

THE GEN Z



ENGAGEMENT CRISIS IN INDIA



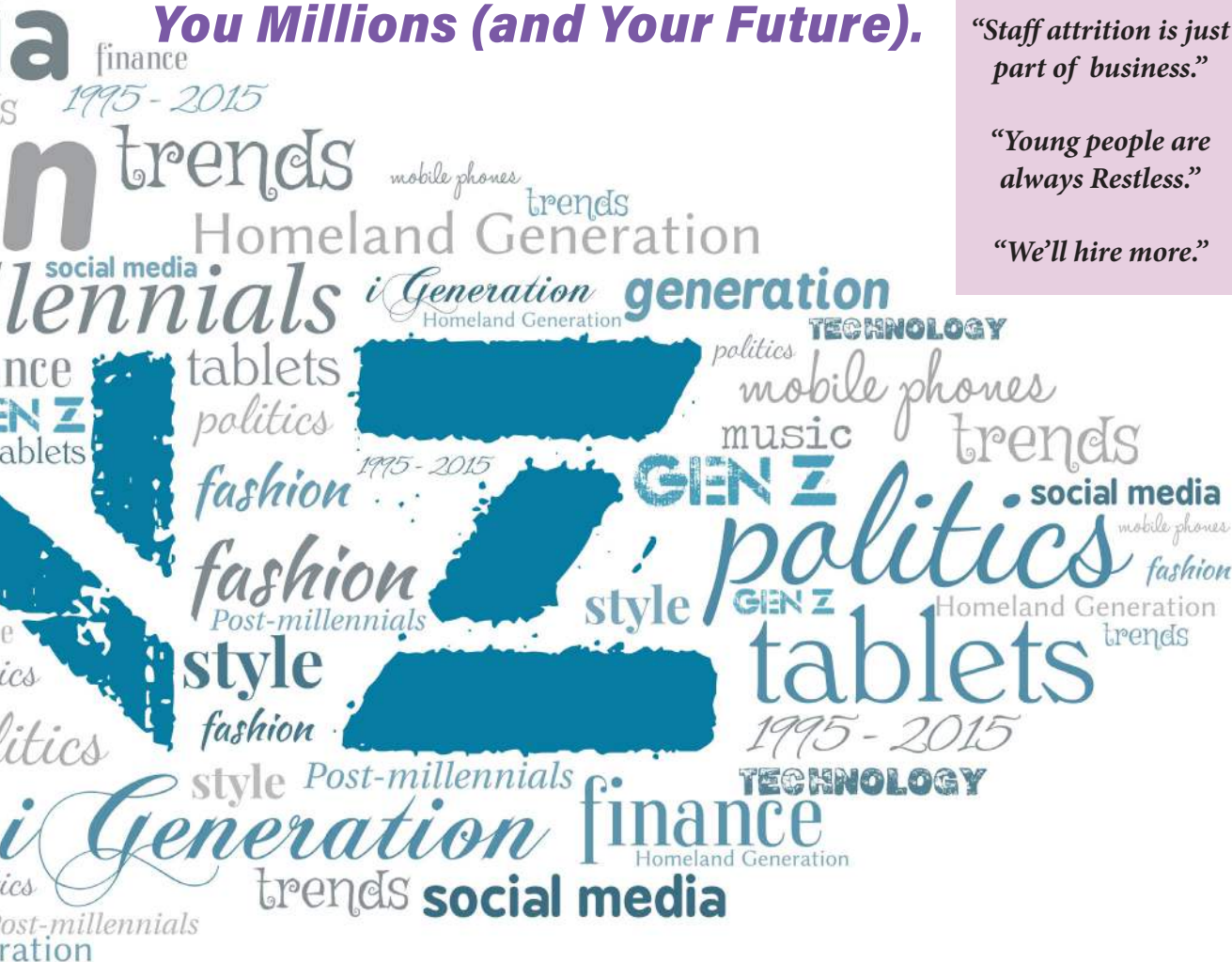
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Programs Fail & Your Surefire
Solutions to Succeed"

**Why Ignoring This Gap Is Costing
You Millions (and Your Future).**

*"Staff attrition is just
part of business."*

*"Young people are
always Restless."*

"We'll hire more."



This may be the talk in people manager and business leadership circles. But in boardrooms across India, one question keeps surfacing—*Why are our best young employees leaving so soon?*

For many leaders, the instinct is to blame salary expectations, remote work, or 'Entitlement' that they believe Gen Z feels. But our national study titled '**Gen Z Crisis At The Workplace Calls For Urgent Alignment**', tells a very different and far more troubling story.

Gen Z isn't bothered so much about money like the Baby Boomers. Not is it bothered so much about perks like Gen X. What they are looking for is 'meaning' to the work they do.

And right now, Indian leadership is falling short in ways that are costing companies crores in lost productivity, disengagement and attrition.

Globally, business leaders are already struggling with the Gen Z-Leadership gap that is causing Gen Z's disengagement at work. In India, the overall gaps are lower, but more dangerous because the scales tip dangerously low if done wrong. This is even more critical because one-third of the workforce comprises of Gen Z in India. Let's break down a few of the 15 critical leadership - Gen Z disconnects shaping India's Gen Z crisis that we have analysed in our study.

1. Transparent Feedback & Communication:

The Missing “Why”

When organisations explain the “Why” behind decisions, Gen Z engagement can soar by up to 71%. But when leaders fail to do so, engagement plummets just as steeply.

Here’s the problem: Even though 85% of Indian leaders say they regularly explain the ‘why’ behind business decisions and changes, one-fifth of Gen Z says they don’t get the message.

Gen Z employees expect leaders to give them context and meaning for their tasks. It signals to them that they are just cogs in the wheel, not stakeholders in the mission.

Feedback paints an equally grim picture. Though 80% of Indian Gen Zs list frequent and constructive feedback as their #1 driver of engagement, many Gen Z say they do not receive it. Without feedback, performance stagnates, development stalls and frustration festers.

The gap between what Gen Z wants and what leaders deliver is not just wide — it’s corrosive.

2. Purpose & Value Alignment:

Talk Is Cheap, Silence Is Costly

Globally, ~80% of leaders believe they clearly communicate the organisation’s values and purpose. But nearly 4 in 10 Gen Z’s say they don’t see or feel that alignment.

That disconnect slashes engagement by up to 60%. In fact, a Deloitte report suggests that 75% of Gen Z will leave organisations if it doesn’t align with their values. *(Source)*

In India, where Gen Z is more value-driven than ever before, the silence is deafening. Purpose statements on walls and websites don’t cut it. Gen Z demands proof: *Do leaders live these values in decision-making, in how people are treated, in how success is defined?*

The moment Gen Z sees a gap between words and actions, trust collapses. And once trust is lost, no amount of ‘perks’ or salary hikes will win them back.

3. Development & Growth:

Career Pathways or Dead Ends?

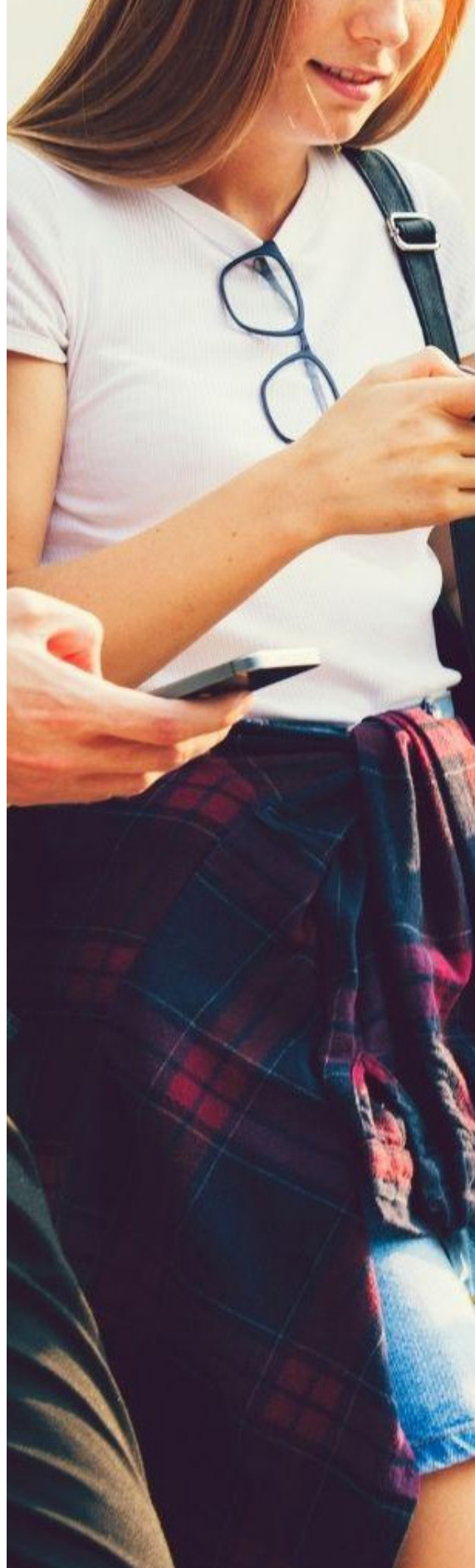
If there’s one thing Gen Z refuses to compromise on, it’s growth. Globally, they rate career development as one of their top engagement drivers.

In India, 71% of Indian Gen Z’s say visible growth opportunities are what keep them committed. But leaders who do not practice this on the floor everyday are the reason why Gen Z engagement drops by up to 45%! That’s nearly half your Gen Z getting disengaged.

And, that’s a red flag. Gen Z doesn’t wait around in silence. If they don’t see growth, they leave. And when they leave, the costs for your organisation spiral: **Replacing a single employee costs anywhere between 50%–200% of annual salary,** *(Source)* says a Gallup study.

For an organisation with even moderate Gen Z attrition, this translates into millions lost annually — not counting the institutional knowledge, customer relationships and team morale that walk out the door with every departure.

In our study, we have identified many more gaps and have provided deep insights and actionable recommendations. If you fix these gaps, you are almost guaranteed to improve Gen Z engagement immensely.





The Economic Toll of Inaction

Cultural credibility may be the spark of Gen Z engagement, but the financial toll of neglect is staggering. Disengagement isn't just a mood. It is a measurable metric of employee engagement that we do for our clients and which has helped them improve employee engagement levels. Various industry reports suggest that Gen Z disengagement results in:

- ~18% of salary lost to productivity drops.
- 37% higher absenteeism.
- 50–200% of salary in replacement costs for every Gen Z employee who quits.

What does 'Lost Productivity' really mean?

It shows up in daily business outcomes:

- **Lower Work Intensity & Effort** — Disengaged staff do the minimum, cutting throughput.
- **Lower quality of work** — More mistakes, more rework, higher oversight costs.
- **Reduced Collaboration & Innovation** — Fewer shared ideas, slower problem-solving, missed improvements.
- **Customer Impact** — Service roles that have many Gen Z's employed means disengagement hits Customer Experience, *reducing Repeat Sales, Loyalty and Referrals*.

Gallup estimates that this disengagement gap drives a 23% profitability uplift between engaged vs. disengaged employees. Using an Indian CTC of ₹10 lakh/year for a Gen Zer:

Disengaged Gen Z Employee	Engaged Gen Z Employee
Lost productivity (18%) = -₹1,80,000	Profitability uplift (23%) = +₹2,30,000
Turnover risk (22.5%) = -₹2,25,000	Reduced turnover risk = +₹2,25,000
Extra absenteeism (~5.83%) = -₹58,333	Reduced absenteeism = +₹58,333
= -₹4,63,333 annual drag per disengaged employee (~₹4.63 lakh)	= +₹5,13,333 extra annual contribution per engaged employee (~₹5.13 lakh)
Net Impact: Swing between engaged vs disengaged = ₹9,76,666 per Gen Z employee per year (~₹9.77 lakh)	
<i>If you make a concerted effort and even increase the engagement of just 50 Gen Z staff, your incremental economic benefit could soar by up to ₹5 Crore.</i>	

Engaged Strategy's studies have found that an engaged employee shows 77% more discretionary effort than an disengaged employee, and their Stated Loyalty is 3X more than that of a disengaged staff member. That's a massive profitability uplift you can't afford to lose.

Do the math across your organisation, and it's clear: even moderate disengagement levels can wipe out margins very quietly like a silent killer, and erode profitability.

The Gender Lens: Women Want Purpose, Men Want Pathways

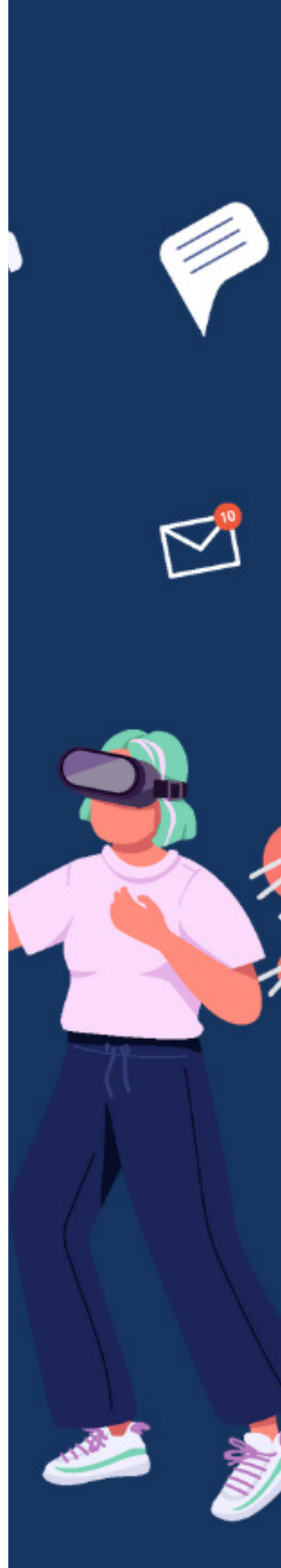
Digging deeper, our study uncovers telling differences between Indian Gen Z women and men:

- **87% Women** place higher emphasis on knowing how their work connects to the organisation's larger mission. They thrive in environments where mentorship meets meaning.
- **77% Men** rank transparency around the 'why' behind business decisions as critical.

But there's one thing they both agree on: *frequent and constructive feedback is non-negotiable*.

When business leaders fail to provide the above along with bridging the other gaps we have identified in our study, they don't just risk disengagement of Gen Z. The stakes are way higher as they risk losing an entire generation of talent that demands clarity and confidence.

And this is just one of many other actions you can take as a business leader to build high engagement at your workplace. While this Engaged Strategy study lists these 15 critical gaps, it also provides actionable recommendations that you can implement and kickstart your Gen Z engagement program on your own right away!





The Leadership Wake-Up Call

The writing on the wall is clear: Gen Z isn't disengaging because 'They are' or 'They feel' entitled, distracted or impatient. They are disengaging because leaders are failing to meet their values, which are way more experiential than materialistic.

India cannot afford this crisis given that nearly 377 million of its population is Gen Z. Not when this very same Gen Z is the backbone of its workforce today. Not when innovation, agility and talent are supposed to be India's competitive edge in the global economy.

Leaders must act — and act now.

The Good News: Leaders Can Fix This

The gap is troubling, but not irreversible. This national study on Gen Z Crisis At The Workplace Calls For Urgent Alignment by Engaged Strategy provides a detailed set of insights and actionable recommendations that leaders can use to reverse disengagement and ignite performance.

Lead the Gen Z Shift Now

The Gen Z engagement crisis is no longer a distant trend. It's here, it's costing you money that can be put to good use... and it's accelerating. You don't have quarters or years to wait given the magnitude of the problem. Every month of delay means more lost productivity, more exits and more profit leaks.

The choice is clear. You can keep patching over attrition with recruitment spends and hope Gen Z "Adapts"... or you can step up, transform your leadership practices and win the trust of the generation that will define India's economic future.

Engaged Strategy's - *Gen Z Crisis At The Workplace Calls For Urgent Alignment* report gives you a roadmap: 15 Actionable, Research-Backed Leadership Shifts you can implement today to stop the drain and turn disengagement into energy, innovation, and loyalty.

Download the full study.

Share it with your leadership team. Act on it now...

***Because if you don't engage your Gen Z talent,
your competitor will. And once they leave,
they don't come back.***



Scan here to know more



India's Women Leaders are showing the way

Engaged Strategy's study, *Gen Z Crisis At The Workplace Calls For Urgent Alignment*, uncovers a powerful insight: women leaders in India are outperforming their male counterparts on the very dimensions Gen Z values most—providing Gen Z with frequent and constructive feedback, work-life flexibility and a clear sense of purpose. This is more of a survival strategy for India's businesses today. Gen Z is fast becoming the backbone of India's workforce and they are

disengaging in alarming numbers when these needs are unmet. Women leaders are already demonstrating what works: empathetic, progressive leadership that builds connection, trust and loyalty.

The message for organisations is **Urgent and Unmistakable**—if you want to retain and inspire the next generation of talent, don't just admire the success of women leaders. Learn from them. Follow their practices. Scale their approach. The future of leadership in India and the current economic growth of India depends on it.

