

**RETENTION OF GENERATION Y EMPLOYEE: A CASE STUDY
OF “FOREIGN LANGUAGE INSTITUTION X”**



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OF “FOREIGN LANGUAGE INSTITUTION X”**

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ABSTRACT

It has been well known these days that generation Y employees are not those who are easy to be retained in the company. As the management of today, it is important that they need to understand in deep on their motivations and factors on how to keep generation Y engaged in their work and stay in the company. This thematic paper will provide the information and reaseach study on how to retain the generation Y employees with the case study of Foreign Language Institution X, starting with the literature review with the later usage of qualitative methodology research to be summarized into the interesting findings. The results implied that for generation Y, there are many aspects they need from their employers in order for them to be engaged in their job. With the right approach, generation Y will be the valuable assets to the company at last.

KEY WORDS: Generation Y / Motivation / Engagement / Retention / Management

30 pages

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CHAPTER I

INTRODUCTION

In business world nowadays, the competition has turned to be drastically more competitive than it used to be in the past. Every organization has to adapt quickly in several areas within their business while still aiming to excel and maximize their profitability for their shareholders as well. Those who can adapt faster than others would have a chance to gain significant competitive advantages over their competitors in the market while those who cannot might end up with a loss or an exit from the business in the worst case scenario at last.

As there are many areas in the organization which required adjustment from the fast changing business context, human capital is one of the areas that management team in the organization needs to pay close attention to also due to the fact that it is the primary resource to drive the business. The changing context especially from the impact of globalization has turned the workforce these days into diverse groups of individual who have the different behaviour, value, belief and mindset from their predecessors and those traits are transferred into their professional world as well. The current demographic changes occurring worldwide has the potential to cause great concern for management of each company increasingly (Solnet, Kralj and Kandampully, 2012) Hence, it is essential that the business needs to understand more about them in order to meet the need and requirement of the new changing workforce and to be able to retain them to maximize their capability to benefit the organization.

The discussion about Generation Y as a workforce has become one of the challenges organizations are encountering currently in the area of human capital. Generation Y employees started to enter the business world in the early 2000's and gradually become the majority of the workforce as the time goes by. Management for every organization are increasingly worried about this particular type of workforce since their attitude and behaviour in a workplace are different from the previous

generation and it can be evidently seen that they can be a significant issue for organization if they are not treated as the way they want to be and they will leave the company eventually due to job dissatisfaction. For each resignation of the employee in the company, it would cost the company in many types of expenses such as recruitment expense, training expenses, administrative expenses and also the opportunity cost from the loss of knowledge and expertise. This apparently would have an impact of the bottom line of the organization as the higher rate of resignation results in the lesser profit of the company. Hence, it is important that the organization understand about Generation Y and how to treat them in the workplace to develop appropriate approaches to effectively motivate and manage them (Baldonado and Spangenburg, 2009) in order to create their job satisfaction and retention within the company.

Contextual Background

This research aims to study the retention of Generation Y in the Foreign Language Institute X. The company is currently one of the biggest language institutes in Thailand with the total employees of 550 staff. With positioning as the sales driven educational institute within service industry, the company is encountering the issue of high turnover rate at 60% in the past three years which has the big impact on the business performance and financial result. Since the company regards themselves as “Young Organization” as 90% of the employees belong to the cohort of Generation Y, it is important to focus on the particular group of employees since they are the clear dominant majority of the staff with the high turnover rate.

Hence, the research question for this study is “How to retain Generation Y employees within Foreign Language Institute X?” The objectives are to understand the motivation in the workplace of Generation Y in general and at Foreign Language Institute X, identify the current issues and factors to retain them and lastly, suggest the recommendation to improve the retention and engagement to the company.

CHAPTER II

LITERATURE REVIEW

Prior to the further discussion in this paper, it is essential to know and understand first about who Generation Y is and what is the main characteristics of this Generation in order to be able to scope down the research and gain the framework to further analyze in this paper.

Generation Y, who are they?

A generation, or a generational cohort, is as a group of people born in the same defined period of years that have experienced similar societal and historical life events during the critical stages of their formative development (Schaie, 1965 as cited in Solnet, Kralj and Kandampully, 2012) The external forces that influence the creation of their shared value systems differ from one generation to the other generations, leading to noticeable differences in the way each generation reacts to several aspects in their lives such as authority, their work related values and what they will do to satisfy their values (Gursoy et al., 2008 as cited in Solnet, Kralj and Kandampully, 2012)

So who could be counted as Generation Y? As a matter of fact, there are several different other names to call this generation as well such as Millennial, Echo Boomer, Netter and Nexter for example, however, the term “Generation Y” would be used to mention about them in this paper as a standard.

The term Generation Y are those individuals born between approximately 1979 and 1994 (Yeaton, 2008) Interestingly, according to the literature review with various academic papers and journals, the cohort year starting of Generation Y can be different among authors ranging from 1977 to 1982 as a starting years and ends around 1994 to 1995. The reason behind could be from the fact that each research has been done in different countries where the counting of starting year and ending years can

differ. Nevertheless, it would be useful for the purpose of categorization to define the period of years which identifies Generation Y in this paper.

Generation Y traits and motivation at work

Around the early 2000's is when the first new wave of Generation Y started to get in to the global workforce and they have made their predecessors like Baby Boomers and Gen X wonder on how to take care this new wave of employees. New technology always comes with the attached manual to use but it is not the same case of the emergence of Generation Y in the workplace. It is essential for the organizations to understand the characteristics and motivation of this generation since they have their own unique traits and behaviours which can be beneficial if we utilize them in a proper way while it can cause negative impact to the employers as well if they are treated improperly.

Motivation refers to the internal or external forces acting on or within an individual to direct behaviours (Gibson et al., 2006 as cited in Lim, 2012) Each generation has their own career motivation, so does Generation Y. If people, regardless of generation, are motivated, they will have an engagement to stay and work for the company. Therefore, employers that adjust their human resources strategies to be more flexible and attractively accommodating to employee values, will have more opportunity to attract talents, and ultimately be the employer of choice within the competition (Lowe and Schellenburg, 2002 as cited in Hurst and Good, 2009) Lindquist (2008) quoted by Luscome, Lewis and Biggs (2012) asserts that the policies and methods used previously to retain the talents and employees from previous generations are likely to be ineffective with Generation Y. Hence, the investigation and deep understanding of value and career motivation of Generation Y would lead to the ultimate purpose of this paper on how to retain the Generation Y employees at last.

There are many outstanding traits one can spot from the people in Generation Y which reflect their own personal values and their work motivation as well. From the literature review, the traits and how to keep Generation Y motivated are quite similar overall but somewhat different as well which can be listed as following:

- Relationships and collaboration matter: Generation Y employees pay great value on friendships, co-worker relationships and trust, and they love to work together to achieve goals (Solnet, Kralj and Kandampully, 2012) Most of Generation Y indicate that having a good relationship within the team including boss and colleagues are one of the priorities to generate their workplace motivation. In fact, Generation Y can work well alone but given the chance, they actually work better together (Martin, 2005) However, it is interesting to see from the research of Twenge and Campbell (2008) who claimed that the need of social approval is decreasing for Generation Y which is quite contradict to other research. In my opinion, it might be somewhat correct more on the Western Generation Y, but not in the context of Thailand where the culture is different. Generation Y in Thailand appears to place a significant value on having a sense of belonging with the group and be able to identify as an important part of their society. Moreover, Choi, Kwon and Kim (2012) have gone further in their research that workplace fun could have a very significant impact on Generation Y work satisfaction by easing work-related tensions especially in the service industry context where “Happy employees create happy customers” which is directly related to this study. Additionally, they further cited that the positive moods tend to spill over from one employee to others which would create the fun culture with the positive impact to the organization and business eventually.

- Strong sense of morality and life purpose: According to Yeaton (2008), Because Generation Y tends to have a strong sense of morality and civic-mindedness; they are looking for careers with social significance. Also, they are willing to contribute to a greater society and try to find something meaningful for their life. Allen (2004) quoted by Hurst and Good (2009) mentioned in the same way that making a great deal of money appears is less of the motivator for this generation, whereas contributing to society and enjoying a fulfilled and balanced life appears to be more motivating. Pure money is not necessarily the prime motivation for this group (Solnet, Kralj and Kandampully, 2012) They are happy to work continuously without stopping if they are given responsibility, they can see value of the task and they believe in what they are doing (Weyland, 2011) Interestingly, though money is not their main issue, Weyland (2011) also added that it does not mean that you can take advantage of this with pay below the market either since Generation Y want to be

respected and underpaying them is a quick way to alienating them which is a very interesting point to me since she is the only one who have mentioned this from all of the reviewed reading.

- **Work-life balance & autonomy:** Generation Y places a high value on having enough flexibility to enjoy their hobbies and interests outside of work (Downs, 2009) This is related to the technological aspect as well since they see the work as something which can be done anytime and anywhere. They believe that they have several of things to do in their lives more than an all-consuming career and everything is required to be accomplished at the same time as well which is why they have a trait of multitasker as well. Having a flexible work schedule is crucial for them since Generation Y wants a life outside of work (Yeaton, 2008) Moreover, Generation Y does not like to be closely controlled by their superiors as they would like to get the task finished by their own abilities and pace. However, surprising, as a contradiction, they would prefer to have the clear set of direction and structure for them to perform their tasks as well.

- **Self confident & Need challenge and development:** Born during the expansion time of the global economy, Generation Y would have a high expectation about themselves and everything around them including the employers also. They are confident in themselves and optimistic that they can achieve in anything they want. This generation tends to perform the best when their abilities are identified and matched with challenging work that motivates them to maximize their potential (Martin and Tulgan, 2006 as cited in Hurst and Good, 2009) Additionally, they place high value on improving themselves to learn and grow in their respective career also. McArthur (2009) cited that Training is not just a tool for productivity but it is a tool for retention as well. With all of the aforementioned attributes, it is not surprising though that they are not willing to stay on the job long if they do not receive work that is continuously more challenging and providing them the growth and learning opportunities (Downs, 2009)

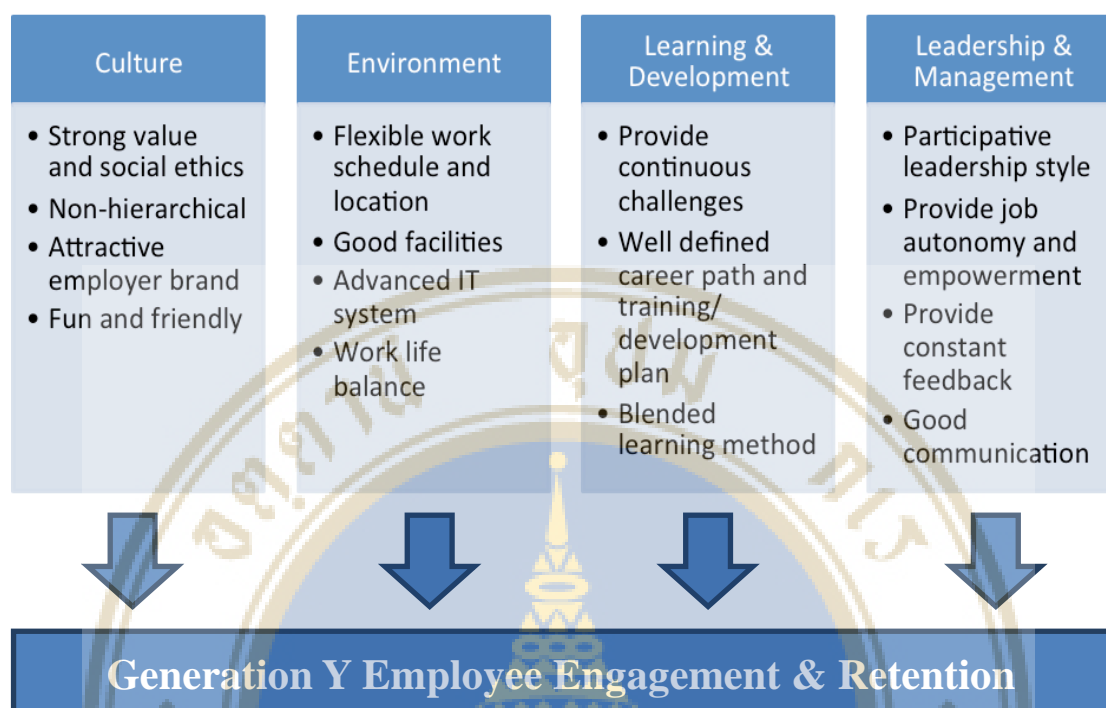
- **Goal and achievement oriented:** This is the interesting point from Yeaton (2008) that this generation has grown up playing computer games, so they are familiar with consistently achieving goals in order to win and move to other challenges and stages. Therefore, those experiences have groomed this generation to

become exceptionally goal and achievement oriented which further extend to the workplace when they join as well. If they do not see the opportunity for them to advance in the company, it is likely that they would decide to leave for the better one.

- Techno-savvy: Generation Y has grown up in the era of new technologies emerging and changing rapidly, hence, technologies can be called “Generation Y’s best friend”. They can easily adapt to new technologies and they integrate every kind of new technologies into their routine lives. It can be viewed that those technology are not for fun only, but it can be regarded as learning tools for Generation Y also (Yeaton, 2008) such as the presence of Yahoo and Google where everyone can gain the knowledge 24/7 by only surfing the web browser. According to Martin (2005), the employees from this generation would not be interested only about the company culture, goals, product and services, compensation and benefits, but also about the technology the company uses also if it is advanced enough to facilitate their working lives.

Generation Y engagement and retention framework

There are various frameworks and theories which are related to this study according to the literature review. Nevertheless, the main framework to be used in this study is from the journal of Weyland (2010) where the author have framed the perspective on how to keep Generation Y engaged and be able to retain them into 4 categories (See Table 2.1)

Table 2.1 Generation Y Employee Retention Framework

- **Culture:** Culture is about how things are done within a company. Generation Y are particularly attracted to companies with strong values, social ethics, outstanding and attractive brands and non-hierarchical environment (Weyland, 2010) The company needs to be clear on the value and try to make the employer brand attractive to start with the right foot with Generation Y in the first place. Furthermore, related directly to this study of Foreign Language Institute X , fun working environment and setting created will improve the productivity of the employees especially in the service industry and in return, it would make them feel happy with their job as well (Choi, Kwon and Kim, 2012)

- **Environment:** Environment refers to the working environment and condition to perform the job. It is important for employers to have the facilities to support Generation Y in their working conditions. IT system and technology is one of the things Generation Y would focus on as previously mentioned and also, the flexibility program in work schedule/ location would also improve retention.

- **Learning and development:** Structuring learning of Generation Y is another key to keep them engaged. As they like to have new challenges and would

like to have continuous self-improvement, the company can design several of the policies to serve this need of Generation Y such as giving more of the responsibilities, provide the solid career path, give them autonomy to learn, mentor system and also set the comprehensive training method and roadmap to fit with their way of learning.

- **Management and Leadership:** As Generation Y is looking for collaboration, mutual respect and connecting to their leaders, the company can adjust the management style to fit with this generation. Interestingly, Weyland (2010) cited that even though other aspects are excellent but the management style is bureaucratic or weak leadership, Generation Y employees have a strong tendency to leave even if they enjoy their jobs. Also, providing feedback and give them the right amount of communication is also the way to keep them happy with their positions as well.

In summary of the literature, there are many of the area different authors have pointed out about the description and how to get Generation Y engaged in the company. All of the studies are quite similar but might be different in some of the aspects though. According to the case study of Foreign Language Institute X, we can see that the company would be able to identify well with the literatures about Generation Y since 90% of their employees belong to this generation. However, these studies have been done in various countries such as US, Australia, UAE for example but none in Thailand, hence, it would be interesting for us to see further in the finding section on how well the review will be applied in Thailand case and particularly Foreign Language Institute X organization.

CHAPTER III

METHODOLOGY

The research methodology for this study is to use the qualitative research by in-depth interview since it would be the best method to identify and analyze the in-depth situation in the context of the company. Qualitative research is an empirical research where the data are not in the form of numbers. The purpose of this method is to gather an in-depth understanding of human behaviours and the reasons behind to create those behaviours as well (Flick, 2014) The technique using in this study is to use the semi-structured face-to-face interview with the open-ended questions. The semi-structured interview consists of prepared questioning guided by identified themes in a consistent and systematic manner together with probing technique to find out for more clarity from the response (Qu and Dumay, 2011) This technique aim to let the interviewees be able to express their opinions freely and it would prevent the case that the interviewees' answers would be influenced by the interviewer's opinion hidden in the questions as well. Moreover, the probing technique was applied during the interview as well to ensure that the correct ideas and in-depth view from the interviewees would be well obtained.

The sample group of the interviewees has been decided to fit with this research are divided into four categories who are all working or has an experience working in this company before and willing to participate in this study.

1. Two generation Y staff who are currently working in the company for more than 2 years and have no further plan to leave the company in a near future. These staffs are the sample of population who has solidified their career within the company already which means that they would be able to provide the details on how the company has been able to make them engaged to stay.

2. Three generation Y staff who recently resigned from the company less than 3 months. This type of sample will provide the inside and details about the reason

they resigned from the company and what have gone wrong within their employer and employee relationship.

3. Human Resources Director who are in charge of the overall Human Resources strategies and issues. Despite the fact that this person does not belong to generation Y, this person would be able to provide the information for us to initially understand the current circumstance in the company in the aspect of Generation Y retention and the strategies the company has been implemented including the result of implementation and the issues they are facing.

4. Human Resources Specialist who belongs to the Generation Y cohort. The author would like to interview this staff since they can share the perspective to this study from both the side of Generation Y and the side of being the Human Resources agent who are in charge of the retention of employees also.

The list and brief profiles for interviewees are showed as table 3.1:

Table 3.1: Interviewees' profile

Position	Year of Birth	Currently working at the company	Duration of work at the company
Service officer Team leader	1986	Yes	2 years 3 months
Senior Sales Consultant	1987	Yes	3 years 7 months
Sales Consultant Lead	1984	No (Resigned Feb 14)	5 years
Telemarketing officer	1988	No (Resigned Jan 14)	9 months
Marketing support officer	1986	No (Resigned Jan 14)	3 years 1 months
Human Resources Director	-	Yes	1 year
Human Resources Specialist	1982	Yes	7 months

As previously mentioned that the interview would be the semi-structured open-ended questions interview, the author has developed the list of questions to fit with each category of the interviewees also. The questions have been developed to link with the framework of Wayland (2010) about the areas of retention for generation Y previously mentioned in the literature review chapter. The questions are provided as below by the category of interviewee.

Current generation Y Employees / Recently resigned generation Y Employees / Human Resources Specialist

- What made decided you join this company?

- Has your impression has been changed after joining here?
- What do like and dislike about working here?
- What makes you stay and still working in this company? (**Current Employees**)
- What made you decided to resign from this company? (**Resigned Employees**)
- Could you tell me one by one in each area of how do you feel about the value and culture, working condition, training & development and leadership here?
- In general, what are the factors for you to join one company and what are the factors to leave the job?
- As being both Generation Y and HR professional, what do you think are the challenges in retaining Generation Y here? (**HR Specialist**)
- What have you done or trying to do so far to help the retention to be improved here? (**HR Specialist**)
- What would be your suggestions for the company to improve?

Human Resources Director

- What do you think about Generation Y in general?
- What is the current situation of retaining Generation Y here now? Have you got any difficulty or issue? If yes, what are the challenges now?
- What are the current strategies to retain Generation Y in the organization in terms of each area about value and culture, working condition, training & development and leadership? And what is the result so far?
- What do you think is the most important thing to retain Generation Y here?
- What do you foresee what could be or being a constraint to the plan now?

The data were analyzed and categorized into five major areas according to the framework used within this research with the additional perspective on Human Resources department. After the discussion with the interviewees, the common themes are identified after receiving the feedback on the questions given regarding the issue of retaining Generation Y at Foreign Language Institute X and how to retain them in general. It could be summarized into five areas as following:

- Culture and value aspects
- Working environment
- Learning and development
- Leadership and Management
- Human Resources department perspective



CHAPTER IV

FINDINGS

From the response of the in-depth interview with the interviewees, the conclusion of the areas which have an impact or importance to the decision to stay in the company can be categorized by using the framework for this study to investigate in 4 areas which are leadership, culture, environment, and learning & development. Also, within this finding, we would be able to spot out on the area of the issue where this company is encountering and should be improved in the future to be able to retain their Generation Y employees.

Leadership

Leadership has always been a significant issue of several organizations. Especially for the top management of the company, strong and good leadership is the key to lead company to the success since most of the policies and actions in the company will come from the direction of top management team. From the interview, most of the interviewees cited that their pleasure and satisfaction within the workplace related significantly to the way they feel about their leaders in the organization either the top management team or their direct supervisors. Also, they believe that leadership is the first key step to contribute to the success of others area in retention.

Respondent A mentioned about what is his perspective about leadership and how the leadership in the company is: *“I am the person who respect the leaders who are kind, open-minded and care for their subordinates while being good at their work as well. However, it is not a case for this company. The senior management level has never seemed to care about their employees at all and sometimes they just do not know what they are supposed to do as a leader. They always come in the center and never greet anyone except those who are the top sales person.”* Respondent C added the point to strengthen the case that leadership at this company is the serious problem and how the whole system has been corrupted: *“I see that all of the problems here*

started from the not so good leadership of the top management. As a top management, you set a business direction, policies, culture and values within this company which with definitely have effects on everyone. Once you did things wrong in the first place, other things would go wrong also. The middle management team has no power to argue or give contrary opinions even though they disagree, so they have to comply and do whatever the top management team said and a lot of them are too busy pleasing the senior management to get a promotion rather than actually managing the team.”

Respondent C further added that leadership issue was the reason why she resigned: *“I resigned since I think the management here does not care about the employees at all. They think they can do whatever they want to do with the employees and they have an attitude that if you get my paycheck, you need to be able to do anything they tell you to regarding the job. I personally myself had been treated like an object for a past few years before my resignation which is the reason why I decided to resign.”* It can be interpreted here also that Generation Y at this company needs the leaders to respect them as a professional and a human being as well. Additionally, they would like to have autonomy in their work but they would still need some structure and guideline still for them to perform with engagement. Respondent G mention about autonomy as: *“I do not like the way top leaders micro-managing the whole company. Just give us the clear guideline and let us do our jobs, then we would be able to do perfectly without closely monitoring in every hour”*

Lastly regarding the leadership is about constant effective communication is the key to keep Generation Y here engaged with the company. Getting constant feedback and knowing about the update progress in the company are what they are looking for as respondent B mentioned: *“I would like to know constantly the progress of my career and the update of what is going on in the organization.”* However, it seems that the communication has still not been done very well in this company due to the style of leadership as respondent G pointed out the incident that she just knew that the company has been recently taken over by other company via Facebook: *“They never communicate much of the thing. I just knew that our company has been sold to other company when I scrolled down my Facebook page to see the news. This should be communicated by top management but they have not yet done so up until now.”*

As a summary of the leadership area, the main issues for Foreign Language Institute X are an ineffective leadership for all level of management, disconnection between management and staff, micro-management from the leaders and a lack of communication to staff. The area of leadership seems to be the most crucial area in this company since all of other aspects within the organization are determined by the directions, opinions and beliefs of the leaders.

Culture and Values

Culture and value of the company is one of the important areas to contribute to Generation Y retention in a company. Creating the culture and value to fit with them is the fundamental to the long-term success of the relationship between employer and employees. From the interview, mix opinions have been shared from the respondents regarding this area of this organization. It can be concluded also that culture and value play the essential role in the decision making of Generation Y employees here whether they would stay or leave the company.

All respondents have agreed that the exciting and fun working culture would motivate them in the workplace the most. They would like to have the working atmosphere to be friendly and collaborative within the organization. Social events should be held frequently for people to interact and get to know each other to benefit them in a long run of workplace relationship. Respondent D expressed that she believes in fun culture and the culture in the company used to be more fun before but turned to be stressed and dull lately: *“Fun is something that everyone wants while working also. I used to be a lot of parties before but lately, the atmosphere has been so stressed and boring since everyone including the managers is focusing on reaching the sales target. There is not much of the laughter and chit-chat anymore in our room”* Respondent E showed the same sentiment in the statement: *“If the fun workplace environment is back, I believe that people will not leave as much as of now”* Interestingly, many have mentioned that the reason they joined the company in the first place was due to the fact that it seemed to be fun working here but some found out later that it is not that fun as they expected.

Also, they have mentioned that the values created have not been followed accordingly at all which made them lost the trust in the company. Respondent F

illustrated the incident which showed the failure to align the value: *“Integrity is one of the values here in this company, but I have found out many times that many including even top management do not care about this value.”* Respondent C added that she sees that another of the value has not been followed either: *“They have the value about Caring but it seems like they do not care much at all. It is true that they care a lot about their customers but they do not care much about people working for them.”*

Moreover, respondent G further added about the culture of bias and the inexistence of rules and structures created by the top leaders which leads to internal politics as well: *“This is a company where everything can be overridden by the words of the top management team. There is no structure, rule or regulation to prevent you to get something if the top management agrees with you. If they like you, you can get a pay raise all most anytime you want.”* Discussing about the culture of no structure, while some see it as the negative culture for this company since they believe in fairness and justice due to their strong sense of moral, however, there are some who see it as a positive opportunity though since it would be a fast track to their success to earn a huge amount of income as Respondent B mentioned: *“The thing I like here is that you can grow in your career really fast including fast increasing amount of income.”* Respondent E interestingly added something which might be a summary of this culture here as: *“Sales and Marketing team are the favored ones. People who are staying probably are those who are the favorites of the management team while those who cannot win their hearts will leave eventually.”*

It can be seen that the obstacles in Generation Y retention for Foreign Language Institute X in the area of cultures and values are a disappearance of fun working culture, the failure to follow established values within organization and politics from unstructured working environment. These cultures and values are the areas which have been formed through a long history of time of company establishment; hence, it would require considerable amount of time and effort to improve this area.

Environment

The term environment in this context refers to the condition of working environment apart from the job itself. From the interview, it can be concluded that this

area have the vital impact to Generation Y in this company to have the satisfaction and engagement as well.

The working environment such as the flexible working hours is one of the interesting key points all interviewees mentioned that it would make them happy and motivated to work in the company. They would like to have flexible working hours for them since they believe that for the working hours can be adjusted according to the type of jobs and requirement. However, all of the respondents would not see working with the rigid schedule to be their big constraints though since it they believe that it would be beneficial in some ways still as respondent A mentioned: *“I have been working with a fix schedule for quite sometimes, it is good in a way that it keeps you disciplined but the flexible schedule would be nice as well”* The research also found out that the flexible work hours in the company varies among different department which depends purely on the head of that department.

Also, related to the working hours, work-life balance has been stated as one of the biggest factors most of the respondents are looking for in their ideal career. The analysis found out that apart from work, they would like to have time to enjoy their hobbies, being with their friends/family and having time to rest also. Respondent D mentioned about her need and the issue she faced: *“I have a young son waiting for me every day at home, so apart from the job here, I need time to go back and take care of him also. However, several times, I was told to stay until I reach the unrealistic target they had set”* Respondent B added that several of the employees work so hard and eventually ended up resigning from burn out: *“When you are at the young age, you are okay with working long hours. But I have seen many already resigned from the company burned out from the stressful and long hours work here.”*

The last point about the environment is about the relationship within the team either with colleagues or supervisors. This area plays the significant role for Generation Y in general since they place a high value in relationship with people around them. Having a good relationship with a direct supervisor and colleagues can motivate Generation Y employees to work better and stay in the company. Interestingly, many mentioned that once their close friends and supervisors they respected left the company, it would have a large impact on their moral to further stay within the company. Respondent C stated that seeing her close friends and former

boss resigned have an effect to her resignation decision: *“When I saw everyone I am close to resign, I felt like I lost a lot of pleasure in working there so that is why I see no reason I would stay there anymore, together with other reasons also.”*

Hence, it could be seen in the area of working environment, the issues for Foreign Language Institute X are from the work life imbalance for staff and also, the decreasing morale once the employees’ close friends resign. This area of decreasing morale would seem to have a significant impact to the company due to the fact that they have a very high turnover rate and it would cause a domino effect with the number of staff resignation.

Learning and Development

Learning and development is the last important area from the framework to be discussed. All interviewees gave the consensus that the opportunity to learn and grow in their career is one of the most important things they are looking for in one job they are working for.

Many of the respondents mentioned that they want to learn new things in the career which would eventually lead them to the career growth and success in a future. Routine and repetitive jobs are something they try to avoid to do since they are considered to be dull and non-value added to their skills and company either. The study found out that career path in this company is in the mix since some positions have a very clear and fascinating career path while some are very limited. Respondent A explained how his career path is limited: *“My position now is the best I can get; it would be difficult to get higher in this field except that you would move to other positions which are quite hard to find still.”* From the analysis, it has come down to the previous issue mentioned earlier again about the promotion based on the preference of senior management.

Regarding training within this company, the study found out that the training has not been done consistently throughout the organization though. Only key positions would be those who will get a constant training while other roles would never join any of the training at all. Respondent G stated that she is not a key position staff and she has never joined any of the training at all since she started working here: *“Training is only for those key positions. They will provide training for those roles*

constantly and intensely while other position will just join and start to work without even a proper work handover.” In contrary, respondent B discussed in a positive way about the training for his sales role: *“Sales team frequently has trainings and we often have the privilege to join many of other training as well. We also have the Sales Trainer position who trains and takes care us very well and keep track on our progress all the time.”* Additionally, close coaching and mentoring from the supervisors has been identified by many of the respondents to be the thing they are looking for in their job also. Respondent D mentioned that she would like to learn the new things continuously and learning from the way of coaching is the best way for her: *“I like to be coached by my boss. I want to learn on how to do things perfectly so I love when someone coach me closely so that I improve myself. I do not believe much in training since you are in the classroom then the next morning you forget it. Coaching however, makes you experience and learn the real situations by yourself with guidance and you will remember it for a long time”*

In conclusion, the main issues for the perspective of learning and development for Foreign Language Institute X are the lack of career path in some positions and the inequality of learning opportunity within the organization which leave several staff the sentiment that they cannot grow in the career further and have no other challenging things to learn within their job.

Human Resources Department Perspective

It is essential in this study to understand the context of Human Resources department and its strategies, policies and method to retain their Generation Y employees as well. From the interview, the interesting finding here is that retention is not the key priority for this company since the management team believes that the high turnover rate of employees is usual in their business and they should focus more only on recruitment to find staff to replace those who resigned as soon as they can. Respondent G mentioned about the inexistence of Human Resources strategies here: *“There are no strategies for HR here. We just do mostly the operational and administrative tasks to complete the job each day. The directions mostly come from the top management. So what we can do to retain employees is by trying to make a good first impression with them since the recruitment process, keep a good*

relationship with them and try to be a good consultant when they have a problem. That is all we can do, anything which does not need money as there is no one to be in charge specifically for employee relations.”

Respondent C who used to work in the Human Resources department also before added that as the company culture is a strong sales driven company, the management team, hence, does not care much about the people but it would always be only about sales target. Human Resources department usually gets a very little budget which would be mostly spent on recruitment: *“People retention is not that much of the interest of management team; they only care about their income and sales. HR team will only get the budget for recruitment but the rest of other HR areas, we will not get that much since all the budget of the company would mostly be spent with sales and marketing.”* Respondent G stated that there has been a lot of attempt to convince the management team to see the importance of people retention but there has been not very successful so far: *“There were discussions for so many times in the past about retention of employees, but the position and power of HR team here is not very strong, hence most of the proposal did not make it to the implementation. We also have the employee engagement survey sent out to employees every 3 months. However, whenever the result indicates some issues, they would be raised to the discussion of management team but then, most of them would be ignored since it is not the priority within their mindset.”*

It can be seen that there are several issues within Human Resources department to prevent the success of retention program of Generation Y within this company as well. The main issues come from the lack of management support for the function and the weak positioning of the department within the company. Hence, it is essential that there are several aspects required to be improved within this department since it would play a significant role to contribute to the retention of Generation Y success.

Findings and literature review

From the findings, it can be seen that according to the framework of Weyland (2010), many of the areas have been confirmed from the study that they would play an important role in keeping Generation Y motivated to work within a

company. However, some of the areas are in contradiction with the literature review though due to certain factors which might be from the culture in Thailand or the company's culture and value internally.

In the area of culture, the findings confirm the statement of literature review that Generation Y would like to work with the company which has a fun, non-hierarchical and structured culture. In the meantime, there are some as well who would like the culture to lead them to the fast success which means that structure does not matter if they can succeed and earn money fast. Also, they place high value on the company to follow the values set up within a company. For work environment area, it has been confirmed that work flexibility is the thing employees of Generation Y place the significant importance in. Work life balance is also the thing they are looking for to make them engaged and happy to stay in their jobs. Interestingly, it appears that good relationship within the team plays a big part in keeping staff engaged and stays motivated. Moreover, training and development has been validated from the finding as well that Generation Y employees would like to continuously develop themselves to reach the higher level of their career and they will get bored if they do not see the opportunity for them to learn further. Lastly, regarding leadership area, all of the respondents give consensus that leadership style of micro-management will make them leave the job and effective communication is a key to keep them engaged. Interestingly, the finding about the compensation and benefit from the study has also confirm that underpay below market rate will be the quick way to make them leave the company (Weyland, 2010)

However, there are areas which the study has found to be contrary to the literature review as well as some of the interview sample have given the different ideas. It appears that most of the sales position within this company is money driven regardless of generation which is understandable since this is the standard trait and motivation of this profession. Hence, the theory that of Generation Y does not care about the money could not be entirely applied in this place since there are one third of the total employees are in the sales position and the income would always be one of the biggest factors to have them stay within the company. Additionally, several articles (Martin, 2005; Twenge and Campbell, 2008; Yeaton, 2008; Downs, 2009; Weyland, 2011; Solnet, Kralj and Kandampully, 2012) emphasize on the area of

technology within the company to be advanced and support the need of Generation Y employees, nevertheless, it is very interesting that during the interview, none of the respondent cited this area at all as the thing which would make them engaged in the organization.



CHAPTER V

RECCOMENDATIONS

As an analysis from the findings part, it is quite obvious that the main reason retention of Generation Y in Foreign Language Institute X does not succeed well is due to the fact that the top management team does not place much of the emphasis on employee retention together with the failure of Human Resources team to demonstrate the value of retention strategy and the department itself to the overall business in the top management team's view. Therefore, it is crucial that the management of the company see an importance of retention of Generation Y in the company first since they occupy 90% of the population in a company before go to the further steps of detail of strategy formulation and execution. The list of recommendations for Foreign Language Institute X to retain Generation Y successfully can be done as following:

Stage 1: Get the buy in from top management

As previously mentioned, this is the first and the most important step to decide if the retention can be further implemented. Since the previous attempt of discussion could not make the top management team convinced that retention is essential, Human Resources team needs to present the issue in another way. From the findings, we could see that the mindset of the top management concerned drastically about sales, marketing and revenue, therefore, Human Resources team needs to present the issue in the way that links to the business outcome and related to the bottom line of the company at last. It is also essential that the team talk in the language of sales and marketing, not the human resources terms which would probably be difficult for the top management team to understand (for example, comparing employee retention with CRM in sales and marketing) It is crucial to show the cost of turnover, the opportunity cost of sales, and the lost of knowledge when staffs resigned to the management team and link them to the future business objectives,

direction and the bottom line in the financial statement at last. By this method of presentation, the top management team has a tendency to understand about the issue more and Human Resources would also benefit from the increasing creditability as the strategic business partner rather than just an administrative function as they have been positioned currently.

Stage 2: Gather information and strategy implementation

Assume that the management team has already supported the retention program; the next step is to gather more information. Due to the fact that this study does not cover all of the population is Foreign Language Institute X, hence, the information and needs of Generation Y employees can be listed out more. Employee engagement survey is one of the tools to gain information and also, the in-depth qualitative research such as focus group can be done further to gain the essential information and understand more about the employees' need. Additionally, since there is no one in the company at the moment to be in charge directly of the retention and engagement program, there should be someone in Human Resources department assigned to perform this task specifically in order to have the project goes on smoothly and consistently.

Thereafter, the strategy formulation can be done by identifying the issues categorized into four areas as the study framework and implement the solution in each area as following:

1. Culture and values
2. Work environment
3. Training and development
4. Leadership

Actions required to improve the retention of Generation Y in the aforementioned four areas for Foreign Language Institute X are listed according to each area in the Table 5.1.

Table 5.1: Actions for Generation Y retention at Foreign Language Institute X

<p>Culture & Values</p> <ul style="list-style-type: none"> - Reinstate fun working environment - Build the culture to follow the process and create the structure gradually to avoid bias - Reinforce the implementation of company values as in statement - Maintain culture of achievement 	<p>Work environment</p> <ul style="list-style-type: none"> - Flexible hours implementation - Work life balance program implementation - Create positive and friendly environment among staffs - Use technology to support work within a company
<p>Training and Development</p> <ul style="list-style-type: none"> - Create career path and training roadmap for all positions not only key positions - Use more techniques in training and development to create continuous challenges and positive outcomes - Create a strong process of jobhandover 	<p>Leadership</p> <ul style="list-style-type: none"> - Create the trait of role model for leaders - Provide the training and coaching on leadership - Give autonomy and empowerment - Establish a sense of caring from leaders - Establish an effective communication

Stage 3: Anchoring by Employer Branding

Once the issues has started to be solved as previously mentioned in stage 2, the activity of employer branding can be done in parallel to anchor the success of the campaign. Employer branding has been popular among Human Resources professional for quite sometimes now. This concept is mostly used for the recruitment purpose but recently, many companies have utilized this concept as the tool for employee retention as well.

Since Generation Y are attracted to the strong and attractive brand (Weyland, 2010), it is important that the company communicate and share the employer brand to be attractive and interesting since the start via recruitment channel and recruitment process which Foreign Language Institute X have been trying to implement this already. Once the employees are on board with the company, the impression of the employer brand is required to strengthen continuously to gain engagement or loyalty if speaking in a term of marketing. The internal employer branding campaign can be consisted of several activities such as internal communication, event, parties, teambuilding and how management team treats staffs internally as well. Once the employees believe in the employer brand of Foreign

Language Institute X that this is a good place to work for, the retention rate will start to improve as an end result.



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