

## The impact of personal growth of generation y employees among educational institutions in Tirunelveli:

### A retention view

Thangaraja A

Department of Management Studies, Manonmaniam Sundaranar University Tirunelveli, Tamilnadu, India.

#### Abstract

This study was initiated with a view to understand the generation Y employees' significance and their role in the development of the Educational institutions and various ways to retain the generation Y employees so that the company can ensure energetic work force. Generation Y employee are well known for their technology advancement which help them perform the job more efficiently and effectively. However, this generation also has the reputation of job-hopping. According to some of the studies, their average tenure in an organization is one to three year only. Due to their job-hopping characteristic, the organization is now facing the high turnover rate. High turnover rate will affect the organization negatively in both financial and performance aspect. This paper summarizes academic literature on employee retention driver and found that there is require conducting a research on the factors that help to retain the Generation Y employee in the aspect of Personal growth. The Personal growth was chosen because most of the organization already implemented the reward management, therefore the organization just need to align their reward strategic by meeting the need of Generation Y employee in order to retain them more effectively. This may consume less time and resources compare to implementation of a new strategy to retain the Generation Y employee. Personal growth has been derived from the review. Well-structured questionnaire was developed and 200 employees were surveyed and the results are analysed using SPSS v20 through which discussions were done for this study.

**KeyWords:** Employee Retention, Generation Y, Personal growth

#### 1. Introduction

This study was initiated with a view to understand the generation Y employees' significance and their role in the development of the Educational institutions and various ways to retain the generation Y employees so that the company can ensure energetic work force. Generation Y employee are well known for their technology advancement which help them perform the job more efficiently and effectively. However, this generation also has the reputation of job-hopping. According to some of the studies, their average tenure in an organization is one to three year only. Due to their job-hopping characteristic, the organization is now facing the high turnover rate. High turnover rate will affect the organization negatively in both financial and performance aspect. This paper summarizes academic literature on employee retention driver and found that there is require conducting a research on the factors that help to retain the Generation Y employee in the aspect of Personal growth. The Personal growth was chosen because most of the organization already implemented the reward management, therefore the organization just need to align their reward strategic by meeting the need of Generation Y employee in order to retain them more effectively.

#### 2. Research Question and Objective

What are the relationship between personal growth and GenY employee retention?

To examine the relationship between personal growth and geny employee retention.

#### 3. Literature Review

##### 3.1 Generation Y

GenY is widely known as the generation who born between 1980 and 2000 (Meier, *et al.*, 2010) <sup>[10]</sup>. The generation that is less clear with a lot of confusion over how to best describe them. Other term that have been used to describe them for example like Generation "Why", Millennial; Next-ers; and the Internet Generations (Sullivan, *et al.*, 2009) <sup>[14]</sup>. Gen Y were born in the era of the computer and are adept at/working with technology (Beekman, 2011) <sup>[4]</sup>. Besides that, they are also explore to the internet and the globally connected world (Princeton One, 2008). Coulon, *et al* (2008) also mentioned that techonogy and internet occupy largest part of GenY's lives. Technology savvy is the most significant characteristic (Barnett, 2014) <sup>[1]</sup> and also one of the core advantages to GenY, however it also bring the disadvantages in terms of cognitive, emotional, and social outcomes to the GenY (Immordino-Yang, *et al.*, 2012) <sup>[8]</sup>. For instance, GenY are too rely on technology for entertainment, communicate with others or even for emotion regulation (Bolton, *et al.*, 2013) <sup>[2]</sup>

##### 3.2 Generational Theory

As mentioned previously, different generation had its own distinct characteristic. The generational theory suggest that each generation are influenced by the political, economic or cultural context in which they evolve and the historic events that shape their values (Guillot-Soulez & Soulez, 2014; Crumpacker & Crumpacker, 2007) <sup>[6, 3]</sup>. Due to the power of these shared events, each generation had developed a unique set of beliefs and attitudes that guide its behavior and a unique pattern of behavior based on these common experiences (Guillot-Soulez & Soulez, 2014) <sup>[6]</sup>. For example, GenY

shares events like the 2008 economic crisis, the 9/11 terrorist attacks and the omnipresence. Because of these experiences, GenY may be identified with cynicism, skepticism and pessimism when compared with other generations (Yan, 2006). Moreover, social issues such as working parents, gender equality, and a less-child culture also affected the behavior of GenY (Erickson, 2008) [5]. In addition, Gen Y also experience the rapidly technology change such as Internet and computer (Yan, 2006). Therefore, there is no surprise that GenY will bring the different work value and attributes to the workplace than other previous generation (O'Malley, 2006; Munro, 2010) [11, 9]. Nevertheless, bear in mind that same generation cohorts may have different core culture and work value in different region. Macky, *et al.* (2008) said that each individual in the given generational cohort would not experience life events in the same way particularly socio-economic and socio-cultural, which are different from national, cultural and ethnic (Guillot-Soulez & Soulez, 2014) [6]. Cheng and Comeau, (2014) also conclude that the definition for these generations cohort which generally accepted in Western countries might not be completely applicable to all other countries, such as in Eastern countries.

#### 4. Dependent Variable

##### 4.1 Employee Retention

Employee retention had become most critical challenges and concern for the organization nowadays (Hausknecht, *et al.*, 2009; Oladapo, 2014; Shore, 2013; Allen, *et al.*, 2010). Retention of employee is a widespread problem across the Asia area, as almost all (92%) respondents admit that their organization had problems retaining the employee (Gandolfi, 2008). There is no one clear definition of employee retention, however in board term, employee retention refer to the strategy, practice that help the organization to keep the employee in the company (Man Power, 2009). According to Das & Baruah (2013), retention the of key employee will bring long-term health and success to any organization. Similary, Zingheim, *et al.* (2009) also claim that keeping the best talent closest is one of the core competencies for the organization. Besides that, strong employee retention will help the organization provide a quality services to the customer and achieve the business goal more effectively (Anon., 2011).

#### 5. Independent Variables

The current researcher has identified one independent variables, which has been studying in relation with the specific research issue i.e. the reward factor that help the organization retain the GenY more effectively. The current researchers choose personal development because the influence of these variables on employee retention has been discussed in the past scholar (Mehta, *et al.*, 2014; Irshad, 2007; Iles, *et al.*, 2010; Sinha, 2012). This study focus on only the personal growth of the Gen Y employees on retention.

#### 6. Research Methodology

##### 6.1 Research Design

In this study, descriptive research design is selected because the data is collected without manipulated the environment. The descriptive research also helps to examine the relationship between the personal growth and retention of GenY employee by describing the impact of personal growth reward factors on the retention of GenY employee.

##### 6.2 Population of the study

Since the objective of this research is to examine the relationship between retention of GenY employee and the personal growth therefore the target population of this study is the GenY who are currently being employed by an organization. The age range of the target population is the employee who age between 21 and 35 years old. Although, GenY refers to the individual who born between 1980 and 2000 which mean the individual age between 15 to 35 years old, but the current researcher choose 21 years old as a starting age because most employee in India will start their career after complete their diploma/degree courses which mean around 21 and 22 year old. The target population is regardless of their demographic factors such as age, gender religion etc. The identify the target population is important because this helps in analyzing the target population's every ideological perspective toward the employee retention in the aspect of personal growth.

##### 6.2.1 Sampling

In this study, probability-sampling method will be selected therefore every individual in the target population will have equal chance of being selected. There are many sampling techniques under probability sampling and the researcher chooses to adopt the simple random technique.

##### 6.2.2 Sample size determination

The general rule of thumb is no less than 50 participants for a Simple Linear Regression with the number increasing with larger numbers of independent variables (Wilson, *et al.*, 2007). Green (1991) provides a comprehensive formula used to determine regression sample sizes. The following is the formula used to calculate the minimum sample size needed:

$$N > 50 + 8m$$

N = Number of sample size

m = number of independent variables

Therefore the minimum amount of sample size for this study is 98 after calculate by using the formula. The calculation is  $N > 50 + 8(6) = 98$ . The target sample size for this study is 200 so is exceeded the minimum requirement sample size.

##### 6.3 Hypothesis

Ongori & Agolla (2009) mentioned that lack of personal growth in Educational institutions results will leads to increased employee intention to quit. As Benson, *et al.* (2004) have noted, a prevailing notion in the literature is that personal growth will leads to effective employee retention

H<sub>1</sub>: There is a significant relationship between personal growth and the retention of GenY employee

H<sub>0</sub>: There no significant relationship between personal growth and the retention of GenY employee

Normality Test

The researcher carries out Normality Test to analyze whether the collected data is well modeled by a normal distribution. Due to the sample size is more than 50, the researcher had selected Kolmogorov Smirnov test of normality. If the result show that p value is less than 0.05, which mean it reject the normality hypothesis, in other word, distribution is non-normal. In contrast, if p value more than 0.05, it indicates that the data is normal distributed. However, the researcher still can check the z-score if the result showing that the data is non-normal distributed. If the z-score is within the cut off range of

$\pm 3.29$ , it indicate that the non-normal distribution issue is not serious and the analysis can be proceeded. The z-score can be

Measured by dividing the statistic value and standard error value of skewness.

## 7. Findings and Discussions

Model summary

Model	R	R Square	Adjusted R Square	Std Error	Durbin-Watson	F	Unstandardized coefficient	standardized coefficient	Beta
1	.81	.63	.62	.461	1.362	16.15	.128	.139	0.216

\* Significant at .01 level.

The R square of 0.63 indicate 63% variance of Retention of GenY is explained by the independent variable. The remaining 37% is the error term, which may be explained by other independent variables which not included in this study. The Durbin-Watson value (1.797) is within the range of 1 to 3, which shows that the error deviation is uncorrelated to each other. In other word, the error is not dependent on each other and periodic function being fitted is appropriate for the data value. Nevertheless, the assumption of homoscedasticity has been met because the Durbin Watson value (1.797) is within the acceptable range. This show that the error term in the data is independent and does not auto-correlated with each other therefore the variance of error is the equal across all the level of independent variables. This proves that no multicollinearity issues have been found between the variables. When there are a significant relationship between the dependent variables and independent variables, the regression equation can use to predict the value of a dependent variable by given the value of independent variable (Saunders, *et al.*, 2007). The proposed regression equation is shown below:

$$Y (\text{Retention of GenY employee}) = 0.128 (\text{PG})$$

Increase in personal growth by one unit will increase Y by 0.128 units. The employees benefits obtain highest beta value (0.216) indicate that employee benefits had greatest positive influence over the Retention of GenY employee.

**H<sub>0</sub>:** There no significant relationship between personal growth and the retention of GenY employee

There is a significant relationship between personal growth and retention of GenY employee because p value for personal growth is 0.046, which are less than 0.05 therefore it rejected the null hypothesis. Besides, the relationships between these two variables are positive due to B value is 0.128. The result is same with the study, which conducted by Kwenin (2013) and stated the company who help employee in personal growth will retain the employee more effectively. Wan, (2007) also support that personal growth is one of the strategy for Educational institutions to enhance their retention rate. The main reason why the personal growth has influence over retention is that now the GenY has rising expectation toward their career (Schramm, 2015). As Benson, *et al.* (2004) have noted, a prevailing notion in the literature is that personal growth will leads to positive employee attitudes, and that supporting personal growth within the organization can be effective in recruiting and retaining employees

## 8. Conclusion

The study show that employee personal growth have the greatest positive influence over employee retention. This prove that the Educational institutions in Malaysia are underatstand the need of GenY, thus the organization retooled

the benefits package and used the right communication channel to explain the benefits to them. According to Alexandra (2014), employee will have more influence on retention when the Educational institutions used the right benefits communications. These may become the main reason why the works benefits had greatest influence over the retention in the perspective of GenY employee in Tirunelveli. The GenY employee will value the benefits that will protect them financially thus more willing to stay at the company.

## 9. Reference

1. Barnett Randy E. The structure of liberty: Justice and the rule of law. OUP Oxford, 2014.
2. Bolton, Chatrchyan Serguei. Observation of long-range, near-side angular correlations in pPb collisions at the LHC. Physics Letters B 2013; 718(3):795-814.
3. Crumpacker, Crumpacker. Rapid and durable antiretroviral effect of the HIV-1 integrase inhibitor raltegravir as part of combination therapy in treatment-naive patients with HIV-1 infection: results of a 48-week controlled study. JAIDS Journal of Acquired Immune Deficiency Syndromes. 2007; 46(2):125-133.
4. Beekman E. Indications for cardiac catheterization and intervention in pediatric cardiac disease a scientific statement from the American Heart Association. Circulation, 2011; 123(22):2607-2652.
5. Erickson, Arthur F, Kramer. Be smart, exercise your heart: exercise effects on brain and cognition. Nature reviews neuroscience 2008; 9(1):58-65.
6. Guillot-Soulez Chloé, Sébastien Soulez. On the heterogeneity of Generation Y job preferences. Employee Relations 2014; 36(4):319-332.
7. Hausknecht. O impacto de variáveis organizacionais na fidelização: Papel moderador da personalidade. Diss, 2014.
8. Immordino-Yang, Mary Helen, Joanna A. Christodoulou, and Vanessa Singh. Rest is not idleness implications of the brain's default mode for human development and education. Perspectives on Psychological Science 2012; 7(4):352-364.
9. Munro. Predictive markers of anthracycline benefit: a prospectively planned analysis of the UK National Epirubicin Adjuvant Trial (NEAT/BR9601). The lancet oncology 2010; 11(3):266-274.
10. Meier Horst, Rajkumar Roy, Günther Seliger. Industrial product-service systems—IPS 2. CIRP Annals-Manufacturing Technology 2010; 59(2):607-627.
11. O'Malley. Monitoring the Future: National Survey Results on Drug Use, Secondary School Students, 2005. NIH

- Publication No. 06-5883." National Institute on Drug Abuse (NIDA) 1975-2005, 2006, 1.
12. Ong Ying Hui. High-temperature EBPR process: The performance, analysis of PAOs and GAOs and the fine-scale population study of *Candidatus Accumulibacter phosphatis* water research 2014; 64:102-112.
  13. Princeton One. Antecedents of Participation in Physical Activity among Generation Y at a South African Higher Education Institution. *Mediterranean Journal of Social Sciences* 2009, 2014; 5(21):291.
  14. Sullivan, Pamela Sklar. Common polygenic variation contributes to risk of schizophrenia and bipolar disorder. *Nature* 2009; 460:7256, 748-752.