

What Attracts Millennials to Work: A Factor Analysis

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Abstract: *Study of millennial preferences and behaviour has become critical today. The way they think, work, and react is different from GenX. Their preferences for studies, lifestyle and even work are different from other generations. These new employees seek different work experience than the previous working generation. The current paper is an attempt to understand what attracts millennials to the workplaces. The responses from prospective millennial employees are collected in a standard questionnaire format. The results of factors analysis gave four major variables that significant in attracting employees to the organization. The results are discussed and implications are stated at the end of the paper.*

Keywords: millennial, employees, workplaces, autonomy, exposure, prestige

1. Introduction

Strategic talent management is defined as activities and processes that involve the systematic identification of key positions which differentially contribute to the organization's sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organization.

Millennials are defined by demographers William Straus and Neil Howe as those who were born between born between 1982–2004(Collings, 2009).

According to the "Millennials in the workplace", the author (Myers, 2010) says that millennials are affected by globalization, communication and information technologies, economics, and socialization by very involved parents. They have differing, often broader, perspectives about the world marketplace, supervisor–subordinate relationships, cultural diversity, performance of tasks, and ways that communication and information technologies can be used to enhance organizational performance and to maximize productivity.

People from this generation will be dominating the workplace in the coming years and hence it becomes important to understand the factors that would lead to a higher pool of possible recruits and millennials willing to join an organization. The corporate world is extremely competitive and dynamic and HR managers need to update their talent acquisition strategies to remain ahead of competition. It has been proven that human resource strategies can be used a source for sustainable and long-term competitive advantage(Becker, 2006).

Being able to shed light on possible attractors would also help increase the satisfaction level of millennials at the workplace and subsequently reducing the attrition rate in the organization. Companies need to study the behavior and

understand the dominating attractors to formulate better policies to improve the value proposition for millennials.

Better understanding of employee attractors would help managers develop more attractive employee benefit programs. It would help in resource allocation and relative importance of factors like insurance, perks, medical coverage, work life balance, etc. Thus, organizations need to be accommodative, learn from past experiences and make themselves themselves malleable to the needs and desires of this generation(Perspective, 2010).

The value configurations can and should be modified and updated based on the changing demographics.

This paper aims to study the factors that attract millennials to an organization. The sample consists of 200 respondents from Under graduate and postgraduate management colleges in India. The study will facilitate the way for future research in the field of factors increasing the attractiveness of the value an organization offers to a recruit. It will give light on millennials perceptions of organizational attributes.

2. Objectives of the study

To explore the various factors that millennials place high priority on while considering their ideal workplace. With the help of this paper, the author wishes to answer the questions to understand the best value proposition to motivate millennials to join organizations.

3. Literature Review

According to Barbara J. Kreisman(2002), in Insights Into Employee Motivation, Commitment and Retention, she identifies that companies are facing a huge challenge in attracting and retaining employees with the relevant skills in the past decade. She notes that attracting the right talent is essential as failure of recruitment is leading to a drop in product quality, decrease in customer satisfaction and a rise in turnover of crucial talent. At the same time, new jobs are being added at unparalleled rates: 700,000 new businesses are being established annually and there are worker shortages in some professions— particularly the medical and

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services industries.

David G. Collings and Kamel Mellahi (David G. Collings, 2009) note that companies that use recruitment and talent management strategically will achieve better performance. They state that that work motivation, dedication and commitment to the organization and extra-role performance mediate the relationship between strategic talent management systems and firm performance. Talent pool is defined as the pool of high potential and high performing executives that the organization can invite to fill key talent positions.

In *Global Talent Management: How Leading Multinationals Build and Sustain Their Talent Pipeline* the author (Stahl, 2005) talks about how the rise in competition has forced organizations to improve employer branding and self-marketing to place themselves as a preferred employer. The author says that organizations must view recruits as future customers, use marketing analysis to locate the competition and to narrow down on the organizational attributes that have high value to the recruits.

The importance of understanding and applying employee attractors can also be seen through - *Attracting and Selecting from the Global Talent Pool*- Policy changes that observes that even governments seeking to attract, select, and retain skilled immigrants rely on a broad range of policies that are brought together into a coherent strategy that considers how different measures complement each other. These highlight various attractors used in policy formation by governments to meet the skill requirement of their countries (Demetrios Papademetriou, 2011).

The *War For Talent* talks about how a great employee value proposition can warrant a stronger attraction of talent. Stronger employee value proposition translates into a stronger pull on talent. Tailoring the company brand as a great place to work can do this. It also means paying what it takes to attract and retain strong performers. Highly competitive compensation is a proven employee attractor.

The ability to define, develop, and deliver a superior employee value proposition will be especially critical for large companies facing the small-company challenge. Small companies offer employees a chance to satisfy their desire for meaning, excitement, flexibility, impact, and reward (Elizabeth G. Chambers, 1998).

Millennials, generally defined as those born between the mid-1970s and early 2000s, are going to dominate the workplaces in the coming future. There has been a lot of conversation regarding various positives and negatives of this generation; however, innovative organizations need to respond by redesigning their recruitment policies. The roar of the Millennials is only getting louder, and innovative organizations know that they must be ready to respond (Nolan, 2015).

According to "Best places for millennials provide a sense of meaning", millennials are attracted to healthcare benefits, flexible schedules, etc. but the factor that truly attracts them

is independence at the workplace. Thus, the future tilts towards autonomous organizations (Pyrillis, 2017).

Authors Waller-Davies Becky and Simmons Richard show that millennial law students are attracted to buzzwords like "corporate social responsibility" and are attracted to organizations with a bold and distinctive employer brand. They also note that law firms are focusing on making each firm a tempting prospect for employment (Waller-Davies).

In "Winning the Gen Y recruitment game", the authors note that millennials aim to develop as all-round businesspeople and want to see own progressive values reflected in their potential employer (Griffiths, 2015).

However, Nicholas W. Thompson states that a strong total rewards package – the sum of base compensation, bonuses, commissions, and benefits packages – remains a formidable strength in alluring bright young minds to any career (Thompson, 2011).

Margaret Deery, Leo Jagonotes that Work Life balance is now a key variable in the recruitment and retention of the new generation in the workforce (Margaret Deery, 2015).

According to research carried out by Eddy S. W. Ng, individual aspects of a role are of high importance to millennials. They were realistic about the salary however they were seeking rapid advancement and the development of new skills, while also ensuring a meaningful and satisfying life outside of work (Eddy S. W. Ng, 2010).

4. Research gap

There are various studies on employer value proposition and the factors that influence millennial recruitment and retention. The various factors discussed are total rewards, work life balance, personal growth, etc. The studies are aimed at millennials as a whole while the groups of attractors are yet to be explored fully. The gap identified is the need for an exploratory study into the various factors increasing the perceived attraction of an organization to Indian millennials.

5. Methodology

The current research is exploratory in nature. The authors aim at exploring the most important factors that attract millennials to the organizations as some employees. For this study, the author has taken a sample of 200 millennials born between the years 1982-2004. The total respondents are 200. The millennials are final year students of undergraduate colleges and postgraduate colleges. The reason to take this as a sample was because these students would be joining the workplace in the next one-year, and hence the study would be up to date. The sampling method would be convenience sampling.

Job attractor factors are measured with the help of 7 point likert scale by Konrad et al (2000). It is a 20-item questionnaire.

To collect the information, the questionnaire was circulated

via a google form and spread through whatsapp, linkedin, college groups, etc. Quantitative research is done and exploratory factor analysis is done on SPSS to analyze the data.

6. Data Analysis

The data collect through questionnaire is analysed with the help of SPSS. Exploratory factor analysis is performed to get the answers to the research questions.

6.1 KMO

KMO statistic compares the magnitude of the observed correlation coefficient with the magnitude of the partial correlation coefficient. KMO is .850. A high value of this statistics (.5-1) indicates the appropriateness of the factor analysis where as a low value (below 0.5) indicates inappropriateness of the factor analysis. The value is in the acceptance region of the factor analysis model.

Table 1: KMO measure of sampling adequacy

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.850
Bartlett's Test of Sphericity	Approx. Chi-Square	1212.046
	df	190
	Sig.	.000

6.2 Barletts test of Sphericity

This statistic tests the hypothesis whether the population correlation matrix is an identity matrix. Our chi square test is 190 with degree of freedom 45. The value is significant. Both the results indicate an appropriate factor analysis model with significance less than .05

Table 2: Communalities

Communalities		
	Initial	Extraction
Invest in Training	1.000	.512
As individuals	1.000	.552
Opportunities	1.000	.553
Variety	1.000	.503
Forward looking	1.000	.532
Friendly Informal	1.000	.439
Work at different levels	1.000	.500
Freedom to work	1.000	.695
Creativity	1.000	.660
In Common employees	1.000	.562
On merit	1.000	.431
Opportunity for international travel	1.000	.733
Use degree skills	1.000	.600
Prestigious employer	1.000	.622
High starting salary	1.000	.628
Stress-free working environment	1.000	.317
Opportunity to work (and live) abroad	1.000	.794
Internationally diverse mix of colleagues	1.000	.595
Work standard working hours only	1.000	.580
A small organisation	1.000	.488
Extraction Method: Principal Component Analysis.		

The communalities describe the amount of variance a variable share with other variables in the study. The above figure shows the initial and extracted communalities. The extracted communality is the estimate of variance in each variable, which can be attributed to factors in the factor solution. The relatively small value 0.317 of the extracted communality suggests that (stress free environment) is a misfit for the factor solution and can be dropped.

6.3 Eigenvalues

This indicates the initial eigenvalues and the rotation sum of squared loadings. The total column gives the amount of variance in the variable attributed to the concerned factor. It is important to note that the total variance accounted for is 20, i.e. equivalent to the number of variables.

Five factors have extracted 56.47% of the data.

Table 3: Eignenvalue

Component	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.819	29.097	29.097	5.819	29.097	29.097	2.865	14.325	14.325
2	1.764	8.821	37.918	1.764	8.821	37.918	2.575	12.875	27.200
3	1.348	6.739	44.657	1.348	6.739	44.657	2.199	10.997	38.197
4	1.304	6.521	51.178	1.304	6.521	51.178	1.945	9.727	47.924
5	1.059	5.294	56.472	1.059	5.294	56.472	1.710	8.548	56.472
6	.984	4.921	61.393						
7	.853	4.267	65.660						
8	.782	3.909	69.569						
9	.747	3.735	73.304						
10	.696	3.481	76.785						
11	.663	3.316	80.101						
12	.639	3.194	83.295						
13	.572	2.860	86.155						
14	.537	2.683	88.838						
15	.486	2.429	91.266						
16	.458	2.290	93.556						
17	.407	2.037	95.593						
18	.380	1.901	97.494						

19	.293	1.464	98.958						
20	.208	1.042	100.000						
Extraction Method: Principal Component Analysis.									

7. Discussion

The questionnaire was filled by 200 millennials that stands for the validity of the study. Variables ‘freedom to work, opportunity for creativity, variety & informal work culture’ are heavily loaded on factor one and can be named as Autonomy.

Table 4: Rotated Component Matrix

Rotated Component Matrix ^a					
	Component				
	1	2	3	4	5
Freedom to work	.712				
Creativity	.655				
Friendly Informal	.654				
Variety	.581				
Work at different levels	.510				
Stress-free working environment					
Opportunity to work (and live) abroad		.852			
Opportunity for international travel		.769			
Internationally diverse mix of colleagues		.687			
Opportunities			.720		
As individuals			.590		
Forward looking			.558		
A small organisation					
Invest in Training					
Prestigious employer				.760	
High starting salary				.672	
In Common employees					
On merit					
Use degree skills					.726
Work standard working hours only					.709
Extraction Method: Principal Component Analysis.					
Rotation Method: Varimax with Kaiser Normalization.					
a. Rotation converged in 13 iterations.					

Variable ‘opportunity to work abroad, opportunity for international travel and a diverse mix of colleagues’ is loaded on factor 2 and can be named as International Exposure.

Variable ‘prestigious employer and high starting salary’ are heavily loaded on factor 4 and can be named as Prestige

Hence, the various factors, which serve as millennial attractors, are autonomy, international exposure and prestige.

The literature on employee attractors indicate high priority of millennials towards independence in the work place, total rewards, work life balance, rapid advancement and career growth opportunities.

The results of this study also point towards a similar direction with autonomy and prestige being important factors. However, a new factor that has reflected in the study is International Exposure. Indian millennials are looking at diversifying geographically and are attracted towards organizations that provide opportunities to travel and work abroad and interact with a diverse set of people. This comes due to increased exposure to international media, trends and

the standard of living in the United States as well as across European countries.

8. Conclusion

The various factors that have been proven to be attractors with this analysis are autonomy, prestige and opportunity of international travel.

Autonomy- freedom to work, opportunity for creativity, variety & informal work culture are the factors within autonomy. Millennials have been stereotyped as the generation that is seeking a meaning in their life, and this need also reflects in their professional lives. Millennials also have increased exposure to technology and hence are comfortable with virtual environments and virtual collaboration. This increases the need for autonomy. They also have increased exposure to various arts, sciences, etc. during their childhood and hence have a deep craving for creativity. Hence, they seek a variety in their jobs and work to reduce monotony. The Pew Research Center echoes that Millennials are confident but also notes above-average levels of self-expression, liberal tendencies, and openness to change.

International exposure- Millennials are attracted towards organizations that offer opportunity to work abroad, opportunity for international travel and a diverse mix of colleagues. This is a result of the boost of globalization in their formative years. Even exposure to international media and culture has led to the desire for millennials to travel and work abroad. Hence, organizations that can boost of opportunities of internal exposure would be very attractive to a millennial job seeker.

Prestige- millennials are characterized by their need for instant gratification. They are also called as the Trophy generation as their parents and educational institutions have always rewarded them. This has led to an increased self-esteem. This can be satisfied by an organization by offering two things- being perceived as a prestigious employer and by offering a high starting salary. Literature repeatedly states that an attractive total rewards package will always be a workplace attractor to every generation, however its relative importance might vary. Similarly, organizations are investing a lot of money into employer branding to establish themselves as a prestigious employer. Various such initiatives include social media branding, university relations, event sponsorship, etc.

To understand common attractors for Millennials is a crucial step to attract them and retain them, but comprehending their desires will be inadequate; employers need real, tangible solutions. Individual preferences might differ, but with a base understanding of millennial behavior, employers can devise effective strategies to make themselves more appealing to the millennial cohort.

The study will facilitate the way for future research in the field of factors increasing the attractiveness of the value an

organization offers to a recruit. It will give light on millennials perceptions of organizational attributes and reported likelihood of application offers several key contributions for academics and practitioners.

It will give deeper insights into employer branding and help organizations plan their strategies for campus recruitment. The scope and ratio from applicants to joiners for millennials from campuses all Recruiting firms can better understand how millennials perceive the importance of organizational attributes and their presence in firms.

It will also pave way to test if the attributes that were attractive to the previous generation yet hold value and understand the patterns of change. It will help companies become better workplaces and increase the retention rate.

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Author Profile



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