How to make Millennials stay

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A quantitative study of young professionals and students' views
on internal sustainability and leadership at their first employment

How to make Millennials stay

Views on internal sustainability among young professionals and students

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PAUSE Foundation

Founded in 1982, the PAUSE Foundation stands for Personnel Management Abroad by University Studies and Experience. The PAUSE Scholarship is Sweden's largest scholarship within leadership, management, and human relations, and aims to promote international studies and business experience. The target group for the scholarship is young people with a university degree, an interest in leadership and HR and practical experience within these fields. The PAUSE Scholarship recipients are responsible for crafting a relevant and empirical report that is to be presented to the PAUSE board after the international studies have been finished.

Global Village for Future Leaders of Business and Industry

The Global Village for Future Leaders of Business and Industry is an intensive, five-week program on the campus of Lehigh University that teaches professionals and university students business, entrepreneurial, and leadership skills while preparing them to thrive in a global community. Each cohort of participants learn and live among a culturally diverse group of ca 100 peers from over 50 countries. The program was started in 1997 and has over 2100 alumni worldwide.

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Executive summary

Attracting, developing, and retaining talented people have always been key features for organizational success. In an ever faster-paced and complex world, organizations are rightly spending substantial amounts of time and capital to address this issue. The students being hired from universities today have also been described as a challenge in themselves for employers. Today's graduates and young professionals are part of the *Millennial* generation, which consists of individuals born between 1980 and 2000. Studies have suggested that Millennials are less interested in life-time employments, are more confident, and exhibit narcissism at higher levels compared to previous generations. At this backdrop, the perennial challenge of attracting and retaining exceptional employees can be argued to have intensified as the Millennials are entering the work force. Subsequently, the questions this report tries to answer are:

"What do Millennials look for in an employer when they seek their first employment, what motivates them, and what can employers do to increase the internal sustainability in their organizations?"

To this end, we conducted a quantitative survey (n=48) and a focus group interview, where all respondents had participated in the Global Village 2017 program. The survey results reveal that improvement of employability and future work-life opportunities are the two most important aspects when choosing an employer right after graduation. Also, there was a consensus among the focus group participants that the first employment should be an educational experience that ought to allow them to develop capabilities of that of a generalist, rather than a specialist.

When asked about desired and actual leadership style of the closest manager, the majority of the respondents preferred a participative leadership, where the leader engages and values the employee as an equal. Respondents, however, most frequently reported having experienced laissez-faire leadership, meaning minimal interaction and instruction from the manager. From the focus group emerged sentiments that Millennials seek personal relationships and affinity from their managers. Only half of the respondents expected to stay more than twenty-four months at their first employment before starting. This poses a challenge for employers as they seek to reap long term benefits from having spent significant resources training their new employees.

This report concludes that Millennials may indeed be more demanding than previous generations but are willing to work diligently and energetically for the right employer. In our view, recent university graduates are eager to extend their education period into work life yet want to feel they are being seen and heard and that their opinions matter.

In order for today's companies to tackle the obstacles that the Millennials bring we suggest a number of solutions to improve the internal sustainability. First and foremost, the results from our survey imply that organizations should be wary of which motivators that matters most to employees, and recognize that these can vary widely between groups. Instead of spending resources on trying to fulfill all common motivators (e.g. opportunities for advancement, responsibility, meaningfulness), organizations may be better off focusing on a few and, to the extent possible, design jobs with different motivators for different types of people. Meanwhile, for certain aspects (such as pay) most seem to agree that it is an important aspect of work, but not one of the most important ones. This could be interpreted as that the pay must meet some basic standard for all, but aiming much higher than that does not affect most of the employees' satisfaction.

Moreover, it is important to note that the desired leaders of today are not the same as yesterday's. The Millennials want their leaders to be participative in their work, without being controlling. Managers that interact with Millennials should also recognize the generation's desire to have an amicable relationship with them, and seek out opportunities to connect with them personally. In other words, in order to maintain the Millennials longer at the workplace, it may be wise to not only spend resources on them but also on training and education for the organization's leaders.

Yet another solution to increase the organizations' internal sustainability may be to create opportunities for entry-level employees to manage personal projects, which can provide learning experiences at a low organizational cost. These personal projects could for example entail allowing the new hire to spend a couple of hours every week trying to figure out how to increase his or her division's profitability, engage in pro-bono work, or plan the next office party. We believe such initiatives may help keep more Millennials build the skillset they wish that their first employers help them to build and could also make them more loyal, yet keep the stakes low for the employer.

Background

The *war for talent*—a term describing organizations' sparring over high-caliber employees—is a reality known to many recruiters and their respective organizations. It has been argued that the importance of human capital (defined as employees' competencies, skills and abilities) has been growing rapidly over the last decades, and many propose that it today is the most vital resource for corporations.[1] Accordingly, organizations have developed their human resources practices by, for example, introducing trainee programs, which aim to rapidly introduce recent graduates to an organization during one to two years, and prepare them for management positions. According to the Association for Talent Development, American employers on average spent $1,250 per employee on training and development initiatives in 2015.[2]

Meanwhile, similar to any investment, one of the fundamental aspects of human capital theory is that an "investment in skill-building would be more profitable and more likely to be undertaken the longer the period over which returns from the investment can accrue."[3] Investing in training for new hires that just graduated from university also implies that the investment usually is associated with a less immediate payoff than training for more senior employees, as the younger employees have less experience and expertise that can add value to the organization in the short term.

Today's university graduates are part of Generation Y, also often referred to as being *Millennials*, which is defined to be consisting of individuals born between the years 1980 and 2000. Research suggests that this said generation differs from past generations, as individuals part of it have been shown to possess heightened levels of self-esteem, independence, confidence, and entrepreneurial spirit.[4][5] Furthermore, Millennials have also been described as being more interested in what is right for themselves individually rather than what is best for the organization, and also display traits such as narcissism and self-esteem at a higher rate than individuals of other generations have.[6] Other

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[1] Cappelli, P. (2008). Talent management for the twenty-first century. Harvard Business Review, 86(3), 74-81.

[2] https://www.td.org/Publications/Blogs/ATD-Blog/2016/12/ATD-Releases-2016-State-of-the-Industry-Report

[3] Mueller, M. W. (1982), Applying Human Capital Theory to Women's Changing Work Patterns. Journal of Social Issues, 38, 92.

[4] Schuler, R. S., Jackson, S. E., & Tarique, I. (2011). Global talent management and global talent challenges: Strategic opportunities for IHRM. Journal of World Business, 46(4), 506-516.

[5] Twenge, J. M., & Campbell, S. M. (2008). Generational differences in psychological traits and their impact on the workplace. Journal of Managerial Psychology, 23(8), 862-877.

[6] *ibid.*

research details Millennials as being less interested in life-time employment, more interested in portable careers, and are depicted as rather high maintenance for organizations.[7] In 2016, Deloitte Global polled about 8,000 Millennials for their thoughts on employment, and found that they are more likely to prosper at work where there is a "creative and inclusive working culture" rather than a "more authoritarian, rules-based approach."[8] The survey also revealed that Millennials feel that their employers' values need to be aligned with their own personal values and that they believe that a company's success should be measured by more than just financial numbers (such as by e.g. employee or customer satisfaction).

When choosing their employers, the importance of pay to Millennials is striking. The salary paid for a job is the single most important factor in all markets where the survey is conducted and thus appears as a "universal truth" for attracting Millennials to an organization. However, other factors of importance are good work-life balance, opportunities to progress/be leaders, flexibility, and meaningfulness. The least important factors are the reputation of the company management, investments in new technology, being a market leading company that people admire, and fast company growth.

At this backdrop, the perennial challenge of attracting and retaining exceptional employees can be argued to have intensified as the Millennials are entering the work force. The average company has been said to lose approximately $1 million for every ten managerial and professional employees who leave the organization.[9] If individuals entering the work force are expecting more out of their employers today than before, an especially pressing question for human resource departments is what they can do extend the employment period for university graduates at their first job. Perhaps a reason to worry for some employers are that many Millennials already "have one foot out of the door" as 44% of the respondents in Deloitte's survey expect to leave their current employment within 2 years (where 71% of those considering leaving will do so because they are not satisfied with how their leadership skills are being developed). Moreover, merely 28% of the respondents feel like the organizations are letting them use and reach their full potential.

We define retaining employees over time as achieving *internal sustainability* and subsequently, in broad terms, ask: *"What do Millennials look for in an employer when they seek their first employment, what motivates them, and what can employers do to increase the internal sustainability in their organizations?"*

To establish a foundation for our research, we briefly review a set of employee motivation theories below. The theories are not mutually exclusive, and neither do they together exhaust the

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[7] Shaw, S., & Fairhurst, D. (2008). Engaging a new generation of graduates. Education Training, 50(5), 366-378.

[8] Deloitte Global. (2016). The 2016 Deloitte Millennial Survey Executive Summary.

[9] Fitz-enz, J. (1997). It's costly to lose good employees. Workforce, 76, 50-51

complete array of employee motivation theories. Rather, they are examples of theories that have shaped both research and job design.

Need theory

David McClelland (1961) focused on three needs when he described his theory of needs: achievement, power, and affiliation.[10] The need for achievement was defined as a will to exceed expectations, a drive to excel and a strive to succeed. The need for power was defined as the need to make others act in a way they would not have, sans influence. Finally, the need for affiliation was defined as the desire for friendly and intimate interpersonal relationships. A suggested implication derived from this framework was that top managers should have a high need for power, as they must be intrinsically motivated to influence and encourage others to achieve, and a low need for affiliation, as that could help them detach their feelings when taking difficult decisions.[11]

Equity theory

The Equity theory stresses the importance of fairness. J.S Adams described equity through how individuals evaluate social exchange relationships, which major components are inputs and outcomes. In any setting where a person exchanges his or her services for pay, inputs could include education, work effort, previous work experience, and training. The outcomes are the factors that result from the exchange, with the most important factor likely being pay, but also including job assignments, status symbols, supervisory treatment, and other benefits.[12] In essence, his argument was that ensuring that the input and outcomes are of fair value to each other are highly important to employees.

Hygiene factors and motivators

Herzberg categorized experiences at work into satisfying experiences, called motivators, and dissatisfying experiences, denoted hygiene factors.[13] Motivators largely included variables that were intrinsic to the content of the work itself, such as, for example, achievement, recognition, advancement, and growth. On the other hand, hygiene factors were extrinsic factors not related to the work tasks themselves, such as pay, company policies, co-worker relations, and supervisory styles. Herzberg's message was that while organizations should try eliminate dissatisfying experiences related to hygiene factors, doing so will not result in a state of satisfaction, but instead

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[10] McClelland, D.C., The Achieving Society (1961). University of Illinois at Urbana-Champaign's Academy for Entrepreneurial Leadership Historical Research Reference in Entrepreneurship.

[11] Kreitner, R., & Kinicki, A. (1998). Organizational Behavior (Fourth ed.). Boston: Irwin McGraw-Hill.

[12] Steers, R., & Porter, L. (1983). Motivation and Work Behavior (Third ed.). New York: McGraw-Hill Book Company.

[13] Herzberg, F. (1966). Work and the nature of man. Cleveland: World.

a neutral state. The implications are that organizations should, in addition to eliminating dissatisfying experiences, design work so that it allows employees to experience personal growth, a sense of meaningfulness, recognition, and other intrinsic motivators.

Empirical strategy

We conducted a quantitative study as well as a focus group interview in an attempt to supplement the current knowledge of young and university students' employer preferences in the beginning of their career. We also wanted to gain a deeper understanding of what employers can do to increase their length of employment. The quantitative study consisted of a straw poll that was crafted using the program Qualtrics. Both the survey respondents and the focus group contributors were participants of the Global Village 2017. The survey responses were collected during July 2017 and the focus group was held on September 3, 2017.

Quantitative survey

The Global Village 2017 took place in Bethlehem, USA from June 24 through July 29. Fifty-three countries in Africa, Asia, Europe, North America, and South America were represented by ninety-nine young business professionals and university students. The survey was sent out to all participants during the Global Village program and responses were collected until the program's end. The survey's questions were to some extent tailored to each respondent's background. For example, a person who had held an employment after graduating from university answered the question "*In which industry was your first employment after university?*" while a respondent who had not graduated university would be asked "*In which industry will you seek your first employment after university?*" Answers from both types of respondents (those who have been employed and those who have not) were merged into one graph per question, but are showed as separate categories in the graphs.
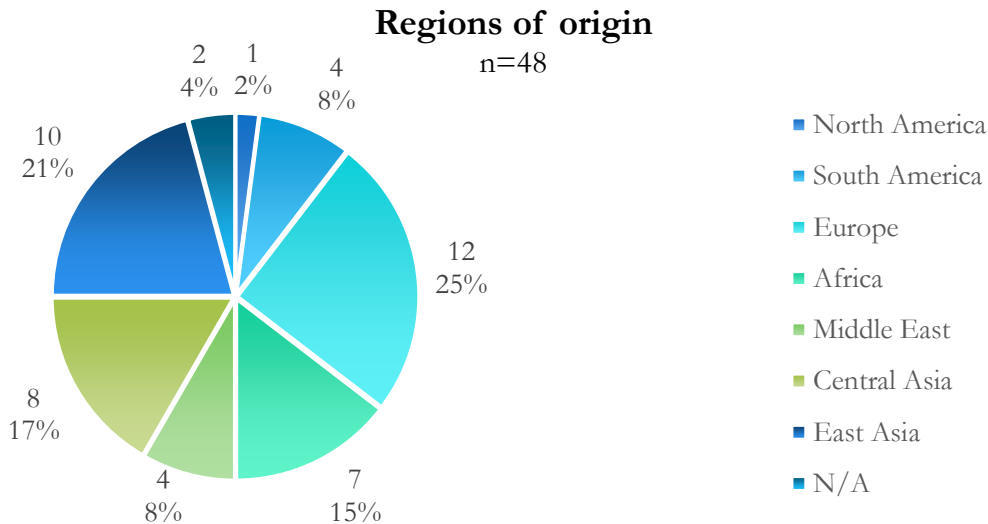

Graph 1 Regions of origin

Fifty-five participants completed the survey. Seven respondents were excluded from the results as they did not fall into any of the following categories: i) current full-time employees with a university degree ii) university students iii) university graduates currently seeking employment. Three out of these seven respondents were not university graduates nor students, and four were self-employed entrepreneurs. The remaining forty-eight respondents all held or were pursuing university degrees and originated from thirty-three different countries. The sample was skewed toward Asia (with 38% of the respondents) and Europe (25%). Two respondents chose not to disclose their country of origin. The average age of respondents was 25.4 years and since all the respondents were born between the years 1980-2000, they all can be categorized as *Millennials*. 58% of the respondents were female and 42% were male.

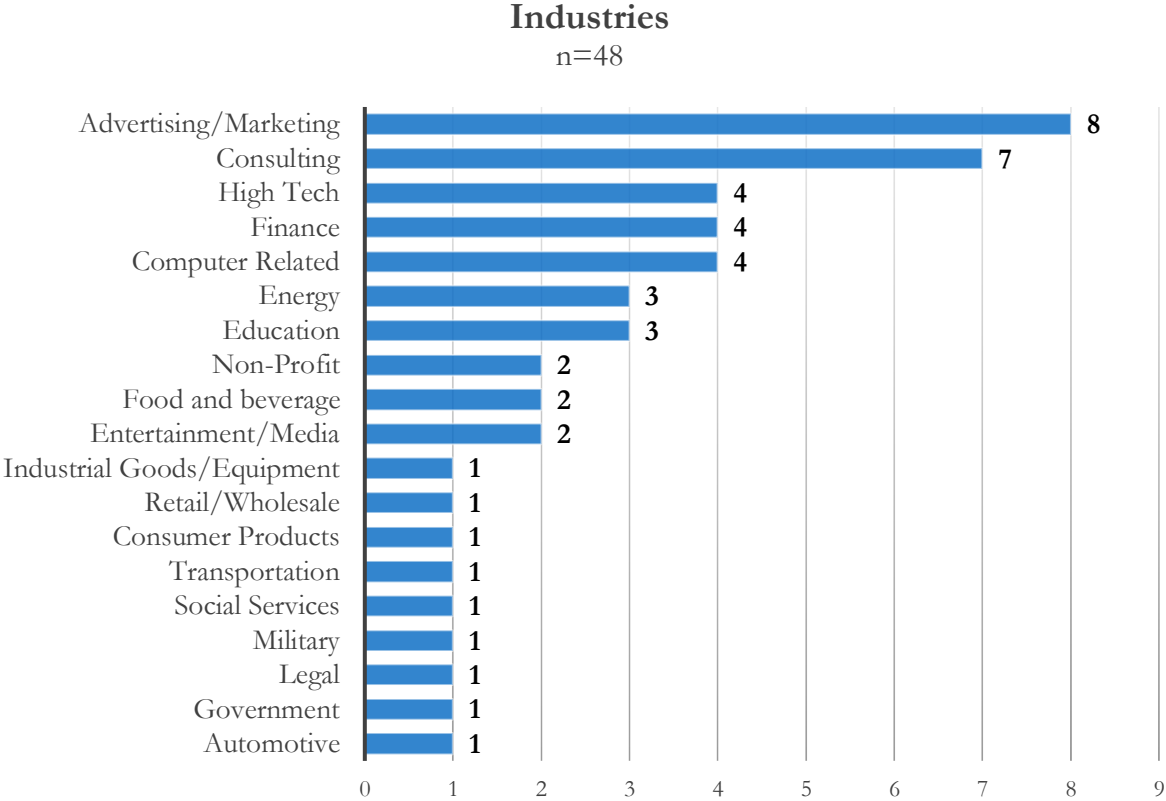### Current occupation
n=48
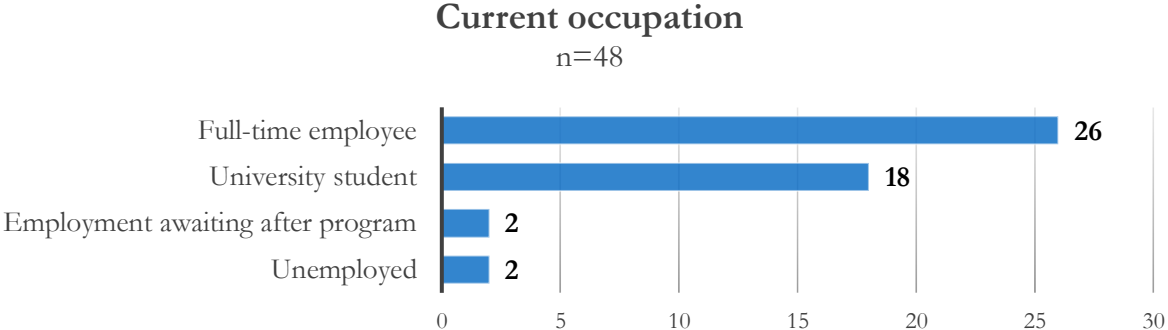
Graph 2 Current occupation

Out of the forty-eight respondents, half (twenty-six respondents) were full-time employees while eighteen were pursuing a university degree. Four of the respondents had completed a university
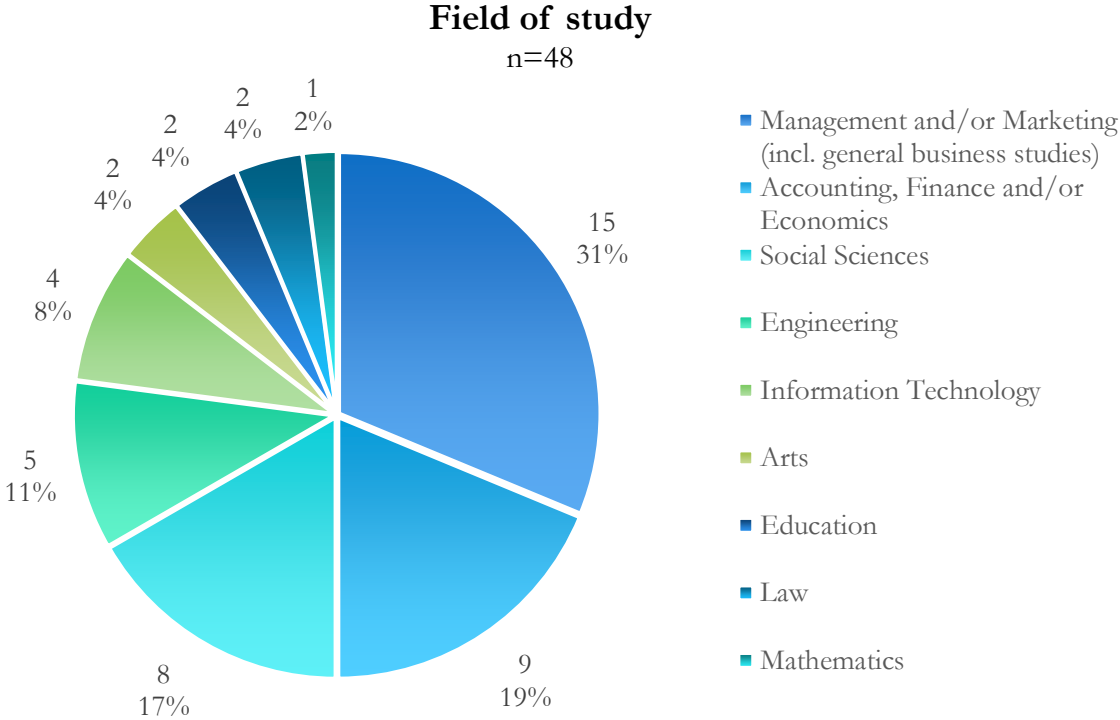
Field of study
n=48

Graph 3 Field of study

degree but were at the time not in the workforce (of whom two had accepted job offers and two were currently applying for full-time jobs). The majority (twenty-seven respondents) of those with university affiliations had an educational background in Business & Economics (e.g. finance, accounting, marketing, economics, and/or management), while other represented degrees included other social sciences, engineering, and IT.

Industries
n=48

Industry	Count
Advertising/Marketing	8
Consulting	7
High Tech	4
Finance	4
Computer Related	4
Energy	3
Education	3
Non-Profit	2
Food and beverage	2
Entertainment/Media	2
Industrial Goods/Equipment	1
Retail/Wholesale	1
Consumer Products	1
Transportation	1
Social Services	1
Military	1
Legal	1
Government	1
Automotive	1

Graph 4 Industries

Respondents worked in, or were set on breaking into, nineteen different industries in total. The sample was skewed toward industries traditionally associated with business and engineering backgrounds as the most prominently represented industries were marketing, consulting, high tech, and computer related.

Focus group

The focus group engaged four of the survey respondents in a longer conversation about their views on employer preferences and internal sustainability in their careers. The focus group participants originated from Western Europe, Eastern Europe, Middle East, and South America. Two of them were currently university students, one graduated from university a year before and has been working full-time since, and one was combining university studies with a full-time employment. Their ages ranged from twenty-three to twenty-six years old.

Quantitative survey results

## Most important aspects when choosing the first employment

n=48	Aspect	Average score
Most important	To improve my employability	**3.56**
	Working for an employer with great opportunities to grow and advance within the company	**3.81**
	High pay	**3.96**
	Work-life balance	**3.98**
	Meaningfulness (a sense of purpose)	**4.10**
	Working in an exciting role with tasks that fit my background and/or interests	**4.19**
Least important	Prestige	**4.40**

Table 1 Important aspects choosing first employment

When respondents were asked to rank seven desirable aspects of an employment from most important to least important (where 1=most important and 7=least important), improving one's future employability was the most important aspect when choosing the first employment after graduation, with an average score of 3.56. The average score of each aspect is presented above in Table 1. On average, the least important aspect was how prestigious the job was considered to be, averaging a score of 4.40.
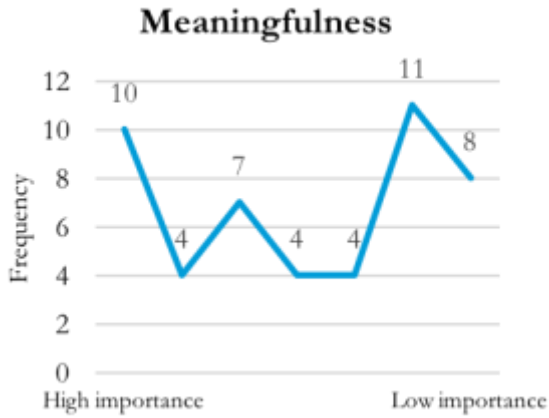

Graph 6 Employability
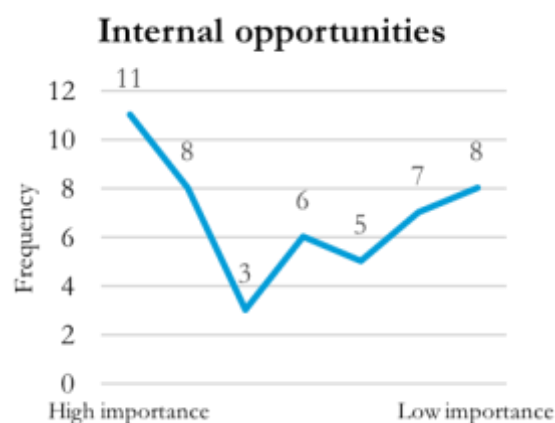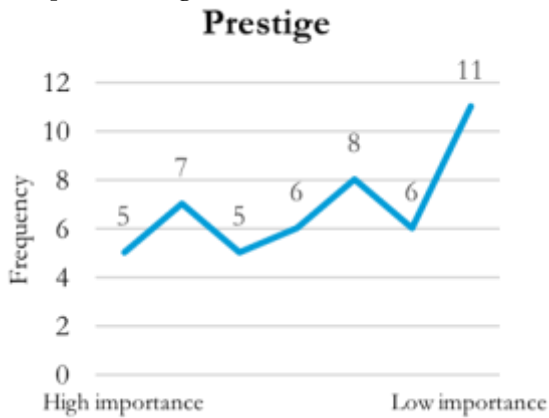

Graph 5 Internal opportunities

Graph 4 High pay

Graph 8 Work-life balance

Meaningfulness

Graph 9 Meaningfulness

Exciting role/work tasks

Graph 10 Exciting role/work tasks

Prestige

Graph 11 Prestige

Graphs 5-11 illustrate the number of respondents that selected each of the seven ranking alternatives per aspect. High pay (Graph 7) follows a pyramid pattern with a high number of selections on the middle rankings (three to five) but a low number of selections on both low and high rankings. The opposite trend is seen for meaningfulness (Graph 9) which is chosen either as an aspect with high importance or low, while few respondents ranked meaningfulness as an aspect of moderate importance. Improvement of employability (Graph 5) has a high number of selections on the higher ranks, while a lower number of selections (six to seven) on the lower ranks. On the other hand, prestige (Graph 11) averaged a low number of selections of the higher ranking alternatives but with a peak of eleven respondents choosing it as the least important aspect.

Expected work hours
n=48
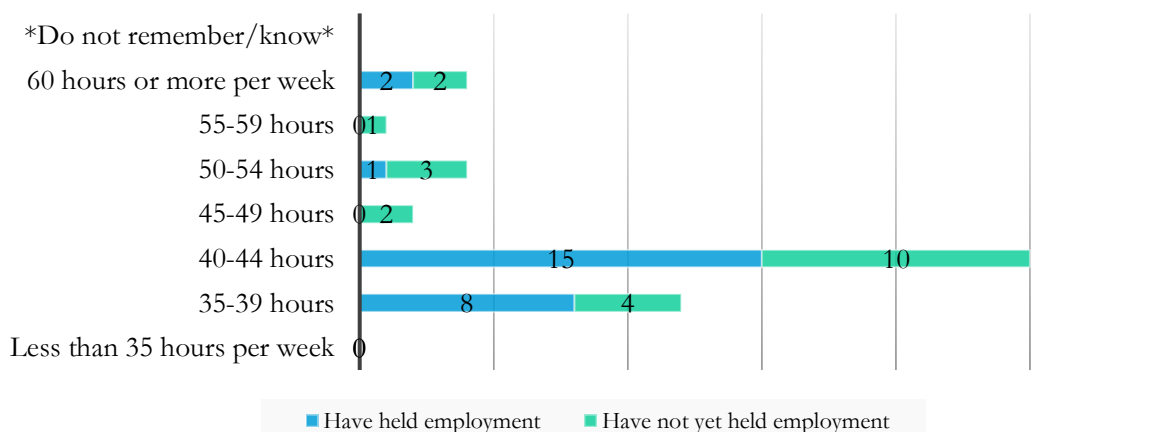
Graph 12 Expected work hours

*The option "Do not remember/know" was not available

Desired work hours
n=48

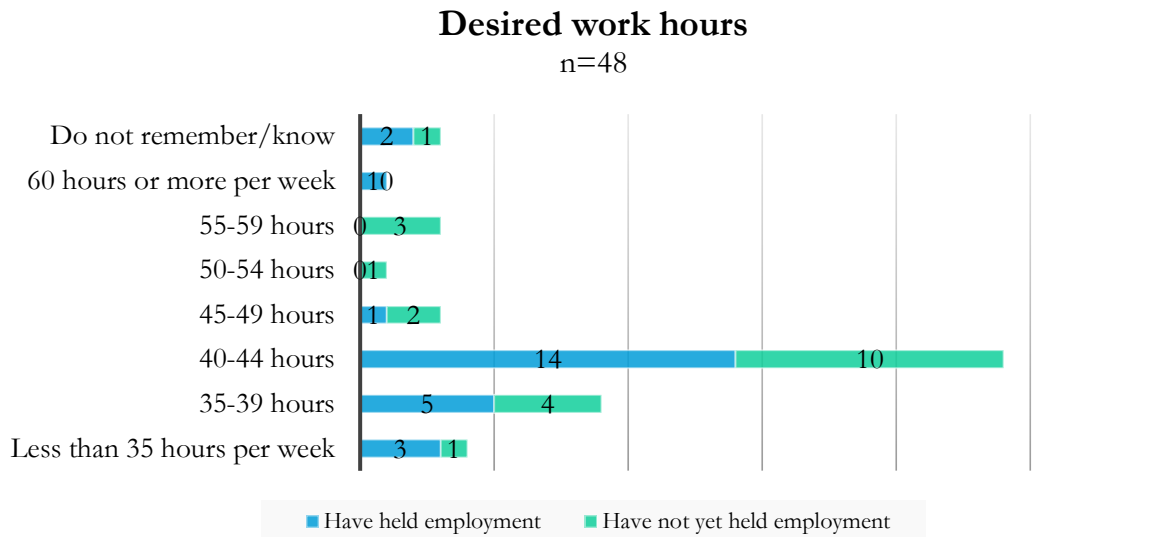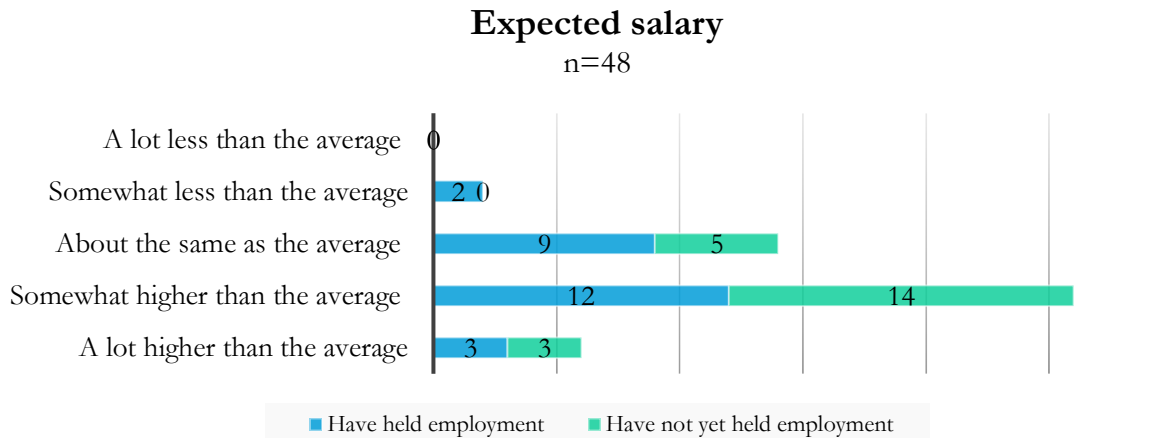|	Have held employment	Have not yet held employment
Do not remember/know	2	1
60 hours or more per week	1	0
55-59 hours	0	3
50-54 hours	0	1
45-49 hours	1	2
40-44 hours	14	10
35-39 hours	5	4
Less than 35 hours per week	3	1

Graph 13 Desired work hours

When asked about how much the respondents expected to work per week and how much they would like to work per week (Graph 12 and Graph 13), the answers to both questions follow a similar pattern. The majority both wanted and expected to work between thirty-five to forty-four hours each week. Eleven of the respondents expected to work more than forty-four hours per week and eight in fact wanted to work those hours.

Expected salary
n=48

	Have held employment	Have not yet held employment
A lot less than the average	0	
Somewhat less than the average	2	0
About the same as the average	9	5
Somewhat higher than the average	12	14
A lot higher than the average	3	3

Graph 14 Expected salary

Graph 14 shows that the majority of our sample (67%) expected a higher salary than the average of recent graduates in their country. Only two respondents (4%) expected a lower pay than the average.

All but one of the respondents expected a medium to high level of responsibility at their first employment (98%) before they started working, which can be seen in Graph 15. A medium level of responsibility was defined as "*Managing about half of my own time, but during the other half, what I do during my time at work is decided by my boss*" and was expected by nineteen respondents (40%). A medium-high responsibility was defined as "*Managing all or most of my own time at work, but not managing*

others' time" and was expected by twenty respondents (42%). A high level of responsibility was defined as "*Managing all or most of my own time at work, and also managing others' time (through delegation of tasks)*" and was expected by eight respondents (17%). One respondent (2%) expected to have a low level of responsibility ("*Managing little or none of my own time at work. What I do is fully decided by my boss or other (superior level) colleagues*") going in to his/her first employment.

Expected level of responsibility
n=48
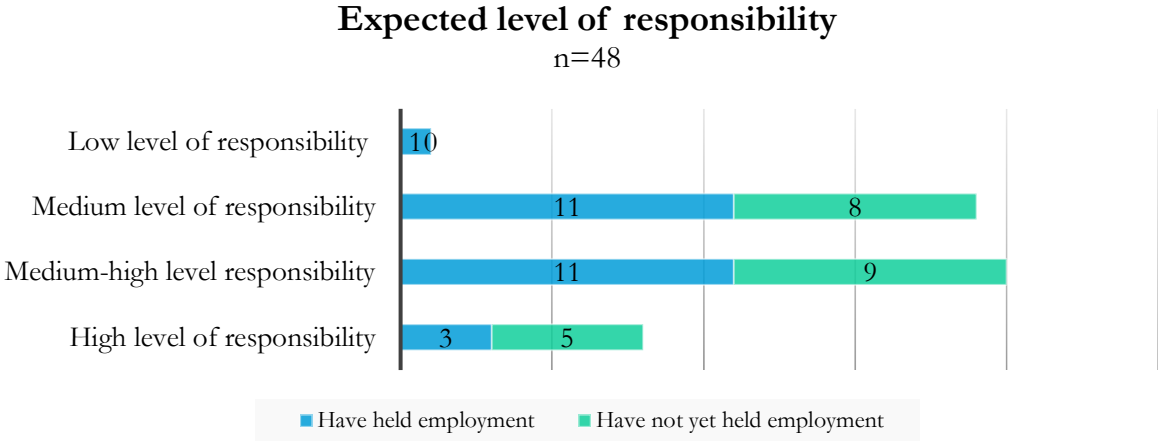
Graph 15 Expected level of responsibility

Desired leadership style of closest manager
n=48
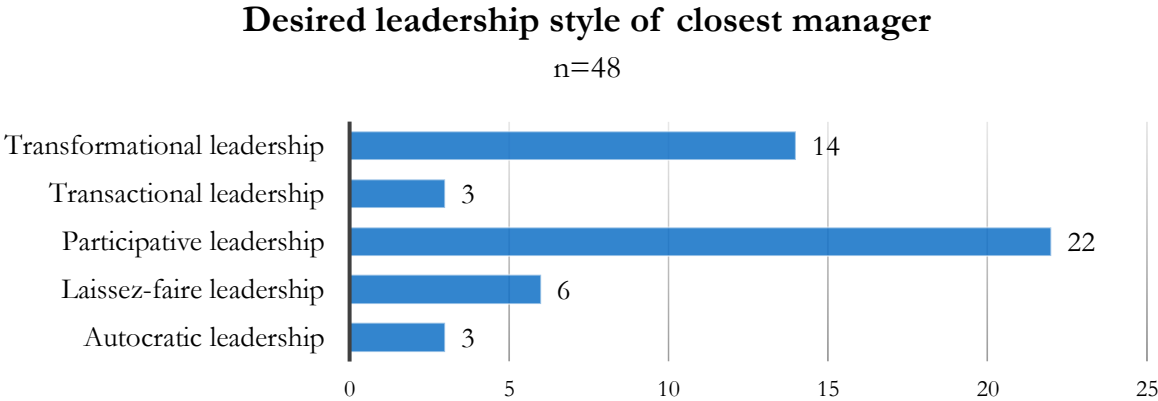
Graph 16 Desired leadership style of closest manager

Twenty-two respondents (46%) chose the "participative" leadership style ("*My manager lets me voice my opinion and values me as an equal, effectively engaging me in the decision-making process [even though the final decision is his/hers]*") when probed about which leadership style they wished their closest manager would apply. Fourteen respondents (29%) preferred a "transformational" leader ("*My manager is an inspiring person whom motivates me to do a better job every day and communicates the bigger picture of what the organization is trying to achieve and why*"), and six (13%) preferred a "laissez-faire" leader ("*My manager avoids unnecessary intervention and instead allows me to try and learn on my own.*") The "transactional" ("*My manager rewards me well [be it with titles or money] when I do a good job [but I also get punished for bad performance]*") and "autocratic" ("*My manager gives me clear directions on what to do and how to do it, providing me with lots of supervision and guidance*") leadership styles were preferred by three respondents (6%), respectively.

Actual leadership style of closest manager
n=26
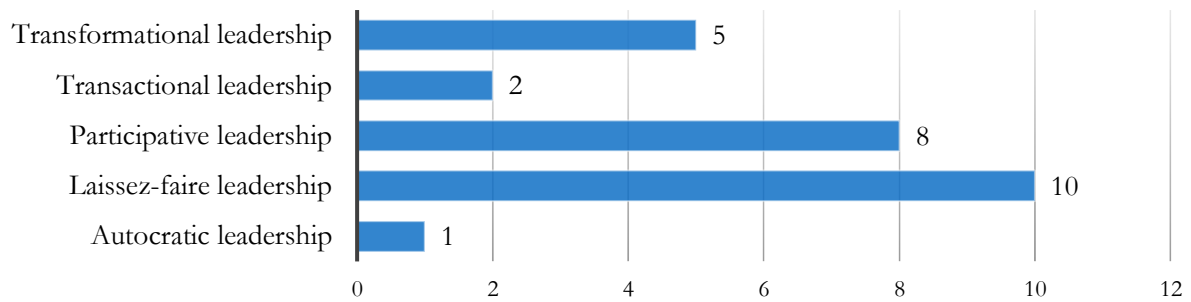
Graph 17 Actual leadership of closest manager

The twenty-six respondents that had held a full-time employment after graduating from university were correspondingly asked about which leadership style their closest manager at their first employment actually applied. The most commonly experienced leadership style in our sample was the laissez-faire style (ten respondents, or 38% of the respondents), followed by the participative style (eight respondents, or 31%), and the transformational style (five respondents, or 19%). The least common styles were the transactional (two respondents, or 8%), and the autocratic style (one respondent, or 4%).

When the answers to the questions about desired and actual leadership style did not match, the respondents were asked to elaborate on how they thought this affected their employments. Examples of the comments were "I felt supported and encouraged by my manager, so the impact was positive" (a result of actual participative leadership instead of desired transformational leadership), "it made me stay in the company longer than I planned" (a result of actual laissez-faire leadership instead of desired participative leadership), "I did not renew my contract" (a result of actual laissez-faire leadership instead of desired participative leadership), and "(…) it is paradoxal but the experience inspired me to grow and search other opportunities outside the company" (a result of actual laissez-faire leadership instead of desired participative leadership).

Expected tenure at first employment before starting
n=48

Category	Value
Do not remember	2 (Have held employment)
I did/have not consider/ed this	7 (Have held employment), 4 (Have not yet held employment)
More than 36 months (3yrs+)	3 (Have held employment), 2 (Have not yet held employment)
25-36 months	2 (Have held employment), 3 (Have not yet held employment)
19-24 months	5 (Have held employment), 4 (Have not yet held employment)
13-18 months	1 (Have held employment), 2 (Have not yet held employment)
7-12 months	2 (Have held employment), 4 (Have not yet held employment)
3-6 months	3 (Have held employment), 3 (Have not yet held employment)
Less than 3 months	1 (Have held employment), 0 (Have not yet held employment)

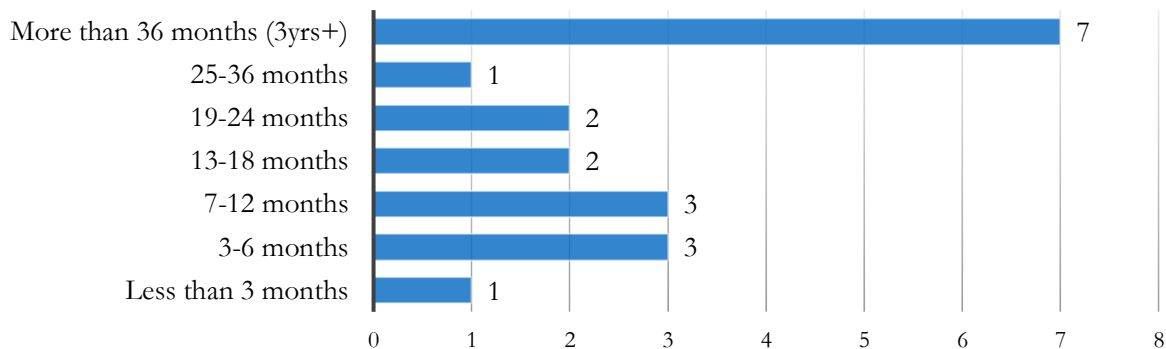■ Have held employment　■ Have not yet held employment

*The option "Do not remember" was not available for respondents that have not held an employment

Graph 18 Expected tenure at first employment before starting

Prior to starting their first employment, thirteen respondents (27%) expected that they would stay twelve months or less. Twelve respondents (25%) expected they would stay between one to two years (thirteen to twenty-four months), five respondents (10%) expected they would stay between two to three years (twenty-five to thirty-six months) and five (10%) respondents said they expected to stay more than three years at their first employment. Eleven respondents (23%) had not considered how long they would stay before starting.

Actual tenure at first employment
n=19

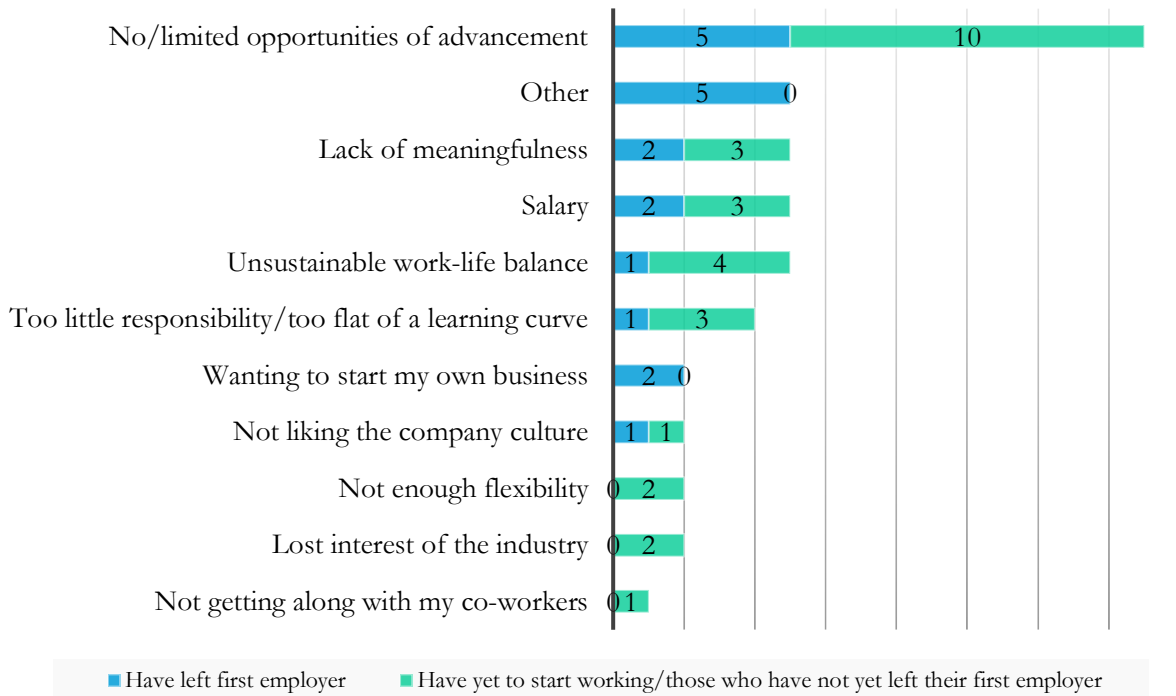| Category	Value
More than 36 months (3yrs+)	7
25-36 months	1
19-24 months	2
13-18 months	2
7-12 months	3
3-6 months	3
Less than 3 months	1

Graph 19 Actual tenure at first employment

Looking at the actual tenure of the nineteen respondents that had been employed and left their first employer, seven (37%) had stayed at the company for twelve months or less, four (21%) had stayed for one to two years, one (5%) had stayed for two to three years, and seven (37%) stayed for more than three years.

Primary reason for leaving employer
n=48

Reason	Have left first employer	Have yet to start working/those who have not yet left their first employer
No/limited opportunities of advancement	5	10
Other	5	0
Lack of meaningfulness	2	3
Salary	2	3
Unsustainable work-life balance	1	4
Too little responsibility/too flat of a learning curve	1	3
Wanting to start my own business	2	0
Not liking the company culture	1	1
Not enough flexibility	0	2
Lost interest of the industry	0	2
Not getting along with my co-workers	0	1

■ Have left first employer   ■ Have yet to start working/those who have not yet left their first employer

Graph 20 Primary reason for leaving employer

The most common reason for wanting to, or expecting to want to, leave one's first employer was limited, or no, opportunities of advancing and being promoted within the company as fifteen respondents (31%) chose this alternative. A lack of a sense of meaningfulness, low pay, and an unsustainable work life balance were other common reasons (with five respondents, or 10%, respectively). Of the five respondents that are no longer working at their first employer and chose "Other" as their answer, examples of responses were "I needed to move", "wanting to pursue post-graduate studies," and "had a better proposal with more money and responsibilities."

Focus group results

The perfect employer – now and later

When the focus group participants were asked to envision their perfect employer, their answers varied significantly but they all had one aspect in common: their desired employer now is not necessarily their desired employer in the long term. A unison theme was a desire to start out broad as a generalist and to gain experience, in order to specialize or to become an entrepreneur later in life.

> "My perfect employer would be myself. If it was not myself it would be [Big 5 Technology company,][14] [15]so I am quite happy with where I am today. I have a clear career path in this company, so I don't see myself working for another company for at least five years"

- South American man, 24, employee at [Big 5 Technology company]

> "The United Nations. […] I think it would give me the biggest scope of work, of the work that I would want to do. And it would take me all over the world. […] Then, I think I want to specialize in something. I don't want to stick with something so general. (After working for the UN) I can go and work with smaller companies and develop my expertise in something that is more focused. But to start with I would prefer to go for something that has the ability to give me experience in different fields"

- Eastern European woman, 26, pursuing a degree in Public Administration

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[14] The big five technology companies include Apple, Microsoft, Amazon, Alphabet and Facebook.

[15] The interviewee was at the time working at this said Big 5 Technology company.

> **"**I think my dream employer would be the government for the first years, to figure out what works best for myself. The government has many different projects you can work on and you have the responsibility to find out what suits best to yourself. […] I think I made a mistake specializing earlier in my career."

- Western European man, 26, employee at a financial institution and MBA student

> "I'd like to eventually have my own thing going. But for now, right after graduation, I'm thinking about joining the corporate world. Maybe at an investment fund. I believe that experience is very important at the very beginning. To have the experience from a big company and to see how the system works first, and then to try to do my own independent thing. […] I think that specializing in [finance] would give me an advantage later. I think that there is a lot of opportunities once you do good in that industry. It would give me experience to perhaps start my own business and learn how to make others invest in your business."

- Middle Eastern man, 23, MBA student

The participants were then asked if there were any discrepancies in the qualities they seek in their first employer compared to those they might seek later in their careers.

> "I would prefer less responsibility now while I am still learning the basics. [...] I don't really care how many hours I work now, but then on the other hand I do care about the pay in relation to my responsibilities. So if I have few responsibilities I wouldn't expect to be paid a high salary. I want to feel qualified for the amount of money I receive."

- Eastern European woman, 26, pursuing a degree in Public Administration

> "For me, the main point is if I am making some impact or something that I value with my job, like long term value. As long as I can achieve that, I would even do it for free. During my university studies, I used to work for free and I worked all the time, but I made really good connections and relationships, so it was worth it. Sometimes I do things at [Big 5 Technology company] that they don't pay me for because I value the relationships that I make. I believe in the task that I do. If what you do adds value, it will pay. Maybe not now, but in the future. I am OK with that"

- South American man, 24, employee at [Big 5 Technology company]

What makes a bad employer?

On the other end, what would be some qualities that a less-than-desirable employer would have?

> "I think the worst thing for me would be if I really, really love what I do, but I felt that I wasn't being appreciated. This could either show through the way the employer would treat me personally, or through the amount of money they pay me. Just being appreciated for what I do is important to me."

- Eastern European woman, 26, pursuing a degree in Public Administration

> "I wouldn't mind working long hours for my first job, but the worst thing for me would be if my employer did not offer growth opportunities to move up on the ladder and grow in that job. I would hate if I got stuck at an employer that doesn't allow their employees to grow."

- Middle Eastern man, 23, MBA student

Qualities sought after in a leader

Another aspect of a job is how the closest manager acts, and how they build a relationship with their employees. The interviewees appreciated having an open and honest relationship with their managers, and seemed to value trust, friendship and truthfulness high. Below is what the interviewees responded when asked about what they have liked and disliked about the managers they have worked for. In addition to this, they were also asked which of the five leadership styles (transformational, transactional, participative, laissez-faire, and autocratic) they thought described their leaders the best, and which one they preferred the most and the least.

> "I remember the first thing [my manager] said to me: '[Name of interviewee], do whatever you want but please don't screw up.' […] Our relation is very good; I actually love our relationship. Before, I had a lot of bad managers that wouldn't appreciate my work or said that I have to work more and didn't respect my life after work. Some managers don't care about your life after work. They care about you when you are at work and don't realize that you have to do more things in your life, and that you have other things that really matter. So that is a nice difference for me now.
>
> My current manager applies a mix between the participative and transformational leadership styles. I want to be inspired by my manager. I can live without clear instructions. If he gives me helpful directions I would appreciate it, but if he would give me instructions on what I should do, 'do this and do that,' making it sound like there is one way to do this job – I would hate it. That would be different than him trying to help me with something."

-   South American man, 24, employee at [Big 5 Technology company]

"My managers have usually been between 40 and 50 [years old]. Normally there is a lot of distance between the managers and normal employees in the beginning of your employment [at my workplace]. For example, you don't call them by their first name. But it is important for me to be able to talk openly to my managers about holidays and so. He always asks me how my holiday was, and I don't know if he is really interested in what I am doing, but at least he shows some interest. He asks about my private life and what I do outside of work, and I think it is important to show that you are interested in what your employees are doing. I dare to say 'Hey, I have a really bad day and I am really ill and I need to stay at home' and if that would be the case he could say 'Ok, do it. Stay at home and tomorrow you will be here again when you feel healthier, and that is better for us both.' It's like a friendship at work."

- Western European man, 26, employee at a financial institution and MBA student

"I only have experience with leaders in the service sector. At my first job I needed to have a leader [that gave me clear directions], because there are certain skills that you need to learn, and I think that in the beginning you need that leadership style. I want [clear directions] from my managers because that lets you how what you actually can do, and you can broaden your scope too.

My least favorite type of manager would be the someone that acted like a participative leader [but really wasn't one]. For example, if my manager would let me think that I am part of a decision process and then they would later say 'it actually doesn't matter what you say' or they might think 'it's good to hear your opinion and maybe we use it later and pass it on as ours.' If my opinion right now isn't valued, then why are you asking me? Honesty is very important to me."

- Eastern European woman, 26, pursuing a degree in Public Administration

How many hours fit in a week?

The number of hours spent at work is yet another aspect of life as an employee. The interviewees view on this aspect varied. One of the interviewees stressed that life outside of work was important, and had a set roof on how many hours he could see himself spending at work. Meanwhile, two other interviewees instead saw no issue with spending a larger portion of their days at work – at least for now, and granted that the work they did felt rewarding.

> "I currently work 39 hours a week. I have 30 days of paid vacation, and national vacation days are also paid for so I have around 46 free days per year. So, I guess I work a bit less than you do at other companies. In the future, I will probably work more. However, I also study at the same time in addition to the 39 hours spent working, so I could work more. Maybe around 50 hours a week in the future but that is the maximum. They must pay me really, really, well for me to spend that much time at work."

- Western European man, 26, employee at a financial institution and MBA student

> "For me, the number of hours don't really matter. I've had a 70-hour work week before and now I have a 30-hour work week, and 30 hours is definitely not enough. If I worked for something and I knew that I wasn't being taking advantage of by my employer, or if my work really meant something, or it was something that I felt I could use later, then I wouldn't mind working more hours. I wouldn't mind 50 hours a week. And I wouldn't mind if I had some work to do at home or if I had to work during weekends."

- Eastern European woman, 26, pursuing a degree in Public Administration

> "I am a very active person so I really like to be doing something, like being part of projects or new entrepreneurial ventures. I think l will keep doing things until I die. But of course, I don't like to work for obligation. I would like to work whenever I want, but perhaps not every day. If I would be in a serious relationship with someone then [my preferences] might change. If I have kids, I might want to take two years off to spend time with family, for example. But right now, I want to work a lot. However, it's important that when I work I feel like I am making a contribution, having an impact, and having fun!"

-   South American man, 24, employee at [Big 5 Technology company]

Discussion

The most important aspects when choosing the first employer after graduation give an indication on what the respondents value at an employer. As the results reveal, the aspects that our respondents noted as most important ("To improve my employability" and "Working for an employer with great opportunities to grow and advance within the company") are aspects that indicate that the respondents want to have prospering opportunities after the employment and think of their first employment as a long-term investment. The payoff of this investment would either be internal promotions or marketable experiences when seeking future employments outside of the firm. This is consistent with the focus group's discussion, where a common theme among the participants was a will to start out as a generalist to get a solid base that they could exploit as they specialize later on.

The important aspects when choosing an employer are mirrored in the reasons why the respondents leave their first employments. The most common reason why one would leave an employer were "No/limited opportunities of advancing and getting promoted within the company OR better opportunities of advancing and getting promoted elsewhere."

Conclusion 1

Our respondents' desire to have a first employer that allows them to improve their employability and sharpen their skills for future employments are second to none. Many seek to broaden their skills and become generalists at their first employment, and specialize only later in their careers.

The least important aspect in our survey was "Prestige," meaning that our respondents hence do not put importance on the perceived admiration and respect from others when considering their first employer. Some elements of prestige, such as e.g. a brand name, might also have been incorporated in the other aspects respondents considered. For example, the employer's brand and reputation could to some extent be argued to be related to the expected increase in employability one experiences at a prestigious work place, and hence hollow out the importance an employer being prestigious on its own. Prestige could also be seen as being related to financial measures such as company growth, profitability, and market leadership—aspects that all are unimportant to Millennials according to the Deloitte 2016 Millennial survey.

High pay and a sustainable work-life balance are in the middle of the scale when looking at the average scores for the aspects that our respondents consider when choosing their first employer. Looking at the frequency graphs, an additional insight emerges. An inverted V-shape is

found for the importance of salary, which shows that high pay is something of medium importance to most respondents whilst it seems to be very important or not important at all only to a small share of the respondents. A similar, albeit not as clear, pattern is found for work-life balance. On the contrary, the majority of our sample found meaningfulness at work either to be very important or not important at all, and only of moderate importance to a few.

However, according to the Deloitte 2016 Millennial survey, the salary is in fact the most important aspect when choosing an employer. The reasons for our results being different can be several, but much of the difference may be due to the different samples (with regard to both size and demographics). The respondents in our survey are for example also expecting a higher pay than the average of recent graduates in their countries, which could be due to heightened self-esteem and confidence, but it could also be due to their educational background. If they attend highly ranked universities in their home countries they might feel entitled to a higher salary than the average university graduate at the same time as they do not need to put the same importance on the salary of their first employment, but the pay rather being a hygiene factor. The Deloitte sample is much larger and also includes Millennials without a university degree, which might increase the importance of pay.

Connecting our results to Herzberg's theory of motivators and hygiene factors, a high pay and work-life balance can indeed be seen as a hygiene factor for most in our sample. The finding that feeling a sense of meaningfulness (and to a certain extent tasks that fit the respondent's background or interests) is either very important or not important at all leads us to believe that the importance of specific motivators—the factors that not only makes us endure work but also enjoy it—might vary more depending on the individual's preferences and personality, compared to hygiene factors. A larger sample is needed to verify.

Conclusion 2

The importance of a specific motivator might depend more on personal preferences, while hygiene factors such as pay and work-life balance carry moderate importance for the majority. Given a finite amount of resources, organizations may be better of focusing on only a few motivators (e.g. opportunities for advancement, responsibility, meaningfulness) that matter most to their employees, instead of designing jobs with many desirable (but costly) motivators that do not matter to a large share of employees. Meanwhile, for certain aspects (such as pay) some basic standards must be met for all, but aiming much higher than that does not affect most.

The respondents do not only expect a higher-than-average pay but also a high level of responsibility at their first employment. They also want to manage both their own and others' time. However, as

discussed in the focus group, the pay is expected to match the level of responsibility and that it is important to *"feel qualified for the amount of money I receive."* These results are to be analyzed with respect to the narrow sample this survey consists of. The sample is skewed toward respondents with educational backgrounds typically represented in management positions. The respondents also participated in an international program with focus on leadership and management, so their interest in leading others might be higher than it is for the population. In other words, we are more inclined to believe that the answers to these questions provide insights as to how our sample differs from the population, rather than being representative to what the general population expects of their pay and responsibilities. Alternatively, this could indeed be the sentiment of the population, which then might be explained by the concept of *self-serving bias[16]*, or the Millennials' general sense of entitlement.

Conclusion 3

The respondents' expectations of higher salaries and higher level of responsibilities compared to the average in their countries could be related to the fact that the sample is likely to differ from the general population in some regards.

Since our respondents ranked employability and opportunities for advancement as their most important aspects when considering their first employer, it is perhaps not surprising that around half (52%) of the respondents plan to stay two years or less at their first employment, which is similar to the number in Deloitte's 2016 survey (44%). 58% (11 respondents) of those that had held employments after graduating and also had ended their first employment within two years from starting. The reason for this seemingly short term could be that they deem the first few years as offering the best opportunities for improving their skills and employability, something that they seek to leverage elsewhere as the learning curve flattens out.

Conclusion 4

Half of the respondents expect to stay at their first employer two years or less before moving on in their careers. This poses a challenge for employers as they seek to reap long term benefits from having spent significant resources training their new employees.

Both the respondents in the survey and the participants in the focus group interview were probed about different leadership styles and their impact on the work-experience. In the survey the

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[16] See e.g. Babcock, L., Loewenstein, G. (1997). Explaining Bargaining Impasse: The Role of Self-Serving Biases. The Journal of Economic Perspectives, 11. 109-126.

participative leadership style, where the leader engages and values the employee as an equal, was the most desired leadership style. This leadership style was also appreciated among the focus group participants. The transformational leadership style, that is inspiring and motivating, was also a popular choice. This connects to Millennials' desire to feel meaningfulness in their work and wish for the organizational values to be aligned with their personal values, as found in Deloitte's 2016 Millennial survey. The transactional and autocratic leadership styles were perceived as the least desired leadership styles, which is also in line with the Deloitte survey on Millennials. However, as noted in the focus group interview, there are times when these types of leadership are necessary, and the leader should be able to adjust their leadership depending on both the employees' skill and the complexity of the work tasks.

Another finding regarding leadership styles that emerged from the focus group session was that the participants found it important that their managers connect with them on a personal level, rather than just seeing them as a cogwheel in a machine. This stands in contrast to McClelland's inference from his need theory, as he stated that managers should embrace their need for power rather than that for affiliation. Instead, the participants in our focus group expressed a clear preference for leaders that understand, listen to, and feel with them, more like the leadership qualities Daniel Goleman describe as essential in his book *Emotional Intelligence*.[17]

Conclusion 5

Millennials want leaders that engages them in discussions and allow them to voice their opinions, and leaders that inspire them. They also prefer leaders that connect with them on a personal level and aim to understand their needs and personalities.

Regarding work hours, the vast majority of our sample both expected and desired working between 35 and 44 hours per week at their first employment. Based on the discussion in the focus group, what the Millennials are doing, rather than how much time they spend doing it, seems more important. As one interviewee put it, "if I worked for something and I knew that I wasn't being taking advantage of by my employer, or if my work really meant something, or it was something that I felt I could use later, then I wouldn't mind working more hours."

Conclusion 6

Millennials may not actively be seeking out working longer hours, but some of them have no issues spending a larger share of their day at work granted the right conditions: useful learning experiences, decent pay or a sense of purpose.

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[17] Goleman, D. (1995). Emotional intelligence. New York: Bantum Books.

Final remarks

What emerges from our survey and focus group finding is a perspective that the Millennial generation indeed is demanding, yet willing to work hard for the right employer. Young professionals and university students, perhaps to a larger extent than previous generation, see their first employment as a continuation of their studies in the sense that it is a place where they can sharpen their professional skills for the future. They seek to become generalists at first, only to later in their career specialize, or start their own company. Millennials also see their first employment as a relatively short venture before they hop on to their next employer. Hygiene factors such as pay and a work-life balance are important to many, but not to the extent that it is the most important aspect they seek in their first employer. Meanwhile, aspects like meaningfulness and opportunities for advance within the company are very important to some but not at all to others, meaning employers may be best of prioritizing between such motivators according to their employees' needs.

Millennials also want leaders that make them feel important not only for the company, as managers engage them in discussions and listen to what they have to say, but also as persons, as managers establish a personal relationship with them at work. Finally, students entering the work force today may not be actively seeking out employments with long work hours, but can find themselves working longer if it entails opportunities for growth, pay, or a sense of purpose.

Connecting our findings that today's entry levels employees both want to learn a great deal and develop various skills that can benefit them in the future, while at the same time want to feel like they can have an impact today, one idea employers could employ to increase the internal sustainability is to encourage personal (or pet) projects. For example, a personal project could entail allowing the new hire to spend a couple of hours every week (perhaps partly by extending the work week) trying to figure out how to increase his or her division's efficiency, engage in pro-bono work for a local charity, or plan the next office party. What we see as crucial for such projects' success and attractiveness are that their objectives and methods are decided on by the employees, but approved by and within the general business operations of the employer. They should also never be mandatory. Employees engaging in such projects might feel they are developing skills they need in the future, yet in a field they are passionate about. They might feel they can test their own boundaries, yet under helpful guidance of fellow co-workers. Indeed, they might feel that their employer care about them and their interest, and that the employer-employee relationship is one that they nurture from in the future. Low-stake measures such as personal projects might be what employers need to undertake to improve their arsenal in the high-stake war for talent.

Appendices

Appendix 1: Survey questions

1. Have you finished a university degree?
2. Have you ever held a full-time employment after graduating?

   If yes, I have held an employment:

1. What was the most important aspect for you when considering your first employment after graduating? (1=most important, 7=least important)
2. How many hours did you expect to work per week at your first employment before starting?
3. How many hours did you want to work per week at your first employment before starting?
4. How high did you expect your monthly salary to be at your first employment before receiving your employment offer?
5. Please pick the most fitting option for what you expected your responsibilities at your first employment to be before joining the firm.
6. Which statement fits best with how you *wish* your relationship with your closest manager to be?
7. Which statement fits best with how you would describe your *actual* relationship with your closest manager at your first employment?
8. How long did you plan to stay at your first time employment before starting?
9. Are you still working for your first employer?

   If yes, I am still working for my first employer;

   i. How long have you worked at your first employer?
   ii. Speculating, what do you believe would be the primary reason for you leaving your first employer?

   If no, I am not still with my first employer;

   i. How long did you stay at your first time employment after graduating from university?
   ii. What was the primary reason for you leaving your first employer?
10. How old are you?
11. Which country are you from?
12. Which gender do you identify with?

13. What was your primary field of study?

14. How many years have you been in the work force after graduating from university?

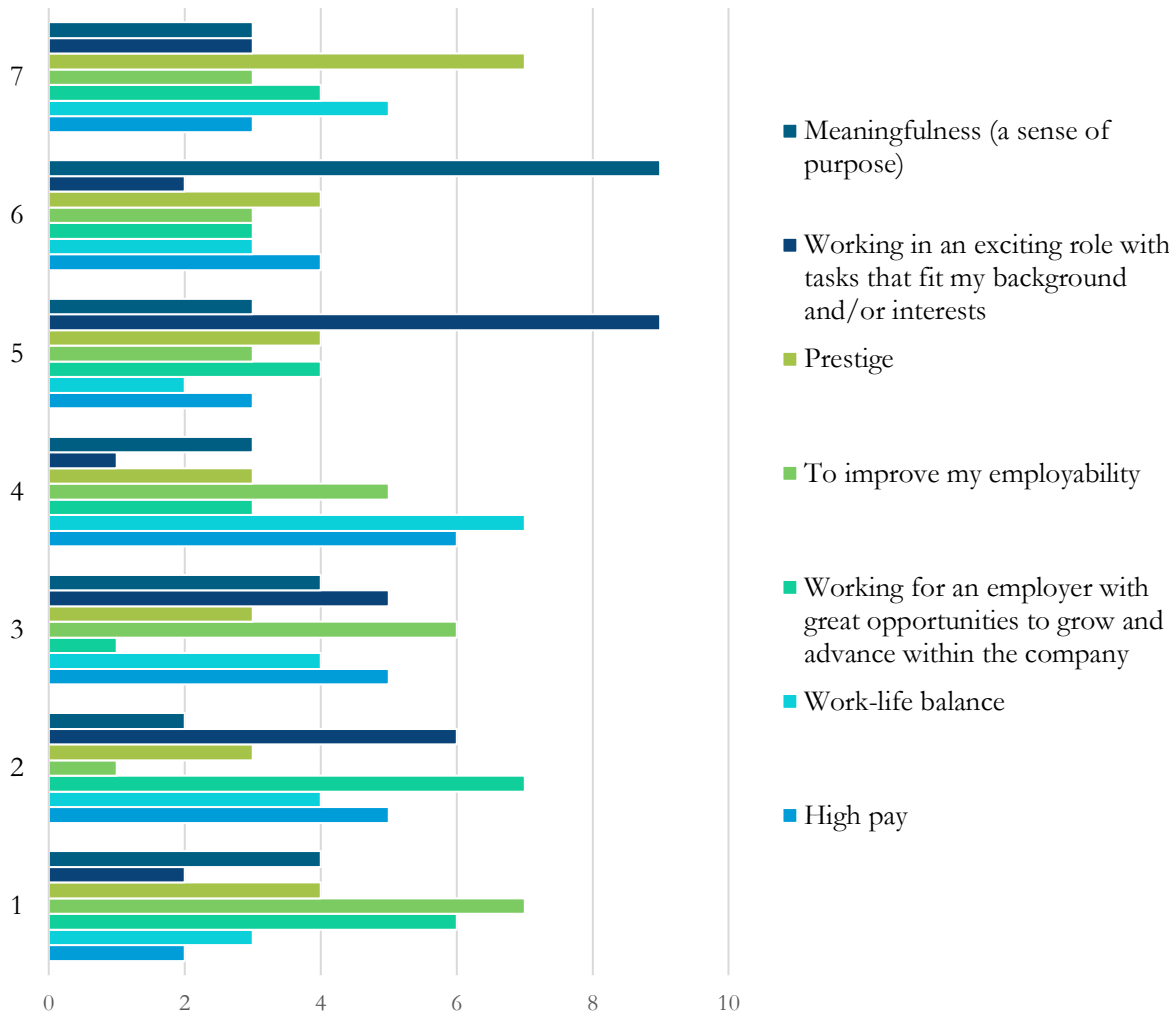15. In which industry was your first employment after university?

If no, I have not held an employment:

3.   What is the most important aspect for you when considering your first employment after graduating? (1=most important, 7=least important)

4.   How many hours do you expect to work per week at your first employment?

5.   How many hours would you want to work per week at your first employment?

6.   How high do you expect your monthly salary to be at your first employment?

7.   Please pick the most fitting option for what you expect your responsibilities at your first employment to be.

8.   Which statement fits best with how you *wish* your relationship with your closest manager to be?

9.   How long do you plan to stay at your first time employment?

10. Please briefly describe your rationale for wanting to stay this specific amount of time.

11. Speculating, what do you believe would be the primary reason for you leaving your first employer?

12. How old are you?

13. Which country are you from?

14. Which gender do you identify with?

15. What is your primary field of study?

16. In which industry will you seek your first employment after university?

Q3: What was the most important aspect for you when considering your FIRST employment after graduating?
(1=most important, 7=least important)
(Respondents have held emplpyment)

- Meaningfulness (a sense of purpose)

- Working in an exciting role with tasks that fit my background and/or interests

- Prestige

- To improve my employability

- Working for an employer with great opportunities to grow and advance within the company

- Work-life balance

- High pay

Q3: What is the most important aspect for you when considering your FIRST employment after graduating?
(1=most important, 7=least important)
(Respondents have not held employment)

Legend:
- Meaningfulness (a sense of purpose)
- Working in an exciting role with tasks that fit my background and/or interests
- Prestige
- To improve my employability
- Working for an employer with great opportunities to grow and advance within the company
- Work-life balance
- High pay
- Question