels of employee identity and loyalty. Empirical evidence suggests that companies with inclusive cultures retain their employees 2.6 times better than others (Alp Consulting, 2025). Moreover, Gen Z also prefers a leadership style based on mentoring, frequent and informal feedback, and open communication over traditional hierarchical management and annual performance appraisals (Barhate & Dirani, 2022). This corroborates results from studies suggesting that resonant leadership and psychological safety positively impact turnover intention among software professionals (Ramaprasad et al., 2018). Generational conflict, especially between the Millennial and Gen Z generations, remains a highly underexplored area in the context of Indian IT studies. This is very important for building collaboration and reducing attrition. Differences in career expectations, communication preferences, and engagement drivers create friction in the workplace, which underscores the importance of flexible HR practices that cater to a multigenerational workforce.

Besides, in the Indian context, parenting styles have been associated with workplace attitudes and expectations of Gen Z. A mix of authoritative and authoritarian parenting styles is practiced by Indian middle-class families, which influences the need of Gen Z for receiving feedback frequently, structured growth paths, and psychological safety within organizations. This cultural nuance requires leadership and retention strategies centered around empathy, clarity of guidelines, and supportive mentorship.

The literature indicates a consensus that evolving traditional leadership and human resource practices to incorporate continuous learning opportunities, flexible work policies, frequent recognition, and inclusive cultures is important in retaining Gen Z talent in the IT sector in India. However, there are gaps in terms of identifying the exact combination of initiatives that would optimally minimize the Gen Z turnover and balance the expectations with their Millennial colleagues, thus opening up avenues for further research

### 3. RESEARCH GAP

Although there are a few studies focusing on Millennials in the Indian IT sector, very few studies have focused on the specific expectations and workplace behavior of Gen Z employees. Current HR practices still depend on traditional ways of leadership style, and therefore a manager–employee gap persists, particularly in areas like frequent feedback, coaching, open communication, and real-time recognition. It is also not established if instant recognition methods badges, points, peer shout outs work more effectively to engage Gen Z versus traditional annual rewards.

Similarly, though there is a strong aspiration among Gen Z for more rapid learning and exposure to newer technologies, there is limited evidence on what kind of training and skill-development approaches work to better engage them and reduce attrition in Indian IT companies.

Another newer and less explored dimension is the impact of parenting styles on the workplace behavior of Gen Z. In the Indian context, the upbringing patterns ranging from protective to authoritative parenting may shape the expectations of Gen Z for guidance, autonomy, recognition, and psychological safety at work. Yet, research has not established how these early-life experiences influence their workplace preferences or retention.

Overall, there is a wide gap in understanding which of the leadership approaches, HR practices, recognition systems, and developmental strategies would actually work towards retaining Gen Z talent in the Indian IT sector, and also how an organization can balance the expectations between both Gen Zs and Millennials while building a cohesive work culture

### 4- RESEARCH METHODOLOGY-

#### 4.1 Research Objective-

- 1) To analyze the behavior, motivation, and values in Gen Z.
- 2) To study how generational differences create organization conflict.
- 3) To study expectation of Both Gen Z and Millennials.
- 4) To balance HR practices and make recommendations for maintaining organization culture.
- 5) Specific exploration of parenting style influences on the workplace behavior of Generation Z, with special emphasis on the Indian cultural context, and implications thereof for leadership and retention strategies.

#### 4.2 Research Importance

The study will provide insights into the factors that will influence the work values of Gen Z in the Indian IT sector. It will also provide how leadership quality will help retain Gen Z in an organization.

The outcome will be useful to the specialist, corporate executive, and policy maker in search of design flexibility for an environment that can meet the changing needs of younger workers.

#### 4.3 Research Methodology

Explanatory in nature, the study adopts a descriptive research design. The methodology of research that shall be used to conduct this study shall be based on secondary data analysis, drawing from existing studies, reports, blog, survey and case studies.

### 5. ANALYSIS:

#### Case Study 1: Infosys - Engaging and retaining Gen Z

Infosys faced retention challenges with Gen Z employees who seek flexible work arrangements and rapid learning opportunities. To address this:

- Digital Learning: Infosys launched Lex, a gamified continuous learning platform in emerging technologies [unstop](#)
- Recognition: Introduced point-based and peer recognition systems instead of only relying on annual awards. . [infofeedo](#)
- Flexible Work Policies: Adopted hybrid work models to achieve better work-life balance. [wisemonk](#)
- Innovation Hubs: HackWithInfy allowed young employees to innovate and showcase their skills. [unstop](#)
- Leadership Development: The managers were trained on adopting open communication and frequent feedback models .[infofeedo](#)

**Outcomes:** Higher level of engagement in innovation projects, reduced early attrition, increased learning adoption, and improved satisfaction with recognition practices.

### Case Study 2: TCS - Retaining Gen Z Talent

**TCS, with one of the largest IT workforces globally, implemented the following digital-first and flexible workplace policies for Gen Z:**

- Ignite Program: Onboarding and mentoring initiative for fresh graduates. . [unstop](#)
- Hybrid Work Policy- Secure Borderless Workspaces: Allowed remote and flexible schedules. [wisemonk](#)
- Continuous Learning: Provided skill-building through TCS iON and partnerships in next-generation technologies like AI, blockchain, and Cloud. [infosys.com](#)

### Comparative Insights: Infosys vs. TCS

Aspect	Infosys Approach	TCS Approach
Learning & Development	<i>Lex digital platform</i> for gamified learning	<i>TCS iON, Ignite</i> programs for continuous skill uplift
Recognition	Badges, points, peer shout-outs	Hackathons, engagement platforms, peer recognition
Work Arrangement	Hybrid work model	Secure Borderless Workspaces (flexible remote model)
Innovation Opportunities	HackWithInfy challenges	Company-wide hackathons and innovation hubs
Leadership Style	Frequent feedback, open communication coaching	Mentorship-driven leadership, coaching culture
Outcome	Reduced early attrition, higher engagement	Improved retention of freshers, enhanced digital workplace adaptability

- Digital Tools and Engagement: Hackathons, peer recognition increase creativity and belonging.
- Leadership Coaching: Encouraged managers to adapt a mentoring and coaching style.

**Outcomes:** Improved fresher retention, increased participation in innovation, cultural adaptability across generations, and enhanced employer branding for young professionals.

## SECONDARY DATA ANALYSIS:

### Parenting and Its Role in Shaping Gen Z Behavior in the Indian IT Sector

Upbringing and parenting styles have deeply influenced the distinctive behaviors and workplace expectations of Generation Z in the Indian IT sector. Parents play a very important role in shaping their attitude towards work, leadership, autonomy, and well-being.

#### Influential Parenting Styles

Most Gen Z individuals in India have been brought up with a mix of authoritative and authoritarian parenting. Clearly, authoritative parenting, with its warmth and high expectations, instilled a need within them for open and regular communication, feedback, and a balanced structure at work. This leads to the preference of Gen Z towards transparent leadership, mentorship, and emotional support in their workplaces.

On the other hand, the existence of authoritarian or overprotective styles of parenting, common in Indian middle-class families, has brought about a cautious attitude toward risk-taking and high sensitivity to failure. This creates the desire of Gen Z to have psychologically safe places of work with clear guidelines and predictable processes. It also explains their continuous need for reassurance and structured growth paths in their careers.

## 6.FINDINGS -

1. Frequent Recognition Works Better: Instant feedback, badges, and peer shout-outs work better than annual awards for Gen Z.
2. Flexibility is Key: Both Infosys and TCS believe that hybrid and remote work directly improve retention among Gen Z employees.
3. Continuous Learning: Upskilling initiatives are essential to keep Gen Z engaged in a constantly changing IT landscape.
4. Leadership Style: Coaching-oriented leadership styles engender belonging, collaboration, and trust across generations.
5. Mentorship Programs: Structured programs, such as TCS Ignite, significantly reduce early attrition.
6. Innovation Platforms: Hackathons and challenges align with Gen Z's creativity and need for recognition.

**These are the parenting influences that explain many of the core workplace traits of Generation Z observed in Indian IT firms:**

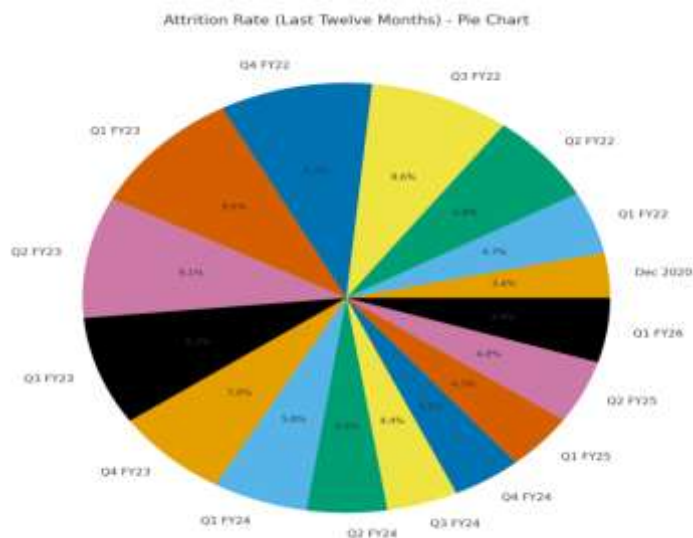
- **Desire for Frequent Feedback and Coaching:** Raised in family environments where guidance and correction were commonplace, Generation Z expects swift recognition, frequent feedback, and approachable leadership, unlike the traditional annual reviews.
- **Sensitivity to Mental Health and Work-Life Balance:** Parenting that focuses on emotional intelligence means Gen Z will value a workplace that prioritizes mental health, support networks, and flexible schedules to maintain well-being.
- **Preference for Autonomy Balanced with Support** While valuing autonomy, similar to that fostered through authoritative parenting, many also need structured mentorship with clear expectations to feel secure, similar to their earlier experiences in the family.
- **Technical and Digital Communication:** Growing up in technologically embedded homes developed Gen Z's fluency with digital tools and fostered a preference for speedy, transparent channels of communication in the workplace.

## ATTRITION TREND IN LEADING IT FIRM (FY20- FY25).

### TCS ATTRITION RATES:



### INFOSYS ATTRITION RATES (LTM)





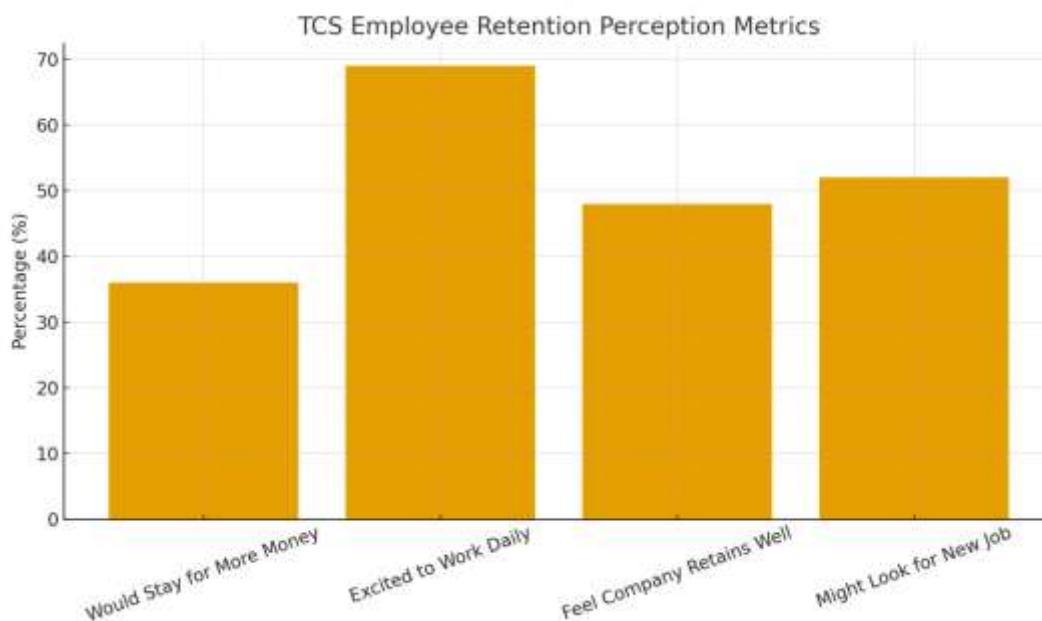
## OVERALL RETENTION SCORES OF INFOSYS AND TCS

### Infosys Retention Score



At Infosys, it ranks in the Bottom 30% of similar-sized companies regarding its retention of quality employees. Only 37% of its employees would not leave Infosys if offered another job for more money, while 65% show excitement to go to work each day. Overall, 44% of Infosys's employees feel the company is doing what it should be doing to retain them, while 56% might be looking for new employment. Quality employees are hard to find, making retaining them all the more important.

### TCS (Tata Consultancy Services) Retention Score



TCS (Tata Consultancy Services) falls within the Bottom 40% of companies in its industry in terms of holding on to quality employees. 36% of employees would not leave TCS for another job that pays more, while 69% are excited to go to work every day. Overall, 48% of the employees at TCS think the company is doing enough to hold on to them while 52% of the people may be looking for new employment. Quality employees are hard to find, so holding on to them is even more of a priority.

## 7.RECOMMENDATIONS-

**To retain and engage Gen Z in the Indian IT sector effectively, organizations must :**

- Instead of only annual awards, adopt real-time recognition systems.
- Provide flexible work models that support autonomy and well-being.
- Strengthen continuous learning and upskilling programs with a focus on generational needs.
- Train managers on coaching-oriented leadership: focus on empathy and open communication.
- Implement formal mentoring programs to support early-career employees.
- Design innovation platforms like hackathons to channel the creativity of Generation Z.
- Promote mental health initiatives and provide transparent, digital-first communication tools.
- Provide structured mentorship that would answer their need for guidance brought about by their upbringing.
- Ensure psychological safety and mental health support as a reflection of emotional awareness brought about by upbringing at home.
- Permit autonomy, yet with clear expectations, much like the models for authoritative parenting.

## CONCLUSION

The generational shift in India's IT sector mandates a rethink of leadership and retention strategies in fundamental ways to align with the 'digital fluency' of Gen Z, its preference for flexibility, continuous learning, and instant feedback. Current traditional approaches often fail to meet these expectations, contributing to high turnover intentions driven by dissatisfaction with pay, limited career growth, and rigid work structures.

The leading firms, such as Infosys and TCS, prove that digital learning platforms, gamified recognition, hybrid work models, and innovation-focused opportunities make a big difference in strengthening Gen Z engagement and bringing down early attrition. There needs to be a shift toward coaching-based leadership, transparent communication, frequent feedback, and psychologically safe environments. Integrating insights from Indian parenting styles further underlines the need of Gen Z for structured support along with autonomy, mental health awareness, and clear career pathways.

Competitive compensation, flexible work policies, continuous upskilling, inclusive culture, and evidence-based recognition remain major multidimensional measures in maintaining Gen Z talent within the competitive IT landscape. Future research could study specialized leadership practices and cross-generational integration frameworks for creating resilient, innovative, and people-centric organizations. This research provides practical insights for policymakers and HR leaders who are dedicated to building an agile and technology-enabled workplace that meets the needs of India's emerging workforce.

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