Retaining Gen X- Gen Y Employees by HRD

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Abstract

In an era where monetary gain and power means everything, employees are more likely to shift from one job to another job. This raises serious concern to the HRD department as they have to constantly focus on either recruiting or retention program. Approximately, the cost to hire one employee would be equal to their annual salary package. Generally, retention programs are generic in nature. This research focuses on differentiating between employees based on Gen X and Gen Y age group, gender and field of work and find solutions categorically.

The first objective of the paper is to understand the behavior of Gen X and Gen Y. The second objective of the paper is to find out the reasons behind employees leaving their jobs based on their Generation. The third objective of the paper is to detect solutions or suggestions to retain employees.

The paper's finding is primary in nature. The research involves structured questionnaires which were asked to be filled in by employees from various field of work. However, even secondary data was used as the backbone of the research. Secondary data was collected from various online journals like Wikipedia, news articles, academic research journals and other relevant journals.

Keywords: Retention, Gen X- Gen-Y, HRD, Employees, Gender, Generation

1 Introduction

People belonging to different age groups are found to be different in terms of their behavior and thinking pattern. The ones born in 1970s would be very different from the ones born in 1990s. This is where a need to use a standard terminology to categorize generation is comes into play. Generation X is the successor of Baby Boomers and Generation Y is the successor of Generation X. People born between 1965 and 1981 belong to Generation X or Gen x and 1982 to 1994 belong to Generation Y or Gen Y.

Gen X is more independent and loyal as their Baby Boomer parents were drawn in to their work life. In India, Baby Boomer parents had witnessed the struggle to see a free India, an independent nation hence; they would have come across as stricter parents. Born with strict and stringent parents, Gen X inculcated a little discipline and knew the struggles in life.

On the other hand, Gen Y are said to be more optimistic, tech savvy and independent. They are not very loyal as they evaluate and seek for better opportunities. Having Gen X as their parents who have struggled their way out to make their living, Gen Y was given a little liberty or freedom. Gen X parents wanted to raise their kids in a liberal manner. This kind of upbringing makes Gen Y seek and explore various opportunities.

Keeping these factors in mind, we can say that it is necessary to formulate retention programs and strategies keeping age as one of the major factors. Retention is one of the biggest issues faced by the Human Resource Department of any corporate sector. The cost of retention is lesser when compared to that of recruitment. Some studies reveal that losing a salaried employee is twice as expensive as to recruit and replace the employee. The rates can be even higher if an executive level of employee has to be replaced.

1.1   Reasons why an employee would want to leave their current job.

1.1.1 Gen X employees' reasons

Gen X might be uncomfortable due to Gen Y who is more tech savvy. They might feel insecure as they fear of losing their jobs and being overshadowed by Gen Y. They would want their

juniors to learn from their experienced and would want to be respected for the same. Gen X are said to be more entrepreneurial than Gen Y. Many would want to be their own bosses after being done with taking orders from a superior. Also, in order to replace their employees or to seek advice, many companies would want to hire an experienced person. Gen X employees shift as they want more pay either to meet their family needs or to save for their retirement making them quit their jobs for a high paying one. Besides, retiring in present lifestyle does not seem like a good option hence, Gen X, to plan for their retirement would want to leave their current jobs either to start a new business or to become a partner of a start- up company.

1.1.2 Gen Y employee reasons

Gen Y employees lack patience. They are always looking for ways to make money in the easiest ways as they do not want to struggle. Their nature is not that of loyal ones. They have little loyalty towards the brand. Much of Gen Y is still in search of their life purpose. They either don't know where to head or if they don't know how to get to the goal. They want the shortest route to success and hence would quit their job on seeing a better opportunity. Also, if the company is not tech savvy and rigid, they can be sure to lose a few of their Gen Y employees.

1.1.3 General reasons

Maintaining a work life balance is one of the most common issues faced by employees, be it of any age. Employees suppress under stressful environment and when they cannot maintain a balance in their life, they gradually start losing interest at work. Lack of external motivation is another reason behind this. This makes them not see their future at the firm. For the ones who are able to maintain work life balance and not stress about it are the ones who crave for challenges at work.

Human Resource Department needs to take all the above circumstances and factors under consideration while framing retention strategies or policies.

2 Research Design

2.1 Statement of problem

Retention has become one of the biggest problems for Human Resource Department. The cost of retaining an employee can be much less than recruiting a new employee. Even though many of the corporate are aware of this fact, they fail to formulate an effective retention strategy. This has let me to explore how significant would age factor prove in designing retention strategies.

2.2 Literature review

Typically, Gen X who are people born before the year 1980 and Gen Y are people born after the year 1980. As on 2017, Gen X would mean people aged above 35 and Gen y would mean people aged between 35- 20.

India is a young nation. More than half of its population belongs to Gen Y group. If the birth rate keeps growing at the rate of 1% annually, it will beat China in 10 years and become the world's most populated nation. India currently has more than 780 billion working class people and will soon have Gen Z work as well.

Nearly 54% of India's population wants to leave their jobs and the rate spikes to 66% in the case of Gen Y.

2.3 Objectives

➢ The first objective of the paper is to understand the behavior of Gen X and Gen Y.
➢ The second objective of the paper is to find out the reasons behind employees leaving their jobs based on their Generation.
➢ The third objective of the paper is to detect solutions or suggestions to retain employees.

2.4 Scope

Our study is limited to Bangalore city and it collected the perceptions of employees working at a big corporate house.

2.5 Limitations

➢ The topic is a global issue but the study focused only in Indian context. The study was conducted only in Bangalore city.

➢ The study can be understood from the perception of employers as well.

➢ Respondents weren't forthcoming as the questionnaire demanded to be more revealing.

➢ Considering the vastness of the topic time constrain was faced.

3 Research methodologies

3.1 Types of research

Primary and secondary data was relied upon for this research

3.2 Sample size

30 respondents working as employees in a corporate house were chosen out of which 26 respondents gave their input in our structured questionnaire.

3.2 Sample design

Convenience sampling design was used for this research.

3.3 Data collection tool

Structured questionnaire was distributed to collect primary data and online journals were referred for secondary data collection.

3.4 Profile of respondents

The respondents were employees of different age groups and genders from various corporate houses.

3.5 Method of analysis

Percentage analysis tool was used to compute primary data results.

3.6 Findings

To study the pattern of employees leaving their current job, a structured questionnaire was prepared and 30 employees from a corporate house were approached to answer the questionnaire. 86.7% of the respondents or 26 respondents out of 30 who gave their valuable feedback. The results are as follows.
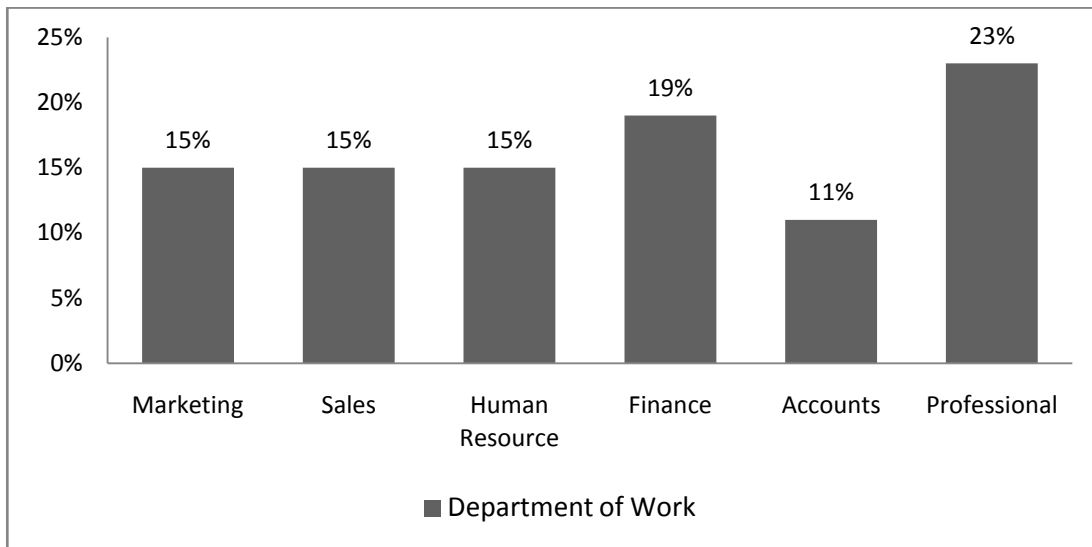
3.6.1 Department of work

Figure number: 1   *Source: Primary Data*

Inference- 23% or 6 out of 26 respondents were professionals. 19% or 5 out of 26 respondents were of finance department. 15% or 4our 26 respondents were from marketing, sales and human resource department. 11% of 2 out of 26 respondents were from accounts department.
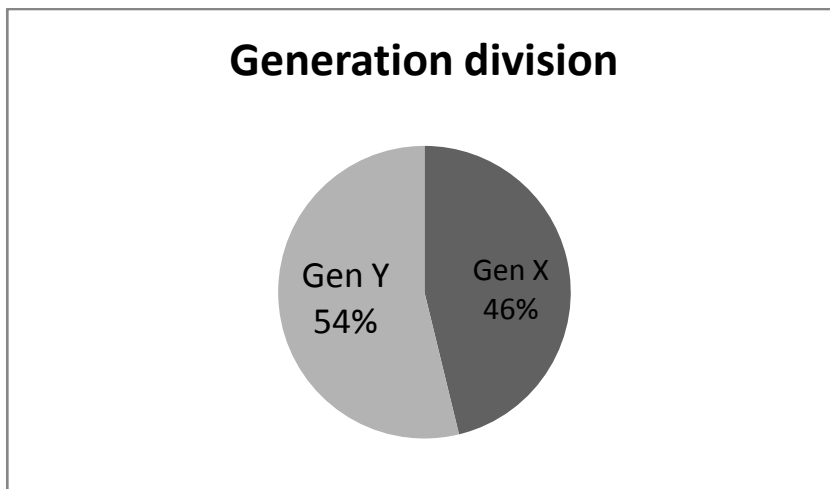
3.6.2 Bifurcation of Generations

Figure number: 2   *Source: Primary Data*

Inference- 54% or 14 out of 26 respondents belonged to the Gen Y category and 46% or 12 out of 26 belonged to Gen X category.
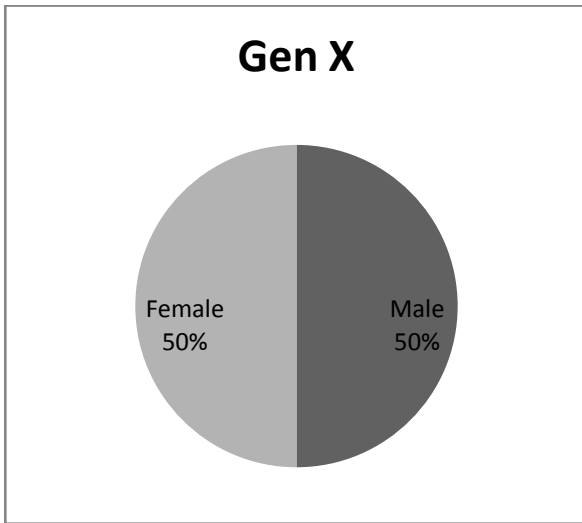
3.6.3 Gender bifurcation
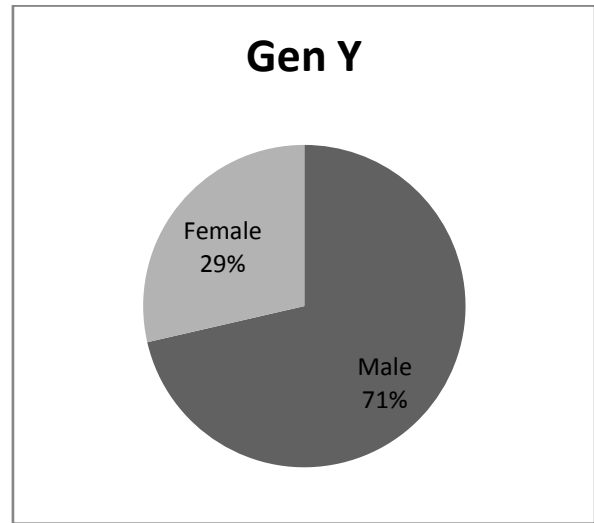

Figure number: 3	Source: Primary Data	Figure number: 4

Inference- From Figure 3 we can infer that, out of the 12 respondents who belonged to Gen X category, 50% or 6 out of 12 were either males or females and from Figure 4, we can infer that 71% or 10 out of 14 respondents were males and 29% or 4 out of 14 respondents were females.

3.6.4 Satisfaction level of current jobs
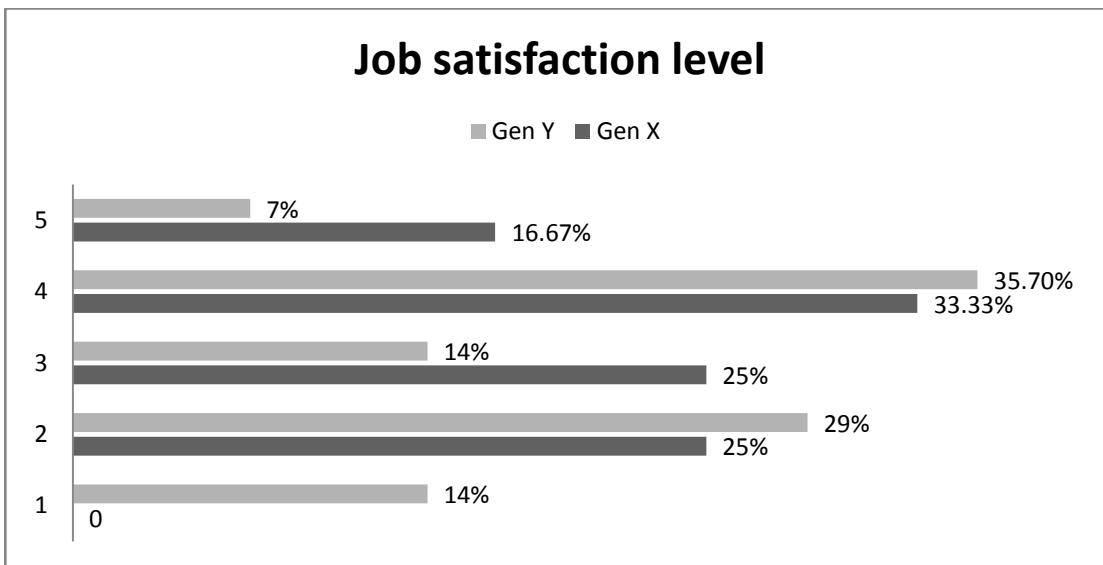

Figure number: 5   Source: Primary Data

Inference- from Figure 5, we can infer that 35.7% or 4 out of 12 respondents were satisfied with their current jobs whereas 33.3% or 5 out of 14 respondents were satisfied with their current jobs. We can also infer that none of the Gen X respondents was least happy with their jobs and in case of Gen Y respondents, 7% or 1 out of 14 respondents was very happy with the current job.

3.6.5 Job security

Growth Rate

■ Gen Y ■ Gen X

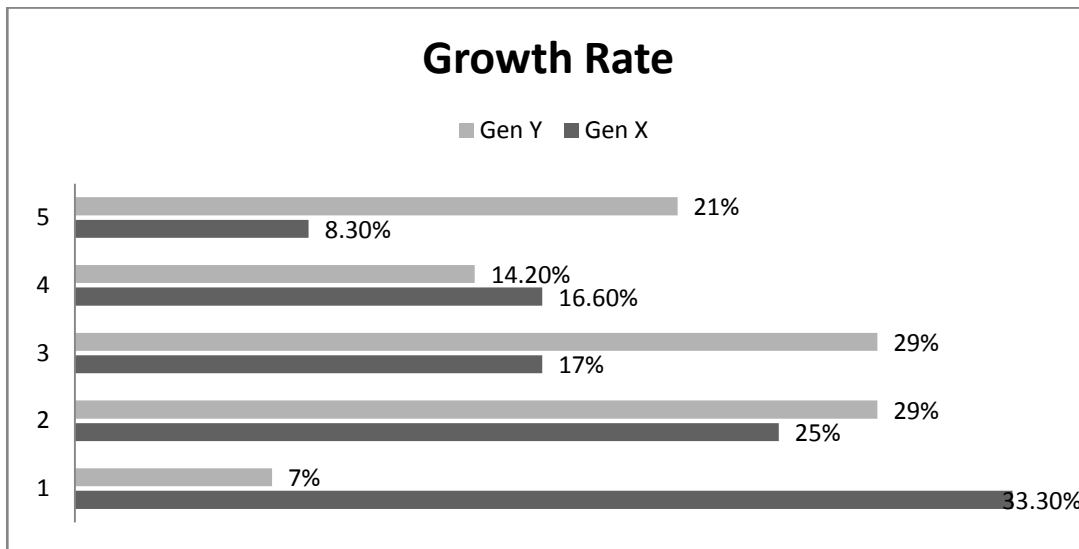|	
5	21% / 8.30%
4	14.20% / 16.60%
3	29% / 17%
2	29% / 25%
1	7% / 33.30%

Figure number: 6   *Source: Primary Data*

Inference- Figure 6 clearly denotes that 33.3% or 4 out of 12 Gen X respondents see their growth at their current firm whereas 29% or 4 out of 14 Gen Y respondents do not see a clear future at their current firm or stand neutral to the growth rate question. We can also say that 8.3% or 1 out of 12 Gen X respondents see their growth at their current firm strongly and 7% or 1 out of 14 Gen Y respondents do not see their growth at their current firm strongly.

3.6.6 Likeliness of leaving the job for better opportunity

Likeliness to leave

■ Gen Y ■ Gen X

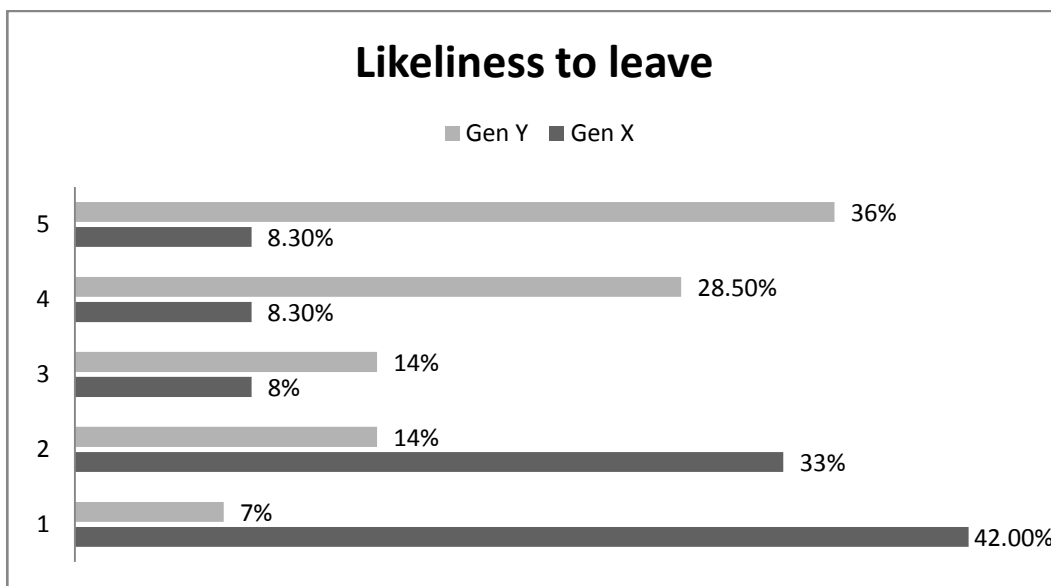|	
5	36% / 8.30%
4	28.50% / 8.30%
3	14% / 8%
2	14% / 33%
1	7% / 42.00%

Figure number: 7   *Source: Primary Data*

Inference- Figure 7 talks about an employee's likeness to leave their current firm for a better opportunity. 42% or 5 out 12 Gen X respondents were least likely to leave their current firm whereas 36% or 5 out of 14 Gen Y respondents were most likely to leave their current firm. We can also infer that 8.3% or 1 out of 12 Gen X respondents was most likely to leave whereas 14% or 2 out of 14 Gen Y respondents were less likely to leave their current jobs.

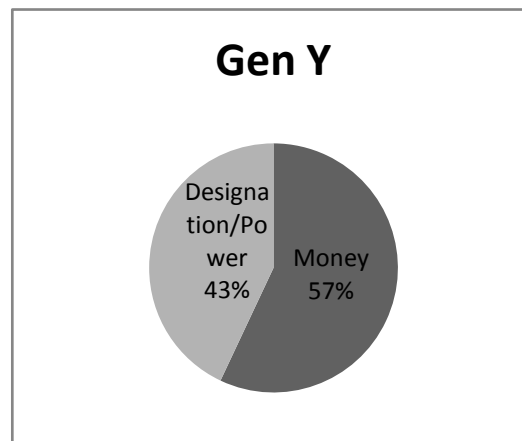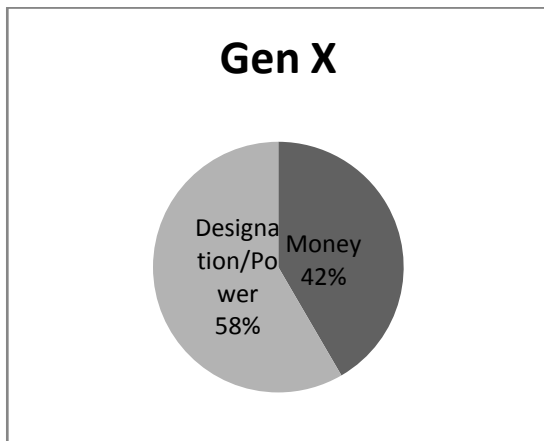### 3.6.7 Definition of better opportunity

Figure number: 8   Source: Primary Data   Figure number: 9

Inference- Figure 8 and 9 define what is meant by better opportunity according to Gen X and Gen Y respectively. According to 58% or 7 out of 12 Gen X respondents considered designation or power to be better opportunity whereas, according to 57% or 8 out of 14 respondents considered money as the better opportunity.

4 Discussions

The research received responses from 12 Gen X employees. 50% of them were males and 50% were females. Most of the Gen X i.e. 33.3% of the respondents was happy or satisfied with their current jobs. Also, 33.3% of the respondents do not see their growth at their current firm. However 42% of the respondents are least likely to leave their current jobs for better opportunity and 58% of them consider power or designation as better opportunity.

The research received responses from 14 Gen Y employees out of which 71% were males and 29% were females. 54% of Gen Y respondents were happy or satisfied with their jobs. However, only 29% of them do not see their growth rate at their current firms. Most of them i.e. 36% of them are likely to leave their jobs for better opportunity and according to 57% of them, money stands as the definition as against better opportunity.

Most of the respondents i.e. 23% were professionals and almost equal distribution of Gen X and Gen Y category was received. Among Gen X, we can state that even though most of them were not happy about happy about their current jobs and didn't see a growth at their current firms, most of them would not prefer to leave their current jobs for better designation and power. With respect to Gen Y, we can say that even though most of them did not see their growth at their current firm, they were happy about their jobs. However, most of them are likely to leave their current jobs for more money.

4.1 Retention strategies

Based on the above discussion, following retention strategies have been listed. The strategies are derived by combining the primary and secondary data.

To retain Gen X employees, following strategies can be implemented:

➢ Retirement Pension- Most of us wants to join Government jobs only for retirement benefits. Likewise, even a company can adopt a similar retirement benefit module to retain Gen X employees.
➢ Periodic Gratuity- Usually, gratuity is given ones or twice a year. A company instead of giving a lump sum in one single year can instead divide and give gratuity. In this way, a company would not be burdened and also will be able to give a little more or less amount.

➢ Family Holiday- Gen X employees usually long for more personal touch than Gen Y employees hence, organizing a short holiday trip involving the employees family would help more interaction among the colleagues

➢ Bonus Pool- Including seniors or Gen X employees at a high post in the bonus pool partially can also prove beneficial in retaining as this would mean as a small gesture of honor or respect given by the company to Gen X employees.

To retain Gen Y employees, following strategies can be implemented

➢ Executive Course- Most of the Gen Y would join a firm right after completing their UG courses to gain work experience and pursue a PG course to join a better firm for high salary. By providing Executive programs, the company can retain the Gen Y talent pool.

➢ Loans and Insurance- Providing loans and insurance to your Gen Y employees can also prove as an added benefit in retaining employees.

➢ Induction Program- First impression is really important hence, designing the right induction program with personal touch is all what it takes to lay a strong impression in the minds of employees.

➢ Group Holiday- Organizing a small team wise weekend short holiday will create a platform to interact and socialize.

➢ Event Passes- If a company is associated with any kind of event organizers, getting passes either for free or discounted rate for employees is yet another retention strategy that would not add up as cost to the company.

However, the following retention strategies can be used without differentiating between the Gen X and Gen Y employees.

➢ Provide Luxury- Luxury comes with a price. A company can offer to give car or house to the employee and be assured of either tying the employee to the firm for 5- 7 years or take the amount spent on luxury from the employee leaving the firm.

➢ Personal Touch- Sometimes, personal touch or interaction of managers with their employees is all it takes to make an employee feel secured and warm.

➢ Annual Family Meet- Annual family meet is like the "parent- teachers' meeting" that we used to have in our school days. Organizing a similar kind of meet at the office would help the family of the employee understand how important they are to the firm and also the family, having faith in the company would make the employee think twice before leaving the firm.

➢ Celebration- Celebrating is really important. Birthdays, project completion, exit interviews, induction and many such reasons can be enough to call for small celebration at the firm hence, creating a fun environment.

5 Suggestions and Conclusions

Studies reveal that the cost of retaining salaried employees is much lesser than the cost of losing one. Therefore, spending a little more in retention strategies would prove beneficial in the long run especially if the strategy is tailor made understanding the behavior pattern and need of an employee to increase the rate of investment. Our studies reveal that there is a huge difference between the thinking patterns and behavior of Gen X employees when compared with Gen Y employees. Therefore, the study can act as a strong base in framing of retention strategies.

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