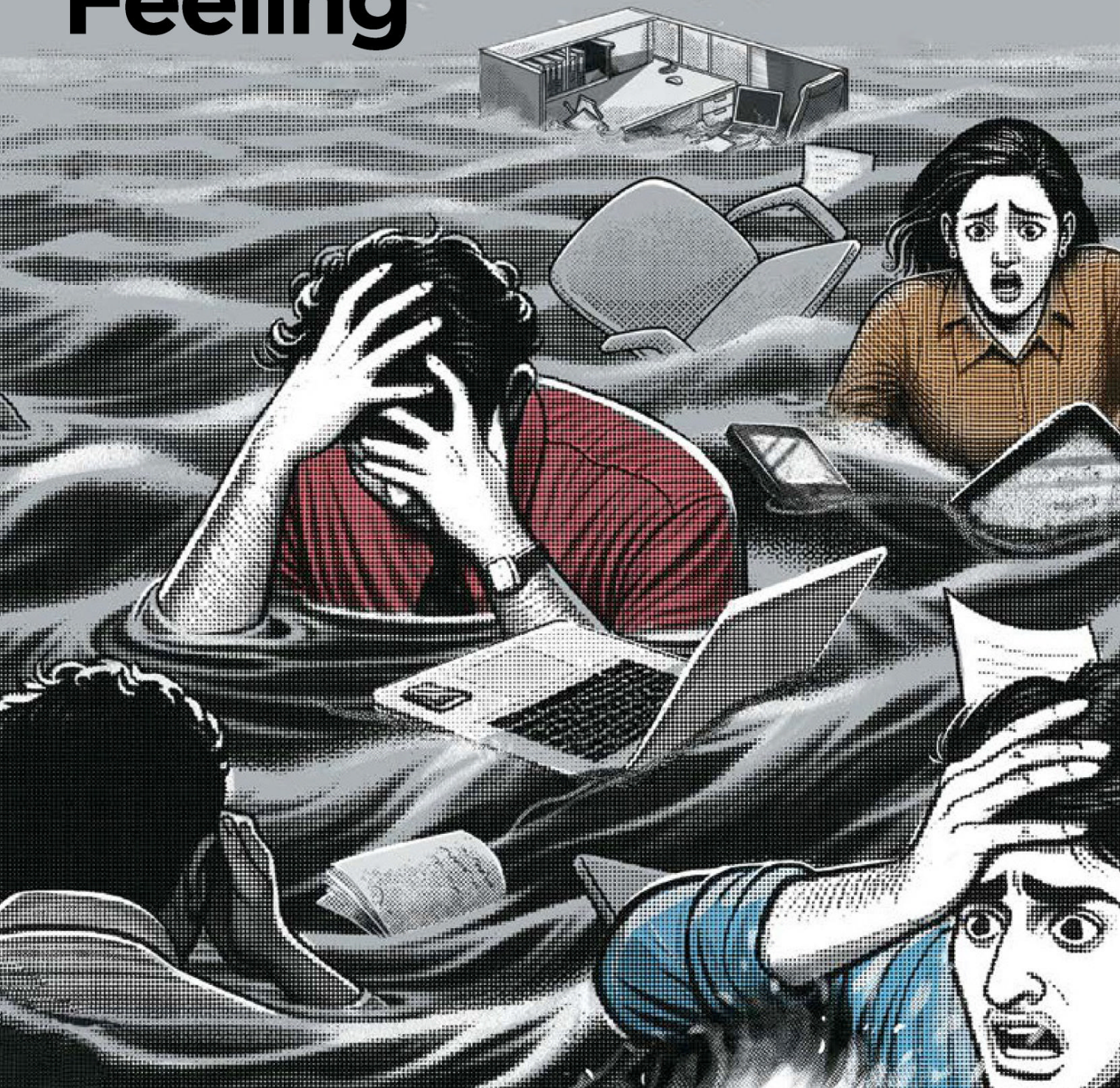# Gen Z:
## That Sinking Feeling

# India Inc has been accused of promoting a toxic work culture. And Gen-Z workers are pushing back. Is there a solution to the growing trust deficit between employers and employees?

**Ayaan Kartik** and **Nabodita Ganguly**

t was a baptism by fire. Mumbai-based Shreyas Gowda (name changed on request) still shudders when he talks of his first job. As a junior lawyer his day would start around 9am and end at 10pm. By the time he reached home it would be close to 11pm and he would be totally pooped.

"When you spoke about work-life balance, your seniors at work would dismiss your concerns and say that young people have to do the grind," he says. Worse, his boss would not even let him take proper breaks.

Devashish Sharma (name changed on request), a 24-year-old techie, shares Gowda's pain of dealing with a toxic manager. At his first job, his boss would call him at odd hours to inquire about projects. "Once he called at 11.30pm. I did not take the call. The next day he insulted me in front of the entire team at a meeting which took place at 8am," he says.

The pressure to perform and the shrinking of private space is the new normal at India Inc. Most young workers are scathed, but survive. Except when tragedy strikes as in the case of Anna Sebastian Perayil.

The 26-year-old chartered accountant at leading accounting firm EY India died a few months after joining the firm. Her parents blamed "the workload". They alleged "long hours took a toll on her physically, emotionally and mentally". EY has refuted the allegations.

Months before Perayil's case, news of the death of a McKinsey consultant by suicide in February also surfaced online. Twenty-five-year-old Saurabh Kumar Laddha could not cope with the work pressure, according to media reports.

National Crime Records Bureau (NCRB) data for 2022 reveals that salaried employees constituted 10% of total suicides in the country. There are myriad reasons for mental health struggles, but several surveys are flashing red flags in India Inc. Gallup State of the Global Workplace Survey 2024 showed that 86% of Indians surveyed are struggling at their workplaces.

## What is a Toxic Workplace?

Since the outpouring of testimonies against the work culture in India Inc began, the phrase "toxic work culture" has gained traction. However, it is difficult to define what makes an office and its environment toxic.

Management gurus Donald Sull and Charles Sull attempted to answer this question in a paper. According to their analysis of Glassdoor reviews, there are five characteristics which render a workplace toxic: disrespectful, non-inclusive, unethical, cutthroat and abusive.

Their survey of North American chief executives and chief financial officers found that over 80% of them felt their culture was not healthy enough. Placing the study in the Indian context would also yield similar results as the Gallup survey showed.

What worsens the situation is the presence of nepotism in workplaces. Gowda complains that nepotism in the legal sector is rampant which makes it difficult for first-generation lawyers to grow. While second- or third-generation lawyers are treated with kid gloves, first-generation lawyers are forced to do the heavy lifting. His sentiment on lack of growth is shared by many Indian employees. Microsoft's *Work Trend Index Pulse Report 2022* highlighted that 60% of Indian employees surveyed believed that there were not enough growth opportunities at their current workplace. This affects their mental health which leads them to quit their jobs.

An analysis of over 4,000 mental health consultations shared by corporate wellness firm HCL

Healthcare shows the kind of impact manager behaviours can have on employees. In 36% of cases, low self-esteem and overthinking were the most prevalent issues.

The demographic analysis of the sample size also yields an interesting result. Individuals under 25 accounted for 53% of the consultations. Clearly, Gen Z—those born between 1997 and 2012—are the ones struggling the most.

Vidya Dinakaran, a Chennai-based psychotherapist, says that signs of exhaustion and burnout are prevalent among corporate employees due to issues with toxicity. "When I start a session by asking how they are, many respond with a heavy sigh and say, 'I'm just surviving'. Toxicity in the workplace describes an environment that overlooks the fact that work is just one aspect of life," she says.

The signs of exhaustion and

## RED FLAGS FOR INDIA INC

Several surveys conducted by domestic and international agencies depict problems of Indian workplaces and employees

**86%** are struggling at their workplace (Gallup)

**60%** complain about growth opportunities at workplace (Microsoft Work Trend)

**59%** report experiencing burnout symptoms (McKinsey)

**48%** Gen Zs attributed toxic work culture as the primary reason for quiet quitting (Genius Consultants)

## GROWING CHURN (IN %)

On average, companies are increasingly seeing a rising trend in staff turnover rate, which gives a measure of employees leaving voluntarily or involuntarily

**24** **28** **31**

Average Turnover Rate — FY22 FY23 FY24
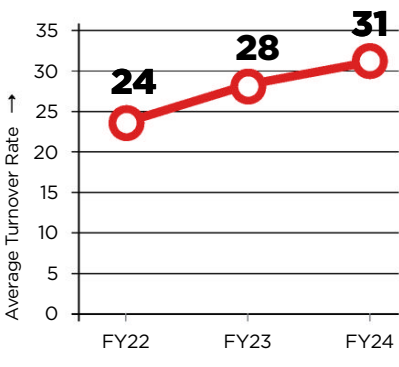
Source: BRSR Disclosures, primeinfobase.com

burnout are not hard to identify. Then why do companies struggle to address them? The answer seems to be a widening trust deficit between employees and employers.

"The presence of trust deficit between the stakeholders is what's leading to toxic workplaces. This leads to micro-management. If the trust deficit is there, it will only become wider," says Naveen Tiwari, co-founder at Scrabble, a recruitment consultancy.

Issues in building trust in Indian workplaces were also highlighted by a report published by human resource management firms Right Management and Tucker International. Amongst executives from 13 countries which included the US, Japan, China and Germany, Indian executives ranked the lowest in instilling trust at workplaces.

### A Growing Menace
The inability to foster a healthy and trustful environment at workplaces is clearly visible in our analysis of different datasets.

The Business Responsibility and Sustainability Reporting (BRSR) disclosures of close to 1,200 companies, compiled by corporate tracker primeinfobase.com, indicate that the incidence of complaints at workplaces is increasing. In the financial year 2024, the average number of complaints filed by employees per company increased to 244 from 222 in the year-ago period.

Although the number of complaints is increasing, another trend that stands out is that most firms are not reporting any complaints at all. Out of the total firms, 788 companies reported 0 complaints in 2023–24. Although it has reduced from 814 recorded in 2022–23, the absence of complaints is intriguing.

On one hand, surveys show that close to 90% of Indian employees report struggling at their workplaces. However, a vast number of them seem to not trust the grievance-redressal processes at workplaces. Conversations with a dozen employees yielded the same answer to the question as to why they did not

## 'As the stress mounted, I frequently took leave'

Last August, a friend of mine became my manager, marking a significant change in our professional dynamics. He began undermining me, limiting my direct communication with senior management and taking over responsibilities I had previously handled. Over time, he treated me more like his assistant, asking me to do tasks such as carrying his materials and shushing me during meetings.

Feeling marginalised and humiliated, I reached out to the senior management and the HR. However, they did not offer a resolution and suggested I tackle the situation. As the stress mounted, I frequently took leave and requested to work from home, which was usually denied.

Unable to tolerate the environment any longer, I ultimately decided to resign. The environment was so unbearable that I decided to forego my annual bonus rather than stay back a few months.

*Twenty-six-year-old FMCG worker*

## 'Our target was suddenly raised by more than 10x'

In the not-for-profit sector, the aim is to reach more people and impact their lives. Every year we start with some targets which help us in devising strategies to reach the maximum number of people. My team started off well.

However, the expectations from our higher-ups started to shoot up. Our target was suddenly raised by more than 10x because the leader wanted to chase hyper growth like start-ups.

While the targets grew, the team did not grow proportionately. This created an extra burden on us which forced me to work nonstop without sleeping and eating properly for days on end. It affected my health but my manager wouldn't give me a break. The team would have to walk on eggshells around her as she would get extremely angry about the smallest of things.

The environment caused immense distress to me but there was no mechanism to address this.

*Twenty-seven-year-old NGO worker*

report the toxic behaviour of managers: the fear that their professional growth will be stalled.

Aditya Narayan Mishra, managing director and chief executive of CIEL HR Services, a recruitment firm, points out three factors which are responsible for problems at Indian companies. "First, the business environment is very unpredictable. There is a churn at the global level which is putting pressure on Indian companies. The top management feels it can maximise profits here due to the presence of an aspirational workforce. Unrealistic targets are being set," he says.

Particularly in the IT sector, India is seen as a dumping ground for projects by western firms who handle the core tasks at home and outsource the menial jobs to India. Due to cheap labour in India, the profit margins for western multinationals remain intact.

In the rush to maximise profits, he says that resource planning is also taking a hit. "And then there is the struggle to deal with demands of a multigenerational workforce," he adds.

A global comparison by Mckinsey Health Institute reflects the worsening situation of Indian employees due to these factors. Amongst employees in Europe, Africa, Americas and the Asia-Pacific, the reported experience of burnout symptoms was the highest—at 59%—in India.

Operationally, it is affecting companies in the form of rising turnover rates which measure the percentage of employees leaving. The BRSR data of India Inc showed that the average turnover rate has increased from 24% in financial year 2022 to 31% in financial year 2024.

### Gen-Z Rebels
Post-Anna Periyal's case, instances of younger employees airing their frustrations increased. In a con-

nected world reels and tweets are shared widely. Moreover, the young employees are open about mental health and seek help when needed.

It is no surprise then that the attrition data shows a significant difference in approaches between Gen Z and the rest. Analysis of employment-related service provider TeamLease's employee data of over 200 companies, based on the number of years worked, shows that average attrition in those with less than six months of experience in 2023–24 was 18.03%. For employees with over five years of experience, the attrition was lower at 10% across eight sectors.

Delhi-based Divija Bhasin, a psychotherapist, who is also a famous Instagram influencer with over 2.6 lakh followers, says that there was no sense of boundaries with employers in the earlier generation. "This dynamic is thankfully changing now. The older generation is finding it difficult to accept that the younger generation actually has a life beyond

## 'These daily 12-hour workdays stress me out'

I have been a relationship manager in a bank for two years now and my boss keeps pushing me to do sales even though that is not my forte. I don't enjoy working, to be honest. But I need the money.

I leave home around 8.30am and return at 8.30pm. These daily 12-hour workdays stress me out. Everyone in the sales department

is going through similar kinds of stress. Our only stress buster is to bitch among ourselves. I have never attended any session on work-life balance or stress management. If you are not able to cope with the stress, then the bosses say, 'Go look for another job'.

*Twenty-five-year-old banker*

their work. We need to redefine 'hard work'," she argues.

Increasingly, the younger generation and the old guard are clashing over work standards and requirements. This has also led to the birth of a new phenomenon— quiet quitting, where young workers

disengage from work and deliver only the bare minimum due to their dissatisfaction with work conditions.
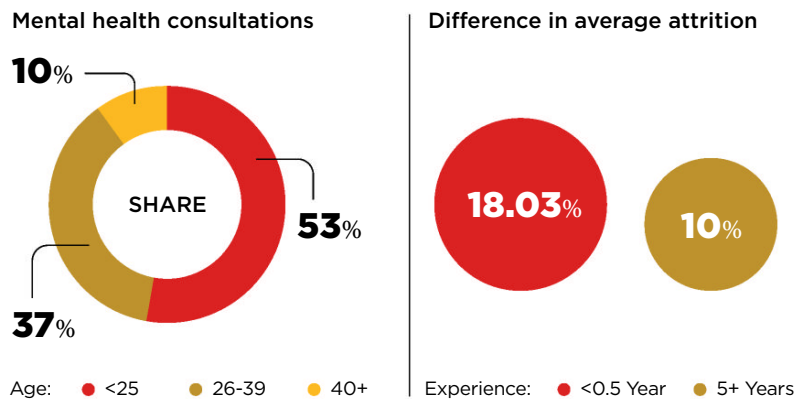
Quiet quitting is spreading rapidly in the Indian industry, adding to managers' worries. According to a report by staffing firm Genius Consultants, over 48% of Gen Zs surveyed attributed toxic work culture as the primary reason for quiet quitting.

A similar analysis by collaboration platform Slack in 2022 found that 54% of Indian knowledge workers in their sample felt burned out. Notably, nearly two-thirds said that they were considering switching jobs in the next one year.

A senior employee at a Big 4 consultancy says that there were significant repercussions of Periyal's case. "Partners across several teams were asked to hold conversations with their team members. The case made everyone conscious about work culture," the person says.

### Namby-Pamby Generation?

There is, of course, the other side to the work culture story. Neeti Sharma, chief executive at TeamLease

## THE GENERATIONAL DIFFERENCE

Gen Z is more open about seeking help when they struggle with mental health. They are also willing to leave jobs frequently in pursuit of better working conditions

**Mental health consultations**



**10**%

**SHARE**

**53**%

**37**%

Age: ● <25 ● 26-39 ● 40+

**Difference in average attrition**



**18.03**%

**10**%

Experience: ● <0.5 Year ● 5+ Years

Source: 4,000 Consultations by HCLHealthcare; Teamlease

# 'For 3 years I was not paid for my work'

When I joined the legal profession, I used to work under a senior. For first-generation lawyers, it is more challenging. Putting in long hours with little or no stipend or salary is the usual drill. For the first three years of my professional life, I was not paid. Sometimes I used to get some money from clients, but most days were penniless.

Some days were such that I had no money to eat, and I used to pray that some senior or a friend would feed me. I wanted to quit because of the work stress.

When I worked with senior lawyers then everything depended upon them. Sundays and holidays were like usual working days; I worked till 9 in the evening. We were told that putting in even 17 hours a day is not enough. I remember one occasion where I only slept for about 3-4 hours for a week because of workload.

*Twenty-six-year-old lawyer*

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Digital, says that there is a need to closely look at the behaviour of Gen-Z employees as well. "Many are not able to understand that a job is not an extension of college and there is a need for professionalism. There is also a lack of understanding about the dynamics of different sectors. They feel that every sector will have the same type of work requirements. But that's not how it works," she explains.

The difficulty in working with Gen-Z employees is widely acknowledged globally. In a survey conducted by US-based ResumeBuilder.com, 74% of managers and business leaders said that it is difficult to work with Gen Z. What's also compounding the problem in the Indian context is the lack of skills among young employees.

According to skill-assessment firm Wheebox's *India Skills Report* only 51% of Indian graduates are employable. *The National Employ-ability Report for Engineering* said that 80% of Indian engineers do not possess the required skills.

With a widespread lack of hard and soft skills, Indian companies are struggling with resource planning which increases the pressure on existing employees who can perform. A report by Nasscom, the information technology trade body, said that the tech sector faces a shortfall of 6 lakh skilled professionals

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**ACCORDING TO A REPORT BY GENIUS CONSULTANTS, 48% OF GEN Zs SURVEYED ATTRIBUTED TOXIC WORK CULTURE AS THE PRIMARY REASON FOR QUIET QUITTING**

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CIEL HR's Mishra says that this is emerging as a major theme for the new cohort of employees. "Companies have no other choice than to hire from the available talent pool. Over time, those who can perform are overburdened while others struggle to keep pace," he says.

While there are no easy solutions to the existing skill gap, industry is demanding more attention to soft skills which will help youngsters adapt to corporate environment. The head of recruitment at a Delhi-based technological institute says companies coming for recruitment are more bothered about the presence of soft skills among students.

"Lack of professionalism among Gen Z is a concern and talent needs to be nurtured for that. Better training will help them fit into workplaces, which in turn may ease problems with managers," the executive says.

One solution which is gaining steam is collaboration with academia through internships. The Union government has already started the process for recruitment through the scheme. Close to 91,000 positions have been listed on the portal for the PM Internship Scheme.

But that only solves a part of the problem.

## Where Does the Buck Stop?

A study by Gallup indicated that replacing an employee can cost about one-and-a-half to two times their annual salary. The cost of toxic workplaces is bound to reflect on profits in one way or the other.

But to solve the problem, companies need to answer a fundamental question: who should be held responsible for the existence of toxicity in workplaces?

"A CEO doesn't drive everybody in

# CURSE OF A DEVELOPING ECONOMY

India's aspirational status in the global economic order means its workers have to work harder. But Indian employees are facing higher burnout symptoms as compared to any other country
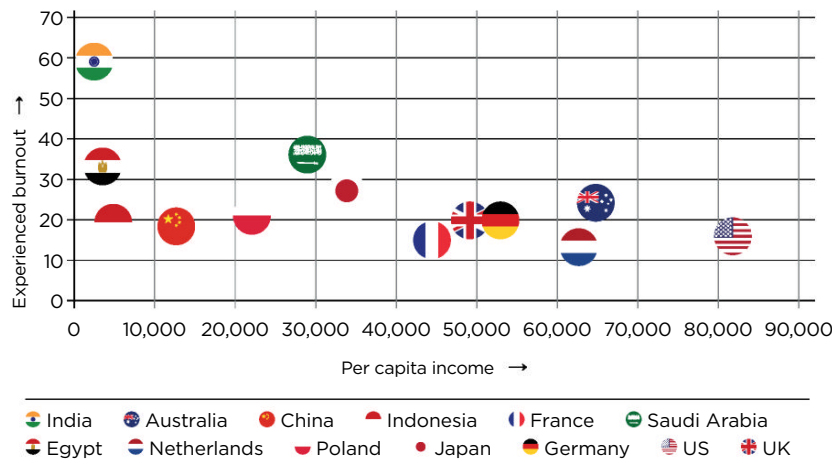


Source: World Bank, McKinsey Health Institute
Per capita income is for 2023, current $

the organisation. Human resource [HR] managers have to make sure that employees are treated fairly. And there is no exploitation of an employee for getting work done much beyond certain limits. Managers have to treat people well. They must ensure that if employees are sick, they can take time off," says TV Mohandas Pai, former chief financial officer, Infosys (*see interview pg 28*).

Technically, the HR teams at companies are mandated to conduct pulse checks to identify teams which are struggling. However, Chandrasekhar Sripada, clinical professor of organisational behaviour at the Indian School of Business, who has served as HR lead at firms like Capgemini, IBM and Dr Reddy's Laboratories, disagrees with the notion that the buck stops at HR.

"When a company fails financially, we point fingers at the CEO and managing director. Likewise,

if a toxic work culture exists, the responsibility is of the leaders to step forward and correct it," he says (*see column, pg 30*).

Sripada says that various mechanisms such as 360-degree feedback, exit interviews and upward feedback already exist with HRs through which they can give a comprehensive assessment of the nature of a workplace. But if the leaders are not willing to listen, there is not going to be a meaningful pulse check which can identify toxicity.

And there lies another dilemma for India Inc leaders. On one hand, they are facing the wrath of Gen Z employees, and on the other is the curse of an aspirational economy with a tendency to cut costs. The HR challenges Indian companies are facing is not unique.

China, Japan and South Korea are similarly infamous for their harsh work culture which helped their rapid economic rise. The situation of

overwork was so harsh in Japan that it led to the birth of a term, *karoshi*, which means death by overwork. Similarly, China is infamous for the '996' work culture i.e. from 9am to 9pm, six days a week. Some India Inc panjandrums like Infosys co-founder NR Narayana Murthy and Ola boss Bhavish Aggarwal have also asked Indian youth to up their game for the sake of economic development. But the effects of long working hours are well documented.

A report by the World Health Organisation and International Labour Organisation in 2021 found that there were over 7.45 lakh deaths due to stroke and ischemic heart



" The older generation is finding it difficult to accept that the younger generation actually has a life beyond work. We need to redefine 'hard work'

**DIVIJA BHASIN**
Psychotherapist

# PROMOTING WELL-BEING

Across the world companies are stepping up to address mental health issues of employees

| Conduct awareness programmes | Right to disconnect | Workplace audits to address safety | Boost mental health support | Focus on physical fitness |
|---|---|---|---|---|
| World Health Organisation has recommended that organisations should provide training for workers | Australia, Belgium, France and Ireland among others have laws. In India, the bill was never taken up for discussion | Identifies non-compliance and addresses gaps; vital to improving safety and well-being of employees | Several offices have corporate counsellors, employee assistance programme counsellors and mental health specialists | Companies are focusing on both physical and mental health; companies are investing in gym memberships among others |

diseases in 2016, which were directly linked to long working hours.

## The Step Forward

There are several solutions to the problem of toxic workplaces. Experts argue that solutions must solely come from the top leadership. After all, the captain is responsible for steering the company in the right direction.

There is consensus among therapists, HR professionals, academics, employees and corporate leaders that solving the toxic work-culture problem will need two approaches. One, leaders must get personally involved; and two, mental health professionals need to be appointed.

"Organisations that provide multiple work benefits like information of mental health issues through authentic sources, training programmes like mental health first-aid courses, special leaves for poor mental health and many more can earn major brownie points with them [Gen Z]," says Neerja Birla, founder and chairperson of Aditya Birla Education Trust and Mpower

(*see interview pg 24*).

Rajiv Gupta, author of *The Good Indian Employee's Guide to Surviving a Lala Company*, says that everything boils down to the mentality of the leaders of a company. "The owner mentality which makes leaders think they can treat employees like dirt because they pay them must go first. Leaders need to instil a culture where grievances can be aired to them directly," he says.

Gupta, who has worked at top firms like Honda Cars and Reliance Industries, recalls an incident from his own experience when he was 27. Struggling with some personal issues at the workplace, he approached a senior leader of the company who was on his way to leave for an international trip. When Gupta asked for time to discuss his issues, the leader immediately agreed.

ISB's Sripada also calls for a personalised approach from leaders. During his tenure as an HR at a top firm, there was an instance where a manager was abusive. Instead of resorting to clinical non-personal solutions, he insisted on having a

conversation with the manager first, which eventually led to a peaceful resolution of the problem.

The late Apple co-founder Steve Jobs is famous for his 'skip level meetings'. Instead of meeting with managers, Jobs used to give employees the opportunity to meet their managers' manager to understand how the company was being run. Introducing CEO connects and organising town halls can help C-suite denizens read the pulse of their staff.

But Shikhar Malhotra, CEO and vice-chairman, HCL Healthcare, says that leaders need to know when to consult professionals. "Companies should invest in having a team of professionals ready to help employees struggling with mental health problems. Over the past five years, Indian companies are learning the importance of this process," he says.

For an aspirational economy like India's with a huge demographic dividend, the plight of the young does not bode well. But do Indian corporate leaders have it in them to take charge of the situation? 🆗