

# Job satisfaction of millennials at a selected manufacturing company

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# **ABSTRACT**

One of the challenges of the 21<sup>st</sup> century organisation, is to satisfy and retain their valuable human capital. This comes with the territory of competing in a global market combined with technology making it easy for employees to seek and find interesting new opportunities to exploit. Millennials will dominate the workforce by 2020. It seems that most aspects of the lives of Millennials are integrated with technology. Technology in turn gave Millennials unique preferences in social as well as work related factors, such as communication. Organisations need to investigate and adapt in order to recruit and retain millennial employees.

The aim of this study was to investigate the level of job satisfaction amongst Millennial employees of a selected company and identify specific factors (positive and negative) of influence on their job satisfaction. From knowledge gained and insights from literature, the study further aimed to make recommendations towards a more effective retention strategy.

A quantitative research approach was followed, with a cross-sectional design. The Minnesota satisfaction questionnaire was applied to gather information on the level of Millennial's job satisfaction and their preference at a selected company in Florida Hills, Gauteng, South Africa. A convenience sample of fifty Millennials at the selected company of study was identified and forty-six responded (N=46).

The results indicated a high level of satisfaction amongst the selected company's Millennial employees, with a slightly higher intrinsic satisfaction than extrinsic satisfaction. Activity, co-workers, security, supervision-technical and independence were amongst the positive work related factors and advancement, compensation and authority amongst the negative factors. Literature on retention strategies were investigated and knowledge gained from results on job satisfaction were applied to make recommendations towards enhanced millennial satisfaction and retention strategy.

**Key Terms:** Manufacturing company; Millennials; generation Y; Job satisfaction,

Turnover; retention: retention strategy

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# **CHAPTER 1: NATURE AND SCOPE OF STUDY**

# 1.1. Introduction

The most valuable resources for any organisation are its human capital. Hence the strategic importance of job satisfaction and retention of employees of any organisation cannot be over emphasised, (Mutasa 2016:1).

During the last century job satisfaction has been the topic of many research studies in a variety of industries, (Armer, 2011; Snowden, 2011; Blachut, 2012; Perry, 2013; Armour, 2014; Brown, 2016; Grillo, 2016; Nisar *et al.*, 2016; Pillay, 2018). The significance of job satisfaction for organisations lies in its positive relationship with employees' attitude, motivation and overall performance, (UKEssays, 2013). Nisar *et al.* (2016:1816) and Brown (2016:1) add that the positive outcomes of job satisfaction include the reduction of tardiness, reduced absenteeism and lower employee turnover.

Job satisfaction is known as the degree of an individual's positive emotional state, feedback and/or satisfaction towards a job (Brown, 2016:1, Blachut, 2012:25, Armer, 2011:14). Nisar *et al.* (2016:1816) term job satisfaction as an individual or employee's mental (thinking), emotional (feelings) and action tendencies towards a job.

The global economic environment of uncertainty and instability has forced organisations to adopt strategies of downsizing and restructuring which result in job insecurity, low commitment and the intention to quit amongst their high-performing employees (Beher *et al.*, 2011:2). When organisations lose highly-valued and high-performing employees, they ultimately lose knowledge and networks accumulated over many years, and this loss tends to be costly, and in some cases, impossible to replace, (Beher *et al.*, 2011:3). On the other hand, some organisations choose to adopt the opposite strategy of nurturing employees' needs and desires in order to attract the best talent and maintain a high-performing organisation and ensure organisational success and sustainability (Dimock 2018:1; Perry 2013:13).

Currently, three generational cohorts share the workplace: Baby Boomers, born between 1946 and 1964; Generation X, born between 1965 and 1979; and Millennials, born between 1980 and 2000, (Perry 2014:13-14, Linden 2015:1). According to Perry (2014:11) and ManPowerGroup (2017:3), Millennials will constitute approximately a third of the workforce globally in 2020, a factor that serves as one of the many reasons why organisations should revisit and revise their retention strategies.

Millennials have developed a reputation for moving freely from one company to another, increasing employee turnover and resulting in organisations loosing valuable human resources (Adkins, 2016:1). In an attempt to identify and understand possible factors that can contribute to the retention of Millennial employees and reduce the negative effects of high employee turnover, this study investigated job satisfaction amongst Millennials employed by the organisation selected for this study.

A high rate of employee turnover can be associated with high organisational costs, which effect an organisation's overall profitability and financial success (Ongori, 2007:51, Litheko, 2012:10). Costs associated with turnover include but are not limited to recruitment, selection, induction, training, loss of productivity, loss of sales, management's time loss, effects on customer service as well as customer satisfaction (Ongori, 2007:51, Lewis, 2015:13 and Litheko, 2012:4).

The focus of this study was identifying the factors that positively and negatively influence Millennial job satisfaction and accordingly making recommendations for a revised employee retention strategy.

# 1.2. Problem statement

In the near future Millennials will dominate the workforce as older generations retire (Smith & Nichols, 2015:40). As a result of this knowledge, an important responsibility lies with organisations to gain more information and further insight into the organisational behaviour of Millennials. Millennials have gained a reputation of being a 'job-hopping' generation, thus stressing the importance of Millennial job satisfaction (Adkins, 2016:1). Job satisfaction is a key indicator in

employee retention (Thompson 2011:17) and arguably its most important factor (Behera *et al.*, 2011:3).

The manufacturing company selected for participation in this research study was experiencing a sudden escalation in employee turnover, after an acceptable retention rate over the past ten to twenty years. During the last ten years, the organisation has seen compounded growth and, as a result needed to increase their employee numbers, which mostly consists of millennials.

A major consequence of job dissatisfaction is low morale, which leads to individual health issues, tardiness, absenteeism and high turnover rates (UKEssays, 2013). Turnover is linked to several factors such as age, perception of job security, perceived employment alternatives, tenure, job satisfaction, perceived organisational support and remuneration (Boxall *et al.*, 2003:196).

This study aimed at determining the factors that influenced job satisfaction amongst Millennials in the selected company of study. This information, combined with a literature review on employee retention, added value to the recommended strategy of the selected company to retain their Millennial employees.

# 1.3. Research objectives

The primary objective of this study was to assess the overall job satisfaction of Millennial employees in the selected manufacturing organisation in Gauteng, South Africa.

The secondary objectives were:

- Identifying the factors that positively influence the Millennials' job satisfaction.
- Identifying the sub-factors that positively and negatively influence the Millennials' job satisfaction.
- Applying the knowledge gained from the previous two objectives to make recommendations to enhance the retention strategy of the company of study.

 Making recommendations based upon information provided in the literature/theoretical study to enhance the retention strategy of the company of study.

# 1.4. Rationale and significance of study

The expected future dominance of Millennials in the workforce (Smith & Nichols, 2015:40) and their uniqueness (Ruys, 2013:6-7) has focused attention on the need to know more about this category of employees.

The importance of this study was the fact that it enabled the researcher to gain further insight into the workplace desires and needs of Millennials by determining the factors that impacted their job satisfaction. These results will add empirical information for future research regarding Millennials and job satisfaction and provide organisations with the relevant knowledge necessary for developing a more focused employee retention strategy to retain high-performing human capital.

# 1.5. Definition of key concepts

**Job satisfaction** – job satisfaction is an indicator of employees' positive feelings or attitudes toward their job, derived from the employees' comparison of actual and desired outcomes (Mosadeghrad *et al.*, 2008:213, Smit, 2014: 40).

**Intrinsic satisfaction** – intrinsic satisfaction is the satisfaction related to the nature of the job, such as activity, independence, variety, social status, moral values, security, social service, authority, ability utilization, responsibility, creativity and achievement, (Tennison, 1996:9).

**Extrinsic satisfaction** – extrinsic satisfaction is the satisfaction related to a job's characteristics, such as supervision, compensation, advancement, recognition, and company policies and practices (Steinmann, 2016:18).

**Employee retention** – retention is a process whereby an organisation encourages employees to remain in its employ for as long as possible or until the specific job task or contract ends (Das & Baruah, 2001:8). It is a strategy or voluntary action by the organisation to engage, motivate and focus employees,

by creating a working environment that encourages them to stay with the company (Roodt, 2018:27).

**Employee turnover** – Turnover refers to the rate at which employees leave an organisation, thereby creating vacancies that need filling (Slabbert, 2008:18).

**Millennial/Generation Y** – Millennials or Generation Y employees are a group of individuals born between 1980 and 2000 (Hobbs, 2017:38).

# 1.6. Research methodology

This study employed a quantitative research approach. According to Bryman *et al.* (2016:31), this approach is concerned with the gathering of numerical data through a deductive or 'top-down' approach to the relationship between theory and research, and, in particular, favours a positivism approach and, thus, adopts an objectivist conception of reality. The use of the quantitative approach allows the testing of hypotheses derived from literature and encourages the investigation of casual relationships between specific variables, (Kuada, 2012:103).

With regard to the role of the researcher, an unbiased and detached approach was followed within the field of study, and was restricted to what is only necessary for gathering data, (Pretorius, 2012:35).

The research project commenced with a literature review, followed by an empirical study.

# 1.6.1. Literature/theoretical review

The sources consulted in the literature review included:

- Research papers (dissertations, theses),
- Academic texts, journals, and
- The internet, YouTube, PowerPoint presentations and published academic and business-related books.

The literature gathered and consulted contributed to the accumulation and understanding of knowledge relating to the three themes of the study. The first theme included an understanding of the importance, influencing factors,

predictors and consequences of job satisfaction/dissatisfaction. The definition, importance and practical strategies of retention formed the second theme, with an investigation being conducted into the definition, general characteristics and work place behaviour of Millennials as the third, and last theme.

# 1.6.2. Research design

This study followed a quantitative research design with the use of a standardised questionnaire as the measuring instrument. Quantitative methods are concerned with investigating and explaining a phenomena through collected numerical data and its analysis, using mathematically based methods (mostly statistics), (Muijs, 2004:1).

A cross-sectional design was used to gather the applicable data for this study. Cross-sectional design is concerned with the collection of quantifiable data on more than one case, at a single point of time and is then used to detect patterns of association, (Bryman *et al.*, 2016:106).

# 1.6.3. Measuring instrument

This empirical study of job satisfaction amongst Millennial employees was conducted by means of a standardised questionnaire, the Minnesota Satisfaction Questionnaire (MSQ) short form (see Annexure 2) (Weiss, England & Lofquist, 1967:109). The MSQ short form is used to measure job satisfaction with different aspects within the work environment and takes approximately 5 minutes to complete, (Weiss *et al.*, 1967:3). The MSQ short form has the ability to measure not only group attitudes or general satisfaction, but also satisfaction of an individualized manner. This knowledge is appropriate and of great value, when taking the diversity of the participating individuals' experience into account. One employee might be dissatisfied with the recognition factor, while for another employee recognition plays no role in his or her job satisfaction (Weiss *et al.*, 1967: vi).

The short form MSQ was composed from the MSQ long form's highest correlated scale scores in a study of 1 793 employed individuals (Weiss *et al.*, 1967:3). The

short form measures three factors, intrinsic satisfaction, extrinsic satisfaction and general satisfaction.

Buitendach & Rothmann (2009:5-6) have validated the use of the MSQ for South African purposes, with the reliability and internal consistency of this method having been tested and found satisfactory (Weis *et al.* 1967:23).

The MSQ short form consists of twenty questions with response choices based on a 5-point Likert scale. The Likert scale is a response format that allows individuals to state their opinions or attitudes towards the statement/question, through fixed response choices (Mcleod, 2008:1). The short form MSQ response choices and their weight for scoring are: Very dissatisfied (1), Dissatisfied (2), neither (3), Satisfied (4), and Very satisfied (5).

The MSQ was designed by vocational psychology research (VPR) which forms part of the Psychology Department of the University of Minnesota. VPR made the questionnaire freely available to use under the Creative Commons Attribution Non-commercial 4.0 International Licence.

# 1.6.4. Population of study

Data for this study was collected from a population that consists of six-hundred employees at the selected company in Florida Hills, Gauteng, South Africa. Non-probability and convenience sampling methods were applied to identify a sample of fifty Millennials employed by the company of study. The company employs staff from throughout South Africa and, therefore, the sample group included employees from each province in South Africa. The participants are employed in the sales, financial and IT departments of the selected company.

The unit of analysis used on this study is a private institution situated in the Florida Hills suburb of the Gauteng Province of South Africa. Although more than 50% of the employees of this unit live and work in all nine provinces respectively, they gather in Gauteng Province every two months for general meetings. These meetings will be the researcher's data access point.

# 1.6.5. Data collection and analysis

Permission to obtain access to the respondents was requested from the Senior Sales Manager of the selected company (see Annexure 1). Arrangements to administer the questionnaire were also made.

The MSQ short form questionnaire was accompanied by a cover letter explaining the nature of the research plus instructions for participating in the study, and a motivation for honest responses, together with an assurance of anonymity. The sample was accessed through a meeting held by the selected company every 2 months in Florida Hills, Gauteng. The MSQ short form was printed out, distributed and collected by hand to ensure anonymity. By accessing the sample at a meeting the researcher ensured the safest way of keeping all participant's responses anonymous because this method leaves no digital trail.

After the data was collected from the field, it was summarised in Excel format and sent to the North-West University Statistics Department for analysis. The NWU Statistics Department used the SPSS program and conducted several statistical analysis for this study. The analysis included factor analysis, comparison (T-Test and ANOVA), reliability and frequency analysis.

# 1.7. Limitations of study

Questionnaires were distributed to the sample group by the researcher. The ideal was that all questionnaires distributed will be completed and collected; this notion was not realistic, unfortunately, due to the provision for the optional completion thereof.

The credibility and honesty of the answers was also questionable.

The sample was limited due to the fact of convenience, it did not include all demographics, and thus cannot be generalised.

The results of this study were only applicable to the selected Manufacturing and Supplier Company and these results cannot be generalised.

# 1.8. Layout of the study

The layout of the study consists of four chapters:

Chapter 1: Nature and scope of study

Chapter 2: Literature review (job satisfaction, retention and Millennials)

Chapter 3: Empirical study

Chapter 4: Conclusions, limitations and recommendations

# 1.9. Conclusion

Chapter 1 was a brief introduction to the research paper, followed by the problem statement, research objectives, methodology, importance and limitations that exist in this study. The next chapter provides a comprehensive literature review that consulted multiple resources for theories and commentaries on job satisfaction, retention and Millennials.

# **CHAPTER 2: LITERATURE REVIEW**

# 2.1. Introduction

The aim of the literary review is to attain deeper insight and knowledge into the concepts of job satisfaction, retention and the Millennial generation. Motivational theories that forms the basis of job satisfaction are also discussed. In order to understand these three concepts different forms of literature, such as mini-dissertations, dissertations, theses, research papers, articles, videos and websites were consulted to find definitions, theories, models and characteristics.

Each of these concepts are discussed separately starting with job satisfaction followed by retention and ending with the Millennial generation.

# 2.2. Job satisfaction

Since the Hawthorne studies in the late 1920s early 1930s, researchers have become more aware of the relationship between employee attitudes and performance, which resulted in the start of the exploration of the notion that a happy worker is more productive (Saari & Judge, 2004:398). Since then job satisfaction has become the topic of many research studies, (Armer, 2011, Snowden, 2011, Blachut, 2012, Perry, 2013, Armour, 2014, Brown, 2016, Grillo, 2016, Nisar, *et al.*, 2016, Pillay, 2018).

# 2.2.1. Defining job satisfaction

As a result of reviewing the chosen literature the following definition of job satisfaction was found; Job satisfaction is the degree of an individual's emotional state, feedback and/or satisfaction towards their job (Brown, 2016:1, Blachut, 2012: 25, Armer, 2011:14). Theron, (2014:9) simply defines job satisfaction as the employee's feelings or reaction towards their job. It is a positive emotional state derived from experiences regarding the employee's job and working conditions (Behera *et al.*, 2011, Smit, 2014:40). Locke (1976:1304) defined job satisfaction as a pleasurable emotional state derived from the evaluation of one's work or work experience. In essence, job satisfaction is clearly an indicator of an employee's positive feelings or attitude towards their job, derived from the

employee's comparison of actual and desired outcomes (Mosadeghrad *et al.*, 2008:213, Smit, 2014:40).

Job satisfaction has a multi-dimensional aspect and is determined by the employee's attitude or feelings about certain facets of the job, which is known as the *facet* or *composite* approach, (Theron, 2014:9, Pilay, 2018:37). The other aspect is the *global* approach, which simply describes how the general/overall feeling or attitude towards the job determines the employee's level of satisfaction (Theron, 2014:9).

Another two approaches to job satisfaction are known as the *situational* and the *dispositional* approaches (Steinmann, 2016:15). The *situational* approach refers to the satisfaction-job characteristics relationship, while the *dispositional* approach proposes that a person's affective disposition leads to job satisfaction (Steinmann, 2016:15). Job satisfaction is thus an internal state that results from the individual measurement of positive working conditions and/or the individual's natural mental and emotional outlook (Unger, 2017:4). These approaches are discussed further under the heading *Models of job satisfaction*.

# 2.2.2. Importance of job satisfaction

In short, as defined above, job satisfaction is an individual's positive emotional state towards his/her job. The outcome of this emotional state is not restricted to work in general, but also contributes to overall life-satisfaction (De Coning, 2016:32). Job satisfaction shows increased positive outcomes in performance both in a personal capacity and at an organisational level (Snowden, 2011:31).

It is important for organisations to foster job satisfaction, because of its effect on performance, reduced turnover intention, reduced absenteeism, and a more positive working atmosphere (De Coning, 2016:32). Aziri (2011:81) and Snowden (2011:31) suggest that high levels of job satisfaction can lead to increased commitment towards the organization. Increased levels of retention, staff experience and organisational performance have been noted by organisations (Snowden, 2011:31). Overall customer satisfaction and increased quality service have also been linked to job satisfaction (Snowden, 2011:32).

The impact of these outcomes can be linked to the overall sustainability of an organisation, higher profitability, safer, more customer-focused and improved work quality (Theron, 2014:20-21).

# 2.2.3. Models of job satisfaction

In literature, multiple models of job satisfaction exist. In this study, five models will be explored in detail; Maslow's hierarchy of needs, Affect theory, Dispositional theory, Two-factor theory and the Job characteristics model.

# 2.2.3.1. Maslow's hierarchy of needs

Maslow's hierarchy of needs (1943) is most commonly used as a theory to explain human behaviour by categorizing the human needs/motives in a hierarchy (Whaba & Bridwell, 1976:213, Perry, 2013:34).

Figure 2.1 lists the needs/motives and illustrates the movement from the lowest order to the highest. According to Maslow's theory (1943) an individual must satisfy the lowest need before moving to the next (Tennison, 1996:6, Perry, 2013:35). Thus, when a need is fully satisfied it does not serve as a motivator anymore and motivation to pursue the next need arises (Maslow, 1943:395).

Figure 2- 1 Maslow's hierarchy of needs

Source: Coachilla, (2017:1).

Examples of the different needs are: (Perry, 2013:34-35):

(a) Basic physiological needs – breathing (air), food and water.

- (b) Safety needs physical security, financial security and health.
- (c) Love/belonging needs family, friends and intimacy.
- (d) Esteem needs freedom and achievement.
- (e) Self-actualization needs self-development, achieving purpose and Kaizen (continuous improvement of working practices).

Linking Maslow's theory to job satisfaction, Tennison (1996: 6) suggests that an intrinsic and extrinsic approach could be followed. The extrinsic approach focuses on the characteristics of the job, such as job security, relationships, context, support, remuneration and company policy (Steinmann, 2016:18). These factors relate to Maslow's physiological, safety and belonging needs. Tennison (1996:6) on the other hand says that the love/belonging need fall under the intrinsic approach. Intrinsic factors are related to content, autonomy, growth opportunities, a sense of prestige, feedback, task variety and significance (Tennison, 1996:6, Steinmann, 2016:16).

Criticism from various researchers (cited by Kaur, 2013:1063-1064) states that the above mentioned theories make unrealistic assumptions that all employees and situations are the same and, thus, there is only one way to optimally satisfy human needs.

# 2.2.3.2. Affect theory

The range-of-affect theory by Edwin A. Lock (1976) is one of the most popular theories relating to job satisfaction, (Ocampo, 2015:3, Nisar *et al.*, 2016:1819). Through this theory, job satisfaction is determined by the gap that exists between what an employee is looking for in his/her job and what the job actually entails, (McFarlin, 1995:489, Ocampo 2015, Nisar *et al.*, 2016:1819). This theory also implies that facet importance plays a key role in determining the level of satisfaction regarding a certain facet (McFarlin, 1995:489) and that employees value certain facets of their job more than others, and every individual differs (Ocampo, 2015:4). Bloom (2010) identifies five facets of job satisfaction:

- Co-worker relations relationships developed with other employees based on trust and mutual respect.
- Supervisor relations –employee's assessment of feedback, motivation/encouragement and support from supervisors.
- Nature of work different components such as variety, control, autonomy, degree of difficulty, creativity and recognition.
- 4) Working conditions physical conditions such as lighting, noise and ventilation. Also includes work experience factors such as flexibility, access to resources and breaks.
  - 5) Reward opportunities adequate pay, opportunity for advancement and benefits.

The more important the facet is to the individual, the higher the satisfaction level that is measured when it is gratified. When the facet is of low importance to the employee, he/she does not experience either a strong sense of satisfaction or dissatisfaction (McFarlin, 1995:490). Employees will achieve greater satisfaction in terms of important facets when what they want matches what they receive, and when what they receive falls short of their requirements, dissatisfaction will occur (Mcfarlin, 1995:490).

# 2.2.3.3. Dispositional theory

The dispositional theory of job satisfaction implies that individuals have different personal dispositions or characteristics, which guide them towards different levels of satisfaction, without taking job conditions into account (Cohrs *et al.*, 2006:364, Nisar *et al.*, 2016:1820). These dispositional factors when detached from job attributes can affect the level of job satisfaction experienced (Judge *et al.*, 1998:17) and remain mostly stable with changes in jobs and over time (Cohrs *et al.*, 2006:365). The first empirical evidence that disposition is a major contributor to job satisfaction was provided by the work of Staw *et al.* (1986).

Dispositions used in prior research to study the disposition-job satisfaction relationship include: giver, sympathetic, likable, warm, satisfied with self,

cheerful, condescending, hostile, distrustful, negative, self-defeating, moody and irritable (Staw *et al.*, 1986:65). Other researchers such as Judge *et al.* (2002) and Cohrs *et al.* (2006) use the five-factor model of personality (also termed the big five-personality factor) that identifies neuroticism, extraversion, openness to experience, agreeableness and conscientiousness as general dispositional variables.

Judge *et al.* (1998) provides a more focused approach to the dispositional theory through their core self-evaluations model (Nisar *et al.*, 2016:1820). The four core self-evaluations model consists of self-esteem (perceived value of oneself), general self-efficacy (perception of own competence), internal locus of control (the belief of own control over life) and neuroticism (tendency towards negative feelings) (Nisar *et al.*, 2016:1820). Judge *et al.* (1998) contend that the way individuals experience their job is the result of their self-perceptions.

# 2.2.3.4. Two factor theory (motivator-hygiene theory)

Frederick Herzberg's two-factor theory, also known as the motivator-hygiene theory, resulted from a study of 200 engineers in 1959 (House & Wigdor, 1967:369, Perry, 2013:35). The two-factor theory implies that the level of job satisfaction is based on two factors – motivation (intrinsic) and hygiene (extrinsic) (Perry, 2013:35-36, Nisar *et al.*, 2016:1820, Johnson *et al.*, 2018:28). This model further implies that the presence of motivational factors can increase satisfaction, but the lack/absence thereof does not automatically mean dissatisfaction (Theron, 2014:10). The same situation applies to the presence of hygiene factors which can prevent employees from feeling dissatisfied, but do not necessarily increase their satisfaction, in other words, the presence of hygiene factors results in a lack of satisfaction or, in contrary, no dissatisfaction (Theron, 2014:10).

The motivational factors, or intrinsic factors (nature of job) refer to the features that satisfy employees when they are present but do not necessarily dissatisfy them when they are not, such as challenging work, recognition, achievement, growth (personal and work related), increasing responsibility and opportunities for advancement or promotion (Tennison, 1996:9). The hygiene factors, or extrinsic factors (environment), refer to features whose presence prevents

employees from being dissatisfied but do not necessarily increase the level of satisfaction, such as company policy, relationship with others, salary, working conditions, supervisory practices and administration (Perry, 2013:36, Theron, 2014:10, Nisar *et al.*, 2016:1820).

Yew & Manap (2012) state that the two-factor theory and Maslow's hierarchy of needs only differ in the way they categorize human needs. The hygiene factors of Herzberg are similar to Maslow's first three needs, which are physiological, safety and love/belonging (social), with Maslow's top two needs of esteem and self-actualization being similar to Hertzberg's motivation factors, (Yew & Manap, 2012).

Figure 2-2 is a summary of Herzberg's two-factor theory in graphical form. This table shows the two factors (Motivation and Hygiene) respectively, and their positive and negative effects on the employee's emotional feelings towards his/her job. Motivation factors have a positive affect when present and Hygiene factors have a negative affect when present.

Herzberg Two-factor Theory of Motivation Positive Job Satisfaction MOTIVATION and Motivation Achievement Recognition Responsibility MOTIVATION Promotion **FACTORS** Opportunities Personal Growth Job Interest OMOTIVATION Not Dissatisfied but Not Motivated Quality of **O**DEMOTIVATION Supervision Rate of Pay Job Security HYGIENE FACTORS Company Policies Relations with others (boss and peers) Fringe Benefit: Job Dissatisfaction Vacations and Demotivation DEMOTIVATION

Figure 2- 2 Herzberg two-factor theory of motivation

Source: Pinterest (https://za.pinterest.com/pin/461830136781690862/?lp=true)

# 2.2.3.5. Job characteristics model

The job characteristics model was developed by Richard Hackman & Greg Oldham (1976) to promote intrinsic motivation by designing jobs that consist of intrinsic motivational characteristics (Dreyer, 2012:30). The model's main purpose is to serve as a diagnosis of jobs and the planning of job redesign (Wall et al., 1978:184).

This theory implies that high intrinsic motivation, job satisfaction and quality performance, accompanied by low absenteeism and turnover, are derived from three critical psychological states (Hackman & Oldham, 1976:160). Only when

all three psychological states are present will the previously mentioned outcomes be realised (Hackman & Oldham, 1976:160). The three critical psychological states according to Hackman & Oldham (1976) are: (1) experienced meaningfulness of work – experience of meaningful, worthwhile and valuable work. (2) Experienced responsibility for outcomes of work – personally responsible and accountable for work outcomes. (3) Knowledge of results of work activities – knowing and understanding the effectiveness of his/her work completed on an ongoing basis.

In order to create these psychological states, the following five core job characteristics must be present: autonomy (freedom, independence and discretion), feedback (direct and clear feedback on performance), skill variety (activities that require a variety of skills and abilities), task identity (carrying out a job from the beginning to the end with a visible outcome) and task significance (task with significant impact) (Hackman & Oldham, 1976:160, Dreyer, 2012:30).

The skill variety, task identity, and task significance job characteristics primarily enhance the experienced meaningfulness of work, autonomy enhances the experienced responsibility for outcomes of work and knowledge of results of work activities is enhanced by increased the quality and quantity of feedback (Dreyer, 2012:31).

The five core job characteristics only affect people who are a 'good fit' for the job, and are viewed through three moderating variables – growth needs (desire for opportunity of learning, self-direction and accomplishment), knowledge and skills (the fit of capabilities to complete the job) and context satisfaction (satisfied with aspects of the job) (Dreyer, 2012:32).

Figure 2-3 below summarises the job characteristics model and shows the five core job dimensions, the three critical psychological states and the personal and work outcomes.

Personal Core Job and Work **Psychological Dimensions** States **Outcomes** Skill variety Experienced High internal meaningfulness work motivation Task identity of the work High quality work Task significance performance Experienced responsibility for High satisfaction Autonomy outcomes of the with work work Low Knowledge of the absenteeism and Feedback actual results of turnover the work activities Individual's **Need for** Growth

Figure 2- 3 Job characteristics model

Source: The HR Practice (2017:1)

The different variables, such as demographic, work-related and individual variables of job satisfaction will be discussed below.

# 2.2.4. Demographic variables

# Age

Clark *et al.* (1996:73-74) suggests that a U-shaped relationship exists between job satisfaction and age, where overall job satisfaction starts high, declines in early age and rises after the age of thirty-one. Buitendach's (2004:58) research study somewhat agrees with Clark *et al.* (1996:73-74) and identifies higher levels of job satisfaction with individuals older than fifty-five. Mackenzie (2008:7) disputes these claims and suggests rather that, because an individual's needs, values and expectations change with age, the age-job satisfaction relationship is linear and increases with time. Experience that comes with age also plays a major role in job satisfaction. Britton (1997:101) states that older employees show an overall higher satisfaction regardless of intrinsic and extrinsic variables.

#### Gender

Women in general seem to experience higher job satisfaction than men (Clark, 1997:364, Bender *et al.*, 2005:486). Clark (1997:365) contributes these findings to the fact that women have lower expectations regarding employment because they were allocated less rewarding jobs in the past. Bender *et al.* (2005:493) commented on Clark's (1997) work and states these findings are based on dated information. As differences between men and women's work diminish, so will the gap in expectations and job satisfaction (Bender *et al.*, 2005:493). In contrast, Vorster (2010:78) finds that men experience higher levels of job satisfaction than women.

Bender *et al.* (2005:493-494) rather suggest that the difference in job satisfaction between genders can be attributed to variable determinants of job satisfaction. Women and men place a higher value on different variables, such as higher earnings for men, and flexibility for women. Bernal *et al.* (2005:286) agrees with Bender *et al.* (2005:493-494) and state that determinants such as personal development, interpersonal relationships, economic factors and conditions, impact men and women's satisfaction differently.

According to Mackenzie (2008:8) job satisfaction amongst men and woman can be accredited to the difference in values and attitudes experienced towards variable aspects of their jobs.

# Marital status and/or family

Vorster (2010:79) claims that married employees show higher levels of job satisfaction than their single counterparts. However, according to Gazioglu (2006:1168) studies on the relationship of marital status and job satisfaction have delivered inconsistent results.

# Levels of education

The higher the educational qualifications of an employee, the higher his/her expectations of job satisfaction (Vorster 2010:79, Al-Zoubi 2012:40). Al-Zoubi

(2012:40) states that these employees tend to be less satisfied with their jobs than those with lower educational levels.

# 2.2.5. Work-related variables (situational)

Billingsley and Cross (1992:465) state that work-related factors are better predictors of job satisfaction than demographic variables. The range-of-affect theory, two-factor theory and job characteristics model previously discussed are based on the situational approach and take into account the work related variables.

Sanchez Jr. (2017:48-49) formulates a list of nine work related factors that influence job satisfaction— interpersonal relationships, working conditions, communication and feedback, pay and salary, promotional opportunities, nature of work, rewards, work-life balance and trust. These nine factors occur consistently in the literature reviewed for this research study.

Other factors or variables identified are attitude towards supervisors, managements' concern for employees, perceived opportunities elsewhere (Aziri, 2011:81), and work-itself (Snowden, 2011:31). Employees evaluate work-itself by aspects related to task variety, complexity, enrichment, creativity, knowledge acquisition, autonomy and responsibility (Snowden, 2011:31). Job design, performance management, organisational climate (Vorster, 2010:80) and organisational health (Kamstra, 2005:14) also lead to job satisfaction. Theron (2014:13) also mentions factors such as teamwork and leadership traits as having an effect on job satisfaction.

# 2.2.6. Individual variables (Dispositional)

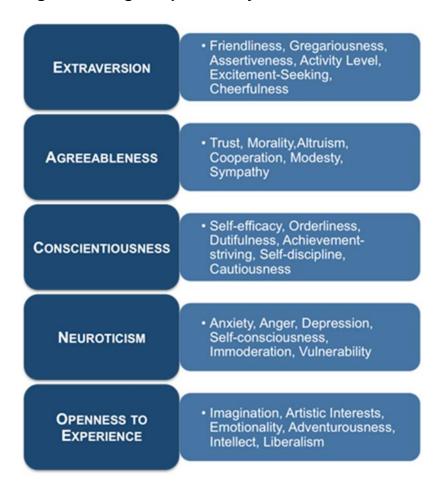
Personal characteristics are also significant predictors of job satisfaction and, although organisations have no power to control these characteristics, they can ensure that the individual's personality fits the job to which he/she is assigned (Theron, 2014:18).

Big-five personality dimensions

The big-five personality dimensions are the most popular and widely used model in researching personality. This model is hierarchical and each dimension represents a greater number of personality traits, (Gosling *et al.*, 2003:506).

Figure 2-4 is a summary of the big-five personality traits (extraversion, agreeableness, conscientiousness, neuroticism and openness to experience) and their sub components.

Figure 2- 4 Big-five personality characteristics



Source: Psychometric success (2018:1)

# 2.2.7. Measurement of job satisfaction

Job satisfaction can be measured by both quantitative and qualitative methods. The most popular measurements include quantitative questionnaires (Aziri: 2011:82).

Minnesota satisfaction questionnaire (MSQ)

Job satisfaction can be measured by both quantitative and qualitative methods. The most popular measurements include quantitative questionnaires (Aziri: 2011:82).

# Minnesota satisfaction questionnaire (MSQ)

The purpose of the MSQ is to measure satisfaction of work and work environment aspects. The University of Minnesota's Vocational Psychology Research Faculty developed it during the 1960s-70s. There are three different forms of the MSQ available, two long forms (1967 and 1977 versions) and a short form (Weiss *et al.*, 1967: v).

The MSQ can be administered to individuals or groups and is constructed to measure the following job satisfaction factors on 20 five-item scales:

Ability Utilization, Achievement, Activity, Advancement, Authority, Company Policies, Compensation, Co-workers, Creativity, Independence, Moral Values, Recognition, Responsibility, Security, Social Status, Social Service, Supervision – Human Relations, Supervision – Technical, Variety and Working Conditions (Weiss *et al.*, 1967:1-2).

The long MSQ questionnaires consist of a hundred questions each with five possible responses: 1967 – Not Satisfied, Somewhat Satisfied, Satisfied, Very Satisfied or Extremely Satisfied. 1977 – Very Satisfied, Satisfied, "N" (Neither Satisfied nor Dissatisfied), Dissatisfied and Very Dissatisfied.

The short form uses only twenty questions out of the possible hundred that best represent each of the twenty scales (Weiss, 1967:2). It makes use of 1967 responses that are repeated in the 1977 response list.

# Job descriptive index (JDI)

The JDI has been developed and revised during the last 50 years by students and faculty members of the Bowling Green State University and is widely used for research and occupational purposes. It is designed to measure employee satisfaction under five facet categories: co-workers, work in general, pay

opportunities and supervision. There are over seventy sub-components under the five facets of work. (Bowling Green State University).

There are three types of responses for the relevant sub-components, which are (1) Yes (Relevant), (2) No (Not relevant) and (3) "?" (No answer).

Spector's job satisfaction survey (JSS)

The JSS was developed by Paul E. Spector in the 1980s to measure job satisfaction. He identified nine facets that contribute to job satisfaction: pay, promotion, supervision, fringe benefits, contingent rewards, operating procedures, co-workers, nature of work and communication (Lopez, 2017:55).

# 2.3. Retention

Organisational success and sustainability depend largely on competent key employees and their retention (Das & Baruah, 2001:8). The threat of turnover on an organisation's triple 'bottom line' has placed greater focus on employee retention (Roodt, 2018:28). Firstly, many research studies initially focused on why people leave an organisation (Turnover) (Mobley *et al.*, 1979, Samad, 2006, Ongori, 2007, Mosadeghrad *et al.*, 2008, Slabbert 2008), then many followed that focused on why people would choose to stay (Retention) (Das & Baruah, 2001, Boxall *et al.*, 2003, Hausknecht *et al.*, 2008, Roodt, 2018).

# 2.3.1. Retention defined

Retention is a process whereby an organisation encourages employees to stay employed for as long as possible or until the specific job, task or contract ends (Das & Baruah, 2001:8). It is a strategy or voluntary action by the organisation to engage, motivate and focus employees, by creating a work environment that encourages them to stay (Roodt, 2018:27). In essence, retention refers to the longevity of the employee-organisational relationship.

Turnover, on the other hand, refers to the rate at which employees leave the organisation and create vacancies that need filling (Slabbert, 2008:18). Thus, it is the opposite of retention, and when retention is high in an organisation, turnover is usually low and *vice versa*.

In this study 'retention' is used interchangeably with 'stay' and the term 'turnover' with 'leave'.

# 2.3.2. Importance of retention

Although turnover can lead to positive outcomes, such as removing of underperforming employees, it still has negative effects on the organisation and its effectiveness (Reiche, 2018:2).

Roodt (2018:28) identified that maintaining a high retention rate could help an organisation to maintain a sustainable competitive advantage. Employees play key roles in meeting organisational goals and their retention reduces labour costs, increases productivity and maintains quality service delivery (Samuel & Chipunza, 2009:410 and Roodt, 2018:28).

Increased turnover leads to an increase in direct and indirect costs (Slabbert, 2018:21). Recruitment (interviews, selection, training etc.) (Reiche, 2008:2, Slabbert, 2018:21), the administration of resignations and the filling of the vacant positions are categories associated with direct costs (Slabbert, 2018:21). Indirect costs categories are pre-departure/on boarding, vacancy and new hiring costs (Slabbert, 2018:21). Table 2.1 below gives a brief description of the direct and indirect costs associated with employee turnover.

Table 2-1 Summarised description of turnover cost

Type of	Cost segment	Description of cost
Direct cost	Recruitment	Advertisement, time spent on background checks, preparation and conducting of interviews, notifying unsuccessful candidates, recruitment fees for external parties.
	Hiring	New payroll, establishing security and passwords, bringing new employee on board
	Training	Training material, time spent by current employees and management
	Resignation admin	Time spent on exit interview, admin on ending pay roll, benefit deduction, various exit forms needed.
	Vacant position	Over-time for current employee, possible travel costs for current employees.
Indirect cost	Pre-departure or on boarding	Decreased productivity by the leaving employee, company time used to go for interviews, Loss of knowledge, loss of skills and contacts,
	Vacancy	Time lapse between resigned and new employee, current employees take over and losses focus on their own job, low morale and diminished coping mechanisms for current employees, increased stress of current employees
	New Hire	Time spent on getting new employee to desired productivity levels, Lower sales efficiency, customers experience decreases because of lower effectiveness, possible mistakes.

Source: Adapted from Slabbert (2008:22-23).

Creating longevity in employees ensures stronger relationships, security and trust that enhances performance (Roodt, 2018:30).

# 2.3.3. Factors that influence retention

Mobley *et al.* (1979:518-519) identified three major variables influencing retention and turnover: job satisfaction (work attitude), attraction and expected utility of the present job and attraction and expected utility of alternatives. Reiche (2008:2) suggests that external and internal predictors exist. External predictors, which cannot be controlled by the organisation, include the economic environment, available alternatives or unemployment rate. Internal predictors, which organisations can manage, include job satisfaction, job characteristics and other work-related factors (see table 2-2 below) (Reiche, 2008:2).

Job satisfaction is a key predictor of employee retention (Thompson, 2011:17). Hausknecht (2008:7) states that employees are more likely to remain in their current jobs when they are satisfied. Satisfaction according to Mobley *et al.* (1979:519) is thus, related to the immediate or present situation of the employee's perception towards his/her work. Samad (2006:10) suggests that focussing on enhancing job satisfaction will diminish turnover intention. When employees perceive their organisation as caring about their satisfaction, their attitudes will be more positive and they will be less likely to leave (Samad, 2006:10).

The attraction and expected utility of the present job relates to the expectancies of attaining desired outcomes in the future from the present job, and staying at the job because of that expectancy (Mobley *et al.*, 1979:518-519).

The attraction and expected utility of alternatives influence the employee's decision to stay or leave the organisation, (Mobley *et al.*, 1979:519, Hausknecht *et al.*, 2008:7). If the perceived alternatives are few, employees are likely to remain in their present job, and when alternatives are perceived as many, employees will more likely intend to leave (Hausknecht, 2008:7). As is the case with the attraction and utility of the present job, alternatives can also be regarded as future expectancies (Mobley *et al.*, 1979:519).

Mobley *et al.* (1967:505) further add organisational commitment as a work attitude that influences retention and turnover. Organisational commitment refers to an employee who is highly committed towards an organisation and identifies with the goals and values of the organisation and has a stronger desire to belong to the organisation than less committed employees (Nehmeh, 2009:3).

Porter and Steers (cited by Hausknecht *et al.*, 2008:7) suggest that work and personal factors also contribute to an employee's retention or turnover decisions. Table 2-2 below is a summary of some factors that influence retention identified by Hausknecht *et al.* (2008:6).

Table 2- 2 Factors influencing retention and their definitions

Retention Factor	Definition
Advancement opportunities	The amount of potential for movement to higher levels within the organization
Constituent attachments	The degree of attachment to individuals associated with the organization such as supervisor, co-workers, or customers
Extrinsic rewards	The amount of pay, benefits, or equivalents distributed in return for service
Flexible work arrangements	The nature of the work schedule or hours
Investments	Perceptions about the length of service to the organization
Job satisfaction	The degree to which individuals like their jobs
Lack of alternatives	Beliefs about the unavailability of jobs outside of the organization
Location	The proximity of the workplace relative to one's home
Non-work influences	The existence of responsibilities and commitments outside of the organization
Organizational commitment	The degree to which individual's identify with and are involved in the organization
Organizational justice	Perceptions about the fairness of reward allocations, policies and procedures, and interpersonal treatment
Organizational prestige	The degree to which the organization is perceived to be reputable and well-regarded

Source: Hausknecht et al. (2008:6)

Radloff (2005:40), Slabbert (2008:30) and Samuel & Chipunza (2009:413) adds that trust of senior management, effective and inspiring leadership, recognition, job security, great work colleagues, team orientation and having 'fun' on the job also contribute to retention.

## 2.3.4. Retention strategies

Retention is two-fold, the attraction strategy and the retention strategy (Roodt, 2018:29). The attraction strategy can be improved by creating an environment and image whereby job seekers want to apply for a position at that company over other companies. The retention strategy can be enhanced by offering what is considered as important by the employee (Roodt, 2018:29). Radloff (2005:23)

also identifies the recruiting and hiring processes as the foundation of retention and states that retention strategy begins long before the individual's employment.

Ongori (2007:51) suggests that retention strategies should focus on the following human capital management factors: employee engagement, knowledge accessibility, workforce optimization, job involvement, commitment and empowerment.

Roodt (2018:30) identified three approaches that organisations can implement to reduce turnover and enhance retention:

- (1) Diminishing career ceilings by creating enough opportunity,
- (2) Acknowledging and recognizing employees' skills and value, and
- (3) Creating programmes for personal growth and leadership development.

Although employees deem growth and development as crucial, these aspects can also promote turnover, because of the employees' raised market value (Samuel & Chipunza, 2009:414).

Samuel & Chipunza (2009:414) suggest that promotional systems based on performance, rather than tenure, can assist retention. Tenure-based systems are very demotivating for young professionals and pushes them to seek for alternative employment where quicker promotional opportunities exists. Organisations can create an environment, which promotes goal-setting techniques and autonomy, in order to present employees with opportunities that are challenging and need innovative and independent execution.

## 2.4. Millennials

The generational concept of this term consists of a group of people born within a certain time range that share specific values and/or attitudes shaped by major national and international events and their socio-cultural environment (Mahoney, 2015:6). Yeaton (2008:69) suggests that the political, business and cultural environment creates trends that shape generational attitudes and perspectives,

and that each generation experiences different environments (Thompson & Gregory, 2012:238).

### 2.4.1. Millennials defined

Millennials (also known as Generation Y) are a group of people born between two generations, Generation X – their predecessors and Generation Z – their successors. See Figure 2.5 below for an illustration of the birth dates of the three-mentioned generations. Inconsistency of when Millennials are actually born exists. Yeaton (2008:69) suggests that Millennials are born between the late 1970s and 1994, Kultalahti & Viitala (2014:569) suggests between 1982 and 2000 and Hobbs (2017:38) between 1980 and 2000. For the purpose of this study, Millennials are regarded as individuals born between 1980 and 2000.

9 9 9 9 9 9 9 1960 1970 1980 1990 2000 2010

Gen
X

Gen
X

Gen
X

Figure 2- 5 Generational birth dates

Source: Moroni (2016:1)

### 2.4.2. Millennial characteristics

Millennials' perspective on life and view of the world is a product of multiple events and trends they experienced growing up (Perry, 2008:2013). Events such as the ending of apartheid, bombing of the twin towers, increased terrorist attacks, AIDS, the launching and development of social media, and many more have hugely influenced the shaping of millennials.

### Negative characteristics

Millennials, in common with other generations, have attracted negative stereotypes such as being labelled as lazy, narcissistic, entitled, self-interested,

unfocussed, demanding, impatient and disloyal (Engelman, 2009:23-26, Myers & Sadaghiani, 2010:228, Smith & Nichols, 2015:41, Sinek, 2016:1, Main, 2017:1).

According to Sinek (2016:1), Millennials are the product of failed parenting strategies. They grew up believing that they are special and thus can have anything they want in life. They achieved educational performance through their complaining parents (Sinek 2016:1) and received rewards for participating rather than performing (Thompson & Gregory 2012:241). Strict discipline from parents was replaced with "attachment parenting" and Millennials' demands and needs were met instantly (Hoyle, 2017) rather than being taught such valuable lessons as having a proper work ethic and patience (Joyer, 2016:1).

Technology is engrained in every aspect of Millennials' lives and, thus, plays a major role in their development. With technology, they do not have to wait or engage in complex problem-solving activities because all the answers are available at the 'click of a button' (Joyer, 2016:1). Technology is also partly responsible for Millennials' impatience. In a world where one can order a production from Amazon and receive it the same day, or rent anything one wants to watch or even 'binge watch'; it is obvious that this 'instant gratification' has become the enemy of patience (Sinek, 2016:1).

## Positive characteristics

Millennials also have some positive characteristics. The nine most agreed upon positive characteristics of millennials that were identified during the literature review are higher levels of education, technological savvy, confidence, diversity, flexibility, good communicators, life orientated, self-orientated and group-work orientated(Engelman, 2009:23-26, Monroe, 2010:15-18, Myers & Sadaghiani, 2010:225, Harber, 2011:36-38, Thompson, 2011:11-15, Carpenter, 2014:30-32, Rhoades, 2014:9-11, Mahoney, 2015:15, Smith & Nichols, 2015, Linden, 2015:23-26).

Higher levels of education – in comparison to their predecessors, more Millennials have a tertiary qualification (Carpenter, 2014:30, Mahoney, 2015:13).

Technological Savvy - Millennials are the first generation who grew up completely emerged in technology (Hobbs, 2017:38). They also lived through major technological developments (Thomson & Gregory, 2012:238) and became dependent on it from an early age (Smith & Nichols, 2015:40). Technology is part of the Millennials' lifestyle, and they use it educationally, professionally and socially (Thompson, 2011:12). They are known as the generation with a remarkable ability to adopt, adapt and use technology (Rhoades, 2014:9).

Confidence – Millennials were told that their thoughts and opinions matter from a young age and they seem to be more confident in their own abilities (Hannus, 2016:16, Hobbs, 2017:39). Consequently, they have greater self-esteem and assertiveness than previous generations (Rhoades, 2014:10, Smith & Nichols, 2015:40).

Diversity – Millennials have grown up in a more diverse community, and are more accepting of diversity and individual differences than previous generations (Carpenter 2014:30, Hannus, 2016:15, Hobbs 2017:38). They are the most ethnically diverse group of people in history (Carpenter, 2014:30).

Flexibility – Millennials desire freedom and flexibility, rather than lengthy careers (Hannus, 2016:19) and want to feel in control of their own lives (Thompson, 2011:13). They want to work more flexible hours and from different remote locations (Hannus, 2016:15).

Good Communicators – Millennials seek more frequent open and transparent communication than their predecessors (Hannus, 2016:16). They are more comfortable with technology-based communications, such as e-mail, text messaging and a wide range of social media (Carpenter, 2014:31).

Life-orientate *d* – Millennials witnessed their parents being affected by employment 'layoffs' and 'downsizing' which led them to be sceptical of long-term relationships with organisations (Ng *et al.*, 2010:282, Hobbs, 2017:39). This attitude results in Millennials placing greater focus on their private lives than on work. Investors in People (2017:1) argue that Millennials' focus on their personal life could be a 'life-stage factor' and not a generational trait. Millennials are at the

'starting-a-family' stage and this fact can explain why they want to spend more time at home than at work.

Self-orientated – Millennials are considered a generation that is more focussed on their own interest than others' interest (Smith & Nichol, 2015:41).

Group work orientated – Millennials grew up participating in team sports and group learning (Smith & Nichols, 2015:40), thus, Millennials prefer collaboration over competition (Carpenter, 2014:30).

Howe and Strauss (cited by Alexander, 2012:4-5) identified seven character traits in their book, *Millennials Rising: The Next Great Generation*. Millennials are a special generation, being the largest group and drawing the most attention. They are protected and sheltered, after witnessing increased terror attacks. Millennials are the most confident, optimistic and high-achieving generation. They are skilled in collaborative effort (teamwork) and are more pressurised by parents than previous generations. Millennials also tend to be more conventional and embrace the familiar.

Although Millennials as a generational group have experienced the same events and trends, researchers suggest that the characteristics of Millennials cannot be generalised because of individualism (Hannus, 2016:19).

# 2.4.3. Millennials in the work-place

Research from Deloitte (2016:4) shows that only 16% of Millennials see themselves working for the same company for a decade and 66% say that they will probably have moved on by 2020. Backman (2018:1) suggests that factors such as a lack of promotion and 'wrong fit' increase the likelihood of Millennials quitting their current jobs, while KPMG (2017:5) states that it is because of their ability to network, compare and easily search for alternatives. Fry (2017:1) disagrees with these claims and states that research conducted by the Pew Research Centre found that Millennials are no more likely to 'job-hop' than their predecessors at the same age. Thus, the 'job-hopping' characteristic does not fit the broader Millennial group (Fry, 2017:1), and can rather be associated with age (Investors in People, 2017:1).

However, it remains important for employers to understand the Millennials' expectations in the work place, in order to attract and retain top talent.

## Work expectations

Ng *et al.* (2010:282-283) identified five work-related expectations of Millennials, namely work-life balance, pay and benefits, rapid advancements, meaningful work and a nurturing environment.

Work-life balance – Millennials grew during a period in which they saw their parents experience 'layoffs', 'downsizing' and divorces. The result of these encounters is that Millennials place more emphasis on the importance of family-life than having a career (Ng *et al.*, 2010:282).

Pay and benefits— Millennials see pay as a feedback mechanism depicting how well they are performing (Ng et al., 2010:282).

Rapid advancements – Millennials are impatient and want quicker advancements without having to work harder (Ng *et al.*, 2010:282)

Meaningful work – Millennials are looking for work that provides more than just a pay check, they are looking for meaningful, fulfilling work that offers opportunities to broaden their horizons (Ng *et al.*, 2010:283).

Nurturing environment – Millennials greatly value the social aspect of work. They want to work in groups and develop friendships with co-workers (Ng *et al.*, 2010:283).

Thomson & Gregory (2012:239) adds that sufficient recognition and a strong relationship with superiors also promotes retention among Millennials. Millennials grew up in an environment in which they received extensive attention and feedback in the form of both praise and guidance and are looking for a similar relationship with their superiors (Thompson & Gregory, 2012:239).

In Deloitte's (2016:19) Millennial research, pay and benefits counted the most as an influencing factor when choosing a job. After remuneration, in order of most influential to least influential, are work/life balance, opportunities for progression,

flexibility, meaningful work, professional development, impact on society, quality of products or services, purposefulness and opportunities for travel.

Thompson & Gregory (2012:244) suggests that organisations should focus on promoting behaviour that encourages meaningful relationships and mutual trust in order to retain Millennial employees. They also suggest following a Coaching Approach that encourages employees to make their own decisions and gives them responsibility, as well as following an Individual Consideration Approach through tailored relationships based on an employee's individual needs.

### 2.5. Conclusion

In this chapter, job satisfaction was defined as an attitude toward employment, and it was discovered that there are intrinsic and extrinsic forces that influence that attitude. It was further found that job satisfaction has a Dispositional Approach, which is based on the individual's personality, as well as a Job-characteristics Approach, which is concerned about external job factors.

Retention was explored and defined as 'the percentage of employees who choose to stay with the organisation'. Literature shows that organisations should be actively involved in a retention strategy from the recruitment stage. As is the case with job satisfaction, there are intrinsic and extrinsic factors that influence an organisations' retention level and policy.

## CHAPTER 3: RESEARCH METHODOLOGY

### 3.1. Introduction

The subjective nature of job satisfaction makes the task of measuring it a very difficult one (Dreyer, 2012:46). The different attitudes, experiences and perceptions of employees are influenced through a variety of variables, some of them unidentified or unknown (Dreyer, 2012:46). Although it is difficult to measure, a few instruments, such as the MSQ, JDI and JSS (discussed in Chapter 2) have been developed and used to make measurement easier.

In this study, the MSQ is used as the measuring tool, and the completed questionnaire statistically analysed to retrieve information regarding Millennials and their level of job satisfaction. This chapter will discuss the approach, design and measuring instrument used to conduct this study, along with the statistical analysis and findings.

# 3.2. Methodology

# 3.2.1. Research approach

This study makes use of a quantitative research approach. According to Bryman *et al.* (2016:31), this approach is concerned with the gathering of numerical data, and is a deductive or "top-down" approach to measuring the relationship between theory and research, that favours, in particular, the positivist approach and adopts an objectivist conception of reality. This method means that the quantitative approach allows the testing of hypotheses derived from literature and encourages the investigation of causal relationships between specific variables (Kuada, 2012:103).

In regard to the role of the researcher, an unbiased, impartial and detached approach has been followed within the field of study, and was restricted to what was necessary for gathering data (Pretorius, 2012:35).

# 3.2.2. Research design

A cross-sectional design was used to gather the applicable data for this study. Cross-sectional design is concerned with the collection of quantifiable data on more than one case, at a single point in time, and then used to detect patterns of association (Bryman, *et al.*, 2016:106).

# 3.3. Gathering data

# 3.3.1. Participants

The broader population consists of six-hundred employed individuals at the selected manufacturing company in Gauteng. Out of the population, a sample was identified of fifty individuals through non-probability sampling based on their generational demographic (millennials) and convenience. Non-probability sampling simply means that the units are not randomly selected and some of the units have a better chance of being selected than other units (Bryman *et al.*, 2016:171). The convenience sample is employed in close proximity to the researcher and is chosen because of the limit that exists in available budget and time.

# 3.3.2. Measuring instruments

The empirical study of job satisfaction amongst Millennial employees was conducted through a standardized questionnaire, the MSQ short form (Weiss *et al.* 1967:109). The MSQ is used to measure job satisfaction with different aspects in the work environment and the short form takes approximately 5 minutes to complete (Weiss *et al.*, 1967:3). The MSQ has the ability to not only measure group attitudes or general satisfaction, but also the level of satisfaction in an individualized manner. This method is appropriate and of great value to the chosen field of study because the individual participants' are different and their experiences are unique. One employee may be dissatisfied with the recognition factor while for another employee recognition plays no role in his or her job satisfaction levels (Weiss *et al.*, 1967: vi).

The short form MSQ was composed from the long form's highest correlated scale scores in a study of 1 793 employed individuals (Weiss *et al.*, 1967:3) and measures three factors – intrinsic satisfaction, extrinsic satisfaction and general satisfaction. Table 3.1 below is a summary of the question items that make up the three factor/scale items.

Table 3-1 The MSQ factors/scale with corresponding items

MSQ Scales/Factors	Items
Intrinsic satisfaction	1,2,3,4,7,8,9,10,11,15,16,20
Extrinsic satisfaction	5,6,12,13,14,17,18,19
General satisfaction	All of the above

Source: Weiss et al. (1967:4).

# 3.3.3. Reliability of the MSQ

According to Bryman *et al.* (2016:36), reliability refers to the consistent measurement of a concept and is concerned with three prominent factors – stability, internal-reliability and inter-observer consistency. Marshall *et al.* (2018:44) states that reliability can be twofold; it can measure the reliability of the ratters and the reliability of a set of questions used to measure an underlying variable. With regard to the MSQ, the reliability of the set of questions measuring job satisfaction is of major importance.

The MSQ manual found a very high reliability coefficient (Hoyt reliability coefficient) for the short form, which ranges from 0.77 to 0.92 taking into account the extrinsic, intrinsic and general satisfaction scales (Weiss *et al.*, 1967:23-24).

Cronbach's alpha is another means for measuring the internal consistency of scales (Marshall *et al.*, 2018:44). Cronbach's alpha has a score that ranges from 0 to 1, and when measuring internal reliability, the score that is expected ranges between 0.7 and 0.9 (Marshall *et al.*, 2018:44). Table 3.2 below outlines the meaning of each range of Cronbach's alpha scores.

Table 3- 2 Cronbach's alpha internal consistency framework

Cronbach's alpha	Internal consistency
α≥0.9	Very high consistency (the items are so similar that some may not be needed)
0.8 ≤ α < 0.9	Good
$0.7 \le \alpha < 0.8$	Acceptable
α < 0.7	Poor internal consistency

Source: Marshall et al. (2018:44).

The MSQ short form has been found sufficiently reliable on the Cronbach Alpha scale by multiple researchers over a period of many years. Dreyer (2012:52) measured 0.85 on the intrinsic, 0.77 on the extrinsic, and 0.9 on the general scales of the MSQ short form and Steinmann (2016:35) measured a Cronbach's alpha of 0.8 for the intrinsic and 0.89 for the extrinsic dimensions. Other researchers found a 0.76 (intrinsic), 0.72 (extrinsic) and 0.76 (general) (Mutasa 2016:32); and a 0.94 (general) (Pretorius 2012:57).

# 3.3.4. Validity of the MSQ

The validity of a measuring instrument is determined to identify if the instrument measures the variable it is designed to measure, and how accurately it measures that variable (Pretorius 2012:10, Bryman *et al.*, 2016:38). According to Bryman *et al.* (2016:38), there are five ways of determining validity: face validity, concurrent validity, predictive validity, construct validity and convergent validity.

The construct validity of the MSQ was indirectly derived from the validation studies conducted on the MIQ, based on the theory of work adjustment (Weiss *et al.*, 1967:17). According to the MSQ manual, it was discovered from studies conducted, that the MSQ measured satisfaction in line with the theory of work adjustment and, thus, is construct valid.

The concurrent validity of the MSQ was tested in a study of group differences, and especially, occupational differences (Weiss *et al.*, 1967:18). The validity was tested on the results of research that showed occupational differences in job satisfaction. Twenty-five occupational groups were analysed and the results

showed that the MSQ could differentiate between occupational groups (Weiss et al., 1967).

### 3.4. Procedure and ethical consideration

Permission to obtain access to the respondents was requested from the Senior Sales Manager at the selected company. Arrangements to administer the questionnaire at the next available time were also made.

The MSQ short form questionnaire was accompanied by a cover letter explaining the nature of the research with instructions for participating in the study. To ensure anonymity and encourage honest responses, the questionnaires were printed out, distributed by hand, and collected the same hour.

# 3.5. Statistical analysis

# 3.5.1. Population, sample and respondents

The population of the study consisted out of 600 employees with a sample of 50 employees. The sample included individuals working in the sales, finance and IT departments of the selected organisation. Fifty Questionnaires were handed out and forty-six collected, which represents a 92% response rate.

## 3.5.2. Demographics

The demographics collected in this study include – age, gender, tenure, department and job description, and work level.

Age

The age demographic was one of the factors that determined if individuals fit the criteria for this study. Individuals aged between 18 and 38 are part of a generational group called Millennials, which comprise the focus group of this study. Out of the respondents, 16 are aged between 18 and 25, and 30 between 26 and 38.

Gender

Figure 3.1 is a pie chart representing the gender distribution of the participants in this study. Out of 46 respondents, 32 are male and 14 female.

30%

\* Male
Female

Figure 3- 1 Gender distribution of respondents

# **Tenure**

Table 3.3 below summarises the tenure distribution between the 46 respondents. The highest tenure group are employed at the selected company for between 3-5 years. This group is followed by 15 of the newest employees (0-2 years), and 8 employees with a tenure of 6-10 years.

Table 3- 3 Tenure distribution of respondents

Tenure	N (46)	Percentage (%)
0-2 Years	15	33
3-5 Years	19	41
6-10 Years	8	18
11-15 Years	2	4
15 +	1	2
Missing	1	2

# Department and level of work

Out of the 46 respondents, 29 are employed in the sales department, 9 in the finance department and 8 in the IT department of the selected company. Figure

3.2 below is a pie chart depicting the number of respondents employed in the three different departments.

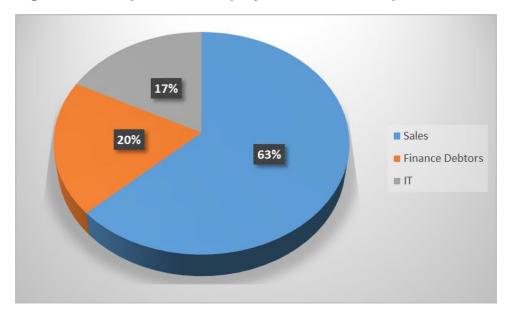


Figure 3- 2 Respondents employed in different departments

Regarding the level of work, 26% of respondents perceive that they occupy a senior position at work in comparison to a junior level.

# 3.5.3. Reliability

Table 3.6 below indicates a Cronbach's alpha for the intrinsic satisfaction scale/factor of 0.80, extrinsic satisfaction of 0.85 and an overall/general satisfaction of 0.90. According to Marshall *et al.*, (2018:44) a Cronbach's alpha of 0.7 and higher indicates an acceptable to very high internal consistency. This figure indicates the high reliability of the MSQ short form used for this study.

Table 3- 4 Cronbach's alpha for MSQ scale/factors

Scale/factor	Cronbach's alpha
Intrinsic satisfaction	0.80
Extrinsic satisfaction	0.85
Overall/General satisfaction	0.90

## 3.5.4. Scale/factors of MSQ

The three scales/factors that the MSQ short form measures are the intrinsic satisfaction (attitudes), extrinsic satisfaction (environment) and overall/general satisfaction.

Table 3.4 below shows the results of these scales/factors in terms of their mean and standard deviation (Std. Deviation). The mean is simply the sum of the values divided by the number of values and Std. Deviation an indicator of how spread out, or clustered data is around a single point (Bryman *et al.*, 2016:319).

Intrinsic satisfaction scored the highest mean of 4.15 with overall/general satisfaction in close second with 4.13. Extrinsic job satisfaction scored the lowest mean of 3.99. This analysis also indicates that the Std. Deviation for intrinsic satisfaction and overall/general satisfaction is relatively low, at 0.42 and 0.46 respectively, and distributed close to the mean, with extrinsic satisfaction having wider spread data with a Std. Deviation of 0.67.

Table 3- 5 Descriptive scale/factor statistical analysis

Scale/Factor	N	Minimum	Maximum	Mean	Std. Deviation
Intrinsic	46	2.75	4.83	4.15	0.42
satisfaction					
Extrinsic	46	2.17	5.00	3.99	0.67
satisfaction					
Overall/General	46	2.80	4.85	4.13	0.46
satisfaction					

Table 3.5 below gives a more in depth look at individual job satisfaction variables. Each question in the MSQ short form represents a work variable derived from the MSQ long form and each variable represents either an intrinsic or an extrinsic satisfaction, except for working conditions (Q17) and Co-workers (Q18). To

further evaluate the intrinsic and extrinsic scale/factors, an in depth look at the variables that make up the scale/factors are necessary.

The data for extrinsic satisfaction shows that Supervision-Technical (Question 6) "The competence of my supervisor in making decisions" has the highest mean of 4.46 with the lowest Std. Deviation of 0.62. This result indicates a high satisfaction with this variable in regard to the other extrinsic variables. Advancement (Question 14) "The chances for advancement on this job" shows the lowest mean of 3.5 with the highest Std. Deviation of 1.07 and indicates a lower satisfaction with this work-related variable. The high Std. Deviation figure indicates that respondents' perceptions regarding this variable vary significantly.

Table 3- 6 Descriptive statistical analytics of individual work-related variables

Item	Scale/Factor	N	Minimum	Maximum	Mean	Std. Dev
Supervision-Human relations	Extrinsic	46	1	5	4.17	0.88
(Q5)						
Supervision – Technical (Q6)	Extrinsic	46	3	5	4.46	0.62
Company policies and	Extrinsic	46	3	5	4.24	0.74
practices (Q12)						
Compensation (Q13)	Extrinsic	46	1	5	3.61	0.95
Advancement (Q14)	Extrinsic	46	1	5	3.50	1.07
Recognition (Q19)	Extrinsic	46	1	5	3.98	0.98
Working conditions (Q17)	General	46	2	5	4.24	0.71
Co-workers (Q18)	General	46	3	5	4.54	0.62
Activity (Q1)	Intrinsic	46	3	5	4.59	0.54
Independence (Q2)	Intrinsic	46	3	5	4.30	0.73
Variety (Q3)	Intrinsic	46	3	5	4.22	0.66
Social status (Q4)	Intrinsic	46	1	5	3.83	0.85
Moral values (Q7)	Intrinsic	46	3	5	4.17	0.71
Security (Q8)	Intrinsic	46	3	5	4.52	0.59
Social service (Q9)	Intrinsic	46	3	5	4.15	0.60
Authority (Q10)	Intrinsic	46	1	5	3.67	0.87
Ability utilization (Q11)	Intrinsic	46	1	5	4.13	0.89
Responsibility (Q15)	Intrinsic	46	2	5	3.98	0.77
Creativity (Q16)	Intrinsic	46	1	5	4.04	0.84
Achievement (Q20)	Intrinsic	46	1	5	4.17	0.85

The intrinsic satisfaction results show a high mean of 4.59 for Activity (Question 1) "Being able to keep busy all the time" with a very low Std. Deviation of 0.541. This result again indicates a high satisfaction with this intrinsic work-related variable. The lowest mean of 3.67 and Std. Deviation of 0.871 belongs to

authority (Question 10) "The chance to tell people what to do" and shows the lowest satisfaction with this work related variable.

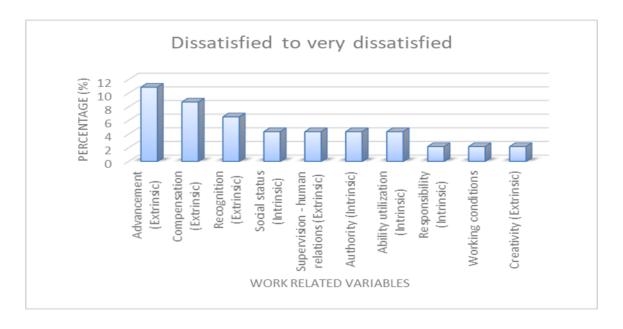
Figure 3.3 below is a Bar Chart of the most important work-related variable according to the collected data. It shows a percentage of respondents out of the total respondents (N=46) that responded positively in relation to the work-related variable. It shows the top five work variables that most respondents reacted to positively: activity, security, co-workers, supervision-technical and social service. It also indicates that the most positive responses are towards variables that refer to intrinsic satisfaction.

Satisfied to very satisfied 100 PERCENTAGE (%) 95 90 85 80 75 Security (Intrinsic) Co-workers Supervision-technical Social service (Intrinsic) Working conditions Variety (Intrinsic) ndependence (Intrinsic) Supervision - human Ability utilization (Intrinsic) Company policies and Achievement (Intrinsic) Activity (Intrinsic) Moral values (Intrinsic) relations (Extrinsic) practices (Extrinsic) (Extrinsic) WORK RELATED VARIABLE

Figure 3- 3 Percentage of respondents either satisfied or very satisfied with work variables

Figure 3.4 illustrates the same as Figure 3.3 but for respondents who are dissatisfied and very dissatisfied with work variables. It shows that advancement, compensation, recognition, social status, and supervision-human relations are the variables that received the most negative responses overall. The variables that refer to extrinsic satisfaction received the most negative responses.

Figure 3- 4 Percentage of respondents either dissatisfied or very dissatisfied with work variables



# 3.5.5. Comparison statistics (T-Test and One-way ANOVA)

To establish if differences exist in the level of job satisfaction between population groups, the T-Test and ANOVA were used. The T-Test is used when only two population groups are to be compared and the ANOVA when more than two are to be compared (Surbhi, 2016). In this study, the T-Test was used to compare the means for gender and work level, with the ANOVA used to compare Tenure.

The T-Test conducted on gender, revealed a low effect size of 0.27 for intrinsic satisfaction, 0.32 for extrinsic satisfaction and 0.25 for general satisfaction. The low effect size indicates no meaningful difference that will be of practical significance.

Table 3-7 shows that work level on the other hand calculated an effect size of 0.39 on the overall/general satisfaction factor and 0.41 on the extrinsic satisfaction factor. The effect size shows a quantifiable value (size) of the difference between two groups and in this case, the junior level workers measured a higher mean than the senior level workers for extrinsic satisfaction, the means of 4.0686 and 3.7778 have been tested respectively. For the overall/general satisfaction factor, junior level workers also measured a higher

mean than the senior level workers, with means of 4.1779 and 3.9792. See Table 3-7 below for more information on the Mean, Std. Deviation and Effect sizes of the T-Test between junior and senior level workers.

Table 3-7 T-Test of Junior and Senior level workers

Scale/Factor	Work level	N	Mean	Std. Dev	Effect size
Intrinsic satisfaction	Junior	34	4.20	0.37	0.35
	Senior	12	4.01	0.51	
Extrinsic satisfaction	Junior	34	4.07	0.65	0.41
	Senior	12	3.78	0.70	
Overall/General satisfaction	Junior	34	4.18	0.44	0.39
	Senior	12	3.98	0.50	

The ANOVA test uses the same principle as the T-Test but it used when testing differences in more than two variables. The ANOVA test on tenure, revealed medium to high Effect sizes which could be practically significant. Table 3-8 illustrates the high Effect sizes between 1 (0-2 Years) and 2 (3-5 Years) for intrinsic satisfaction, 1 & 2 and 1 & 3 (6 years and over) for extrinsic satisfaction, and 1 & 2 and 1 & 3 for overall/general satisfaction.

**Table 3-8 ANOVA** 

Scale/Factor	Tenure	N	Mean	Std. Dev	Effect size 1 with	Effect size 2 with
Intrinsic satisfaction	1	15	4.30	0.41		
	2	19	4.03	0.48	0.57	
	3	11	4.19	0.24	0.27	0.34
Extrinsic satisfaction	1	15	4.30	0.74		
	2	19	3.78	0.67	0.70	
	3	11	3.97	0.45	0.45	0.28
Overall/General satisfaction	1	15	4.32	0.50		
	2	19	3.99	0.48	0.67	
	3	11	4.13	0.26	0.38	0.30

## 3.6. Conclusion

In order to measure and determine the job satisfaction level of Millennials in the selected manufacturing and supplier company, this study made use of a quantitative research method, cross-sectional research design and the MSQ measuring instrument.

Fifty questionnaires was distributed and forty-six completed and returned which represents a 92% response rate.

Out of the data collected, statistical frequency, reliability, comparison and factor analysis tests were conducted and in Chapter 4, the conclusions drawn from the findings will be discussed, along with limitations of the study and recommendations for the company of study.

# CHAPTER 4 CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

### 4.1. Introduction

In this chapter, the findings of the study will be discussed in line with the primary and secondary objectives. The primary objective is to asses and measure overall/general job satisfaction of the millennials in the selected manufacturing and supplier organisation. The secondary objectives includes identifying the factors (intrinsic and extrinsic) and sub-factors that are most likely to influence job satisfaction of millennials. With the knowledge gained, recommendations will be made on retention strategies as per literature.

The limitations of the study will also be discussed, as well as recommendations given to the organisation of study.

# 4.2. Conclusions from empirical study

# 4.2.1. Conclusion to the primary objective of the study

The general/overall job satisfaction of millennial employees at the selected manufacturing company was found to be high, with a mean of 4.13 and thus satisfactory. The standard deviation of 0.46 also shows that the millennial employees at this company has a high positive attitude towards their respective jobs and their responses are clustered around the high mean. When comparing this with literature, it tells us that these employees will likely stay at the company because of their high satisfaction with their respective jobs, (Hausknecht 2008:7).

### Gender

According to literature, the findings of job satisfaction levels experienced by different genders were inconclusive. Some authors found women to have higher levels of satisfaction than men (Clark 1997:364, Bender *et al.* 2005:486) while others found the opposite (Vorster 2010:78). This study revealed no significant difference of the level of satisfaction between genders. The T-Test showed a small effect of 0.25 with a mean of 4.16 for the millennial men and 4.04 for the

millennial women. With women being a little less satisfied than the millennial men in the company.

### Age

The Millennial generation includes individuals born between year 1980 and 2000 (Hobbs 2017:38). For this study, the Millennials were divided between two age groups. The oldest millennials are between the ages of 26 and 38 years, while the youngest millennials are between 18 and 25 years of age. The comparative results for the two age groups in terms of general/overall satisfaction revealed a small effect size of 0.21, with a mean of 4.19 for the younger millennial group and 4.09 for the older millennial group. This seems to be in line with Clark *et al.* (1996:63), which states that the job satisfaction-age relationship is U-shaped. Clark *et al.* (1996:63) states that at the start of a career individuals tend to be more optimistic, and as time goes by their satisfaction drops and rises again as experience increases.

### Tenure

Findings concerning the relationship between tenure and job satisfaction was in line with Clark et al.'s (1996:63) U-shaped theory. The findings regarding tenure and job satisfaction revealed that a tenure of between 0 and 2 years had a mean of 4.32, between 3 and 5 years a mean of 3.99, and 6 years and over 4.13.

The result is derived from an ANOVA test between the three tenure groups and measured a medium to high effect size of 0.67 between the 0 and 2-year tenure group and between the 3 and 5-year tenure group and a medium effect size of 0.38 between the 0 and 2 year and 6 years and above. This finding revealed that the tenure group of between 3 and 5 years is less satisfied than the other groups.

### Work level

Work level, described as a junior worker or senior worker scored a small to medium effect size of 0.39. This indicates a possible practical significance between the satisfaction level of the junior and senior workers. The junior

workers scored a mean of 4.18 in comparison with the senior worker's 3.98 mean. This indicates that senior level workers are less satisfied with their work in general than junior level workers.

# 4.2.2. Conclusion of the secondary objective of this study (1)

(1) Identifying the factors that influence millennial job satisfaction positively.

The MSQ short form measures three underlying factors of job satisfaction, overall/general satisfaction as discussed above, intrinsic satisfaction and extrinsic satisfaction. The extrinsic satisfaction is the satisfaction related to the job characteristics, (Steinmann 2016:18) and the MSQ short form measures supervision, compensation, advancement, recognition, and company policies and practices as extrinsic factors, (Weiss *et al.* 1967:4). The intrinsic factors are related to the satisfaction with the nature of the job, (Tennison 1996:9) and the MSQ short form measures the intrinsic factor with aspects such as activity, independence, variety, social status, moral values, security, social service, authority, ability utilization, responsibility, creativity and achievement, (Weiss *et al.* 1967:4).

The findings of this study revealed that millennial employees of the selected company have higher levels of *intrinsic* satisfaction, with a mean of 4.15, than *extrinsic* satisfaction, with a mean of 3.99. This indicates that lower satisfaction levels exist in regards with the job characteristics (extrinsic) than with the nature of the job (intrinsic). There are no consensus in literature regarding millennial employees intrinsic versus extrinsic attitudes.

### Gender

The results of the T-Test shows a low effect size of 0.27 between male and female millennial employees. Males scoring a mean 4.19 and females a mean of 4.05. This has no practical significance, and shows slightly more satisfied males than females in regards to intrinsic factors.

Extrinsic factors had a higher effect size of 0.32 in comparison with intrinsic factors. Millennial males scored a mean of 4.06 and females a mean of 3.85. This indicates a lower satisfaction level of females regarding the extrinsic factors of the job.

### Age

Intrinsic factors had a low insignificant effect size of 0.15 amongst the younger millennial employees as well amongst the older millennial employees. The younger millennials with an age of 18-25 measured a mean of 4.19 and the older millennials 26-38 years with an almost equal mean of 4.13.

Extrinsic factors showed a larger effect size of 0.32 and scored a mean of 4.14 for the younger millennial employees with a smaller mean of 3.92 for the older millennial employees. These results indicate that older millennials, aged between 26 and 38 are less satisfied with the extrinsic factors than the younger millennial employees are.

### **Tenure**

The ANOVA test conducted on tenure for intrinsic satisfaction indicated a medium to high effect size of 0.57 for employees with a tenure of 0-2 years and employees with a tenure of 3-5 years. The shorter tenure scored a higher mean of 4.30 in comparison with the 4.03. In general, the shortest tenure scored the highest mean, the 3-5 years tenure scored the lowest and the longest tenure scored a mean of 4.19.

The extrinsic satisfaction scored the highest effect size of 0.70 for the shortest tenure in comparison to the 3-5 year tenure. The shortest tenure in comparison with the longest tenure also scored a medium effect size of 0.45. The means for 0-2 year tenure are 4.30, 3-5 year tenure 3.78 and 6 years and longer 3.97.

### Work level

The intrinsic effect size of 0.35 between the two work level groups are of no practical significance. The means of 4.20 for junior level workers and 4.01 for senior level workers shows a general high satisfaction with the nature of the job.

The extrinsic factors scored a medium effect size of 0.41 and indicates a practical significance. Junior level workers are more satisfied with the extrinsic factors than the senior level workers with means of 4.0686 and 3.78 respectively.

# 4.2.3. Conclusion of the Secondary objective of this study (2)

(2) Identifying the sub-factors that influence the millennial job satisfaction positively and negatively.

The MSQ short form was found reliable, with a Cronbach alpha of over 0.7 and validated by Weiss *et al.* (1967) to measure overall/general satisfaction, intrinsic satisfaction and extrinsic satisfaction. The MSQ short form can also indicate what the different work-related factors were perceived as satisfactory and which factors were perceived less satisfactory. Each of the twenty questions represents a specific work-related factor (See table 3-5).

The results of this study revealed that the millennial employees of the selected company of study perceives the following five sub-factors as satisfactory:

- Activity (question 1) With a mean of 4.59 the millennials are happy with their ability to keep busy all the time.
- Co-workers (question 18) With a mean of 4.54 the millennial employees have a positive attitude towards the professional relationships of the co-workers.
- Security (question 8) The security factor relates to the millennial employee's satisfaction with steady and secured employment. This factor scored a mean of 4.52.
- Supervision technical (question 6) This factor shows the millennials satisfaction with their supervisors ability to make decisions and scored a mean of 4.46.
- Independence Millennial employees also revealed their positive feeling in regards with the nature of independence of their respective jobs. This factor scored a mean of 4.3.

One of the biggest problem factors for Millennials of the selected company was revealed as advancement (question 14 – " The chances for advancement on this job") with a mean of 3.5. This indicates that the millennial employees do not see

any prospect of advancement in the near future. According to literature, rapid advancement is one of the important work expectations of millennials, (Ng et al. 2010:282) and can contribute to increased turnover.

Compensation (question 13), authority (question 10) and social status (question 4) measured means of 3.61, 3.67 and 3.83 respectively and follows advancement as the work-related factors that millennials find less satisfactory.

# 4.2.4. Conclusion of the secondary objective (3) & (4)

- (3) Applying the knowledge gained from the previous two objectives to make recommendations to enhance the retention strategy of the company of study.
- (4) Making recommendations as identified by the literature reviewed to enhance the retention strategy of the company of study.

The empirical study revealed that the company of study has opportunities to improve their advancement, compensation and authority structure. To curb Millennial employee turnover and retain valuable staff the company has to revisit and revise their retention strategy that focusses on improving advancement, compensation and authority factors. When revising the strategies the company should make sure that, the strategy's outcome has a direct impact on the problem (Ongori, 2007:51). Therefore, the following recommendations of retention strategies that directly focus on the three problem areas are identified.

### Advancement

Hausknecht *et al.* (2008:6) identified advancement opportunities as one of the factors that impact employee retention. Millennials are impatient and want faster advancements without 'doing the hard work', (Ng *et al.*, 2010:282). Van Rooy (2010:102) also states that Millennials have a higher regard to development and career opportunities than other generations. To accommodate Millennials in the work place, the company of study should focus on creating a career advancement strategy. This task is usually assigned to the HR Department, or an individual specifically employed for facilitating employee wellbeing.

The first step in the advancement strategy process should be to start a conversation with each employee about his/her career goals (Roque, 2016:1). These conversation should including finding out the employee's career history, achievements and skills, as well as what they want to achieve in their careers both short and long term, (Moran 2017:1). The information collected will form an 'employee advancement profile', and contain data on the employee's available skills, historical achievements, future goals (career and personal), and his/her perceived skills' shortages in relation to future goals. This procedure will help the company to distinguish between employees who have potential from those employees who are currently ready to advance to a more responsible and challenging position within the company of study.

With the information collected in the employee advancement profile, a study could be conducted to identify areas in which the employee's expertise, skills and aspirations intersects with the goals and current resources of the company, (Moran 2017:1). This exercise will potentially reveal paths that the company of study can utilise to identify their Millennial employees' shortcomings or to assist their advancement, (Moran 2017:1).

If there is an established direction to take, the company of study can facilitate their employee and guide him/her through the processes. Some of the established directions will include mentorship or assistance from senior employees or leaders, (Moran 2017:1). This guidance will be provided by matching employees with seniors or leaders who hold the skills required. Advancing employees horizontally through assigning higher impact work, such as key customer accounts or work with greater impact can also prove successful, rather than the normal hierarchy advancement (Moran, 2017:1).

If there is a lack of established directions, innovation should take place in developing new opportunities with available resources. One example of such a strategy that the company of study could implement is creating an 'in-house' company training college, through which employees can attend courses in company- related educational disciplines and obtain diplomas through to Master degrees (Moran, 2017:1).

The goal of introducing a new strategy is to achieve a desired outcome, and the only way to achieve this result is through effective employee/employer communication channels throughout the process. Because of the rapid and constant changes taking place within social and work-related environments, it is necessary to arrange regular feedback sessions to ensure that both parties are moving forward in the same direction. The feedback sessions should be as frequent as every 4 months throughout the whole process.

Figure 4-1 below is a summary of the advancement strategy process discussed above.

Build a profile

Alignment

See a point of the second of t

Figure 4-1 Career advancement strategy process

## Compensation

Offering competitive and attractive compensation packages is one of the most important factors that attract and retain the best employees (Half, 2018:1). This

process should include both health benefits and retirement plans. According to Halvorson (2018:1), 56% of employees from recent retention surveys indicate that insurance, health benefits and retirement plans are factors that convince them to remain in their current jobs. It is also important that employees fully understand the benefits they are receiving from the company (Half 2018:1).

To ensure less dissatisfaction regarding compensation, there are a few important guidelines that the company under study could follow when designing a compensation package.

Conduct research on market related compensation packages,

It is important to know what the market offers for similar job descriptions, and knowing what your direct competitor offers will guide the compensation design process.

Design custom-made packages according to the needs of employee,

Millennials find compensation as a low priority, but still important as an indicator of performance (Derks, 2017:1, Ng et al., 2010:282). Van Rooy (2010:102) found that Millennials prefer variable compensation to fixed compensation and non-financial rewards. Millennials also value flexibility (Hannus, 2016:15). Developing possible new compensation packages should include the consideration of all the factors relevant to Millennial employees.

Table 4.1 below gives examples of possible reward structure for each aspect that Millennials find important at work.

Table 4.1 below portrays examples of a possible reward structure for each aspect that Millennials find of importance in the work place.

Table 4- 1 Examples of compensation for different factors Millennials find important

Compensation factor	Examples
Variable compensation (Van	Bonus structure (Goal achieving
Rooy 2010:102)	compensation)
Non-financial rewards (Van Rooy	Health benefits, employee perks, bonus point
2010:102)	system.
Flexibility (Van Rooy 2010:102)	Different pay structure for flexitime vs. full time
Nurturing environment (Ng et al.	Allowing interactive games such as a pool
2010:282)	table, table tennis, etc. as a type of bonus.
Rapid advancement (Ng et al.	Possible study credits for company university
2010:282)	or full day of shadowing a CEO.
Recognition (Thompson &	Trophies for achievements, extra fully paid off
Gregory 2012:293)	days or half days, sale of the week.

## Authority

One of the main reasons why employees leave a company is because of a manager, (Halvorson, 2018:1). Millennials find organisational hierarchies outdated and prefer a flatter structure.

Mentorship programmes will create relationships that are more personal than the manager-employee relationship (Half, 2018:1). The personal relationship fosters open communication that enables employees and their direct supervisors to share ideas and ask a variety of questions (Half, 2018:1).

## 4.3. Recommendations

## 4.3.1. Recommendations to the company of study

The findings of this study indicates a high satisfaction amongst the company in study's Millennial employees, especially a higher intrinsic satisfaction. This indicates that the level of job satisfaction has no direct or significant link with the high employee turnover rate at the selected manufacturing and Supplier Company.

There were sub-factors that stood out as factors that the Millennial employees found less satisfactory, these are advancement, compensation and authority.

It is strongly recommended that the company under study adopt retention strategies that focus on improving the three factors that the outcome of this research study has identified as less satisfactory.

- Advancement adopt and modify the "career advancement strategy process" (Figure 4-1) to fit in with the company's culture and work environment. This process will allow the company to develop 'custom-fit' advancement programmes with available company resources that are financially sustainable.
- Compensation undertake thorough market research on compensation packages offered. When the market research information is available, study the company's resources and budgets to develop and design custom-fit packages.
   These packages should be in line with the factors identified as important for Millennials.
- Authority investigate the company's current authority structure and consider revision to accommodate Millennial employees (small steps). When the company's hierarchy is difficult to change, undertake research on the current leadership styles in the company and identify the extrinsic and intrinsic satisfaction aspects that Millennials prefer, or will leave a company if they are not available.

### 4.3.2. Recommendations for future research

The following recommendations are made for future study:

A future study on job satisfaction amongst all generations in the workforce. This research will have the potential to identify specific work-related preferences of different generational cohorts, and help management to revise their practices as new generations enter the workforce.

Looking at the empirical findings of this study, there is a possibility that the main cause of employee turnover at the company under study is not work-related factors and rather Millennials' ability to network, compare and easily search for alternatives (KPMG, 2017:5). It is recommended to investigate non work-related turnover factors, such as the need to gain experience in different industries.

One of the factors Millennials were less satisfied with was authority, and it is recommended that possible future studies can focus on Millennials and leadership styles.

#### 4.4. Limitations

Limitations of this study include the fact that the sample size of Millennial employees in the organisation was rather small and, thus, set limits on the statistical analysis.

The study was conducted in an organisation with unique aspects, such as its organisational culture, and the sample was chosen out of convenience, therefore, the results cannot be generalised.

Another limitation is the fact that the level of job satisfaction is measured for Millennials only and could not be compared to other generations to determine actual generational difference.

### 4.5. Conclusion

Chapter 4 served as the conclusion of this study. This study investigated Millennium employee's job satisfaction and identified practical retention strategies from the literature. This chapter intended to and discussed the findings of the primary and secondary objectives of this study. The limitations for this study and recommendation for future studies were also discussed in this chapter.

Overall/general job satisfaction among Millennial employees was found to be a high level of satisfaction, with higher levels of intrinsic satisfaction than extrinsic satisfaction. The factors associated with Millennials high satisfaction was found to be activity, co-workers, security, supervision-technical and independence. Factors that Millennials was less satisfied with was advancement, compensation and authority.

Retention strategies identified from literature were consulted and applied to each of the factors that the Millennials were least satisfied with and serves as the recommendations to the company.

It was the aim of the study to, in some way, contribute to the academic field of organisational behaviour, and create a sustainable difference in the company of study.

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# ANNEXURE 1: COMPANY CONSENT FOR PARTICIPATION IN RESEARCH

#### EUREKA DIY SOLUTIONS

Eureka Park, 53 Renico Crescent Lea Glen x 2, Roodepoort

☑ Private Bag X9, Florida Hills 1716

**2** +27-11-471-0800 **3** +27-11-471-0847

■ info@eurekadiy.co.za



#### Research consent form

To whom it may concern,

This document serves to provide you with information regarding the potential research participation of your company employees.

#### Title of project:

Job satisfaction and retention of Millennials in a South African manufacturing and supplier company

#### Institution:

North West University - Faculty of economic sciences

#### Researcher:

Stephe Viljoen

Cell: 083-567-3220

Email: viljoenps@gmail.com

#### Research supervisor:

Retha Scholtz

Senior Lecturer: Industrial Phycologist NWU School of Business & Governance

Tel: (018) 299 1410

Email: Retha.Scholtz@nwu.ac.za

#### Objective of study:

The primary objective of this study is to identify the overall job satisfaction and retention of millennials in the selected manufacturing and supplier organization in Gauteng, South Africa.

#### What will be expected of potential participants:

Potential participants will be asked to complete the Minnesota satisfaction questionnaire.

#### Privacy measures:

The company and all participants will be guaranteed anonymity. Measures will be put in place to assure this. All questionnaires will be completed with pen and paper to cut out any electronic trace.

I. Thin as how give permission for this study to be conducted using our employees as

participants.

Signed:

Date: 14/9/18

---- FASTEN AND FIX-IF... NO PROBLEM! ----

ANNEXURE 2: MINNESOTA SATISFACTION QUESTIONNAIRE (MSQ)

**SHORT FORM** 

Dear Respondent,

This questionnaire will assist the researcher in identifying and analysing the perceived

importance of job satisfaction factors related to the Millennial generation. It would be

appreciated if you could kindly participate and complete the questionnaire.

Your confidentiality, anonymity and privacy are guaranteed. Your name is not required on

the questionnaire and you will be asked to submit a fully completed questionnaire at an

agreed-upon location without any form of identification.

All information will be treated as STRICTLY CONFIDENTIAL and will only be used for

academic purposes.

**Instruction for Completion** 

Follow simple instructions

Answer each question as objectively and honestly as possible

Please answer all questions

Your contribution is highly appreciated

Yours sincerely

Stephe Viljoen

StepheV@eurekadiy.co.za

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## **Section A: Biographical information**

## 1. Gender of respondent

Male	1
Female	2

## 2. Age of respondent

18 – 25 years	1
26 – 38 years	2
39 years and above	3

## 3. How long have you been working in this organisation?

0 - 2 years	7
3 – 5 years	2
6 – 10 years	3
10 – 15 years	4
15 years and above	5

4. What is your job in the company? Please write in the space provided.

## 5. <u>In which department are you working in</u>

### 6. Work level

Junior	
Senior	

## Section B: Evaluating Job Satisfaction (*Minnesota Satisfaction Questionnaire:* Short-form)

**Instructions:** Decide how satisfied you feel about the aspect of your job described by the statements below and place a tick in the appropriate box.

No:	Statement	Very Dissatisfied	Dissatisfied	_	pe	Very Satisfied
		Very Dissat	Dissat	Neutral	Satisfied	Very S
1.	Being able to keep busy all the time	1	2	3	4	5
2.	The chance to work alone on the job	1	2	3	4	5
3.	The chance to do different things from time to time	1	2	3	4	5
4.	The chance to be "somebody" in the community	1	2	3	4	5
5.	The way my boss handles his / her workers	1	2	3	4	5
6.	The competence of my supervisor in making decisions	1	2	3	4	5
7.	Being able to do things that don't go against my conscience	1	2	3	4	5

8.	The way my job provides for steady employment	1	2	3	4	5
9.	The chance to do things for other people	1	2	3	4	5
10.	The chance to tell people what to do	1	2	3	4	5
11.	The chance to do something that makes use of my abilities	1	2	3	4	5
12.	The way company policies are put into practice	1	2	3	4	5
13.	My pay and the amount of work I do	1	2	3	4	5
14.	The chances for advancement on this job	1	2	3	4	5
15.	The freedom to use my own judgment	1	2	3	4	5
16.	The chance to try my own methods of doing the job	1	2	3	4	5
17.	The working conditions	1	2	3	4	5
18.	The way my co-workers get along with each other	1	2	3	4	5
19.	The praise I get for doing a good job	1	2	3	4	5
20.	The feeling of accomplishment I get from the job	1	2	3	4	5