



**ADDIS ABABA UNIVERSITY**

**COLLEGE OF BUSINESS AND ECONOMICS**

**MASTER OF BUSINESS ADMINISTRATION**

**THE EFFECTIVENESS OF MANAGING THE MILLENNIAL  
WORKFORCE IN COMMERCIAL BANK OF ETHIOPIA: THE CASE  
OF ADDIS ABABA CITY AREA.**

**A THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY COLLEGE OF  
BUSINESS AND ECONOMICS IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTERS OF BUSINESS  
ADMINISTRATION**

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**ADDIS ABABA, ETHIOPIA**

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June, 2019

Addis Ababa, Ethiopia

## DECLARATION

I, the undersigned, declare that the study entitled “**The Effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia: the case of Addis Ababa City Are.**” is my original work and has not been presented for award of degree in any other university and that all sources of materials used for the project have been fully acknowledged.

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## CERTIFICATION

This is to certify that Zenaw Kefale has done a study on the topic “**The Effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia: the case of Addis Ababa City Area.**” for the partial fulfillment of Master of Business Administration (MBA) at Addis Ababa University with my guidance and approval as a university advisor.

Advisor’s Name Dr. Gemechu Waktola

Signature\_\_\_\_\_

Date\_\_\_\_\_

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## **ACRONYMS**

AR	Attraction and Retention
CBE:	Commercial Bank of Ethiopia
CFR	Continuous Feedback and Recognition
Gen-X	Generation X
Gen-Y	Generation Y
Ha	Alternative Hypothesis
HR	Human Resource
MGMTS	Management Style
NW	Nature of the Work
OC	Organizational Culture
OLCD	Opportunity for Learning and Career Development
PWC	Price Waterhouse and Coopers
SD	Standard Deviation
SPSS	Statistical Package for Social Science

## **ABSTRACT**

*The work places of the contemporary organizations are dominated by the millennial workforces who are coming up with their own distinct needs, desires, characters and expectations. The old fashioned attraction and retention strategies of 'one-size-fits-all' would not be appropriate to the young workforce in today's multigenerational workforces. This study examined the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia: the case of Addis Ababa City Area. After a deep review of theoretical and empirical sources a conceptual framework of the study has been developed and then five independent variables have been identified to meet the intended purpose of the study. A cross sectional survey of self-administered questionnaires was prepared to collect relevant information from randomly selected 258 sample participants. Among this 248 questionnaires were effectively collected and analyzed. The collected data was analyzed by SPSS version 22 using descriptive statics and multiple regressions. Descriptive research design was deployed to describe what the situation looks like whereas correlation analysis was used to show the relation between dependent and independent variables. Hence, all independent variables have positive relationship or correlation with the dependent variable of attraction and retention. Based on the result of multiple linear regression variables like continuous feedback and recognition, management style, the nature of the work and opportunity for learning and career development have positive and significance effect on the management effectiveness of attraction and retention of the millennial work force. Finally conclusions have been dawn based upon it recommendations have been forwarded.*

**Key words:** *Millennial workforce, Management effectiveness,*

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

According to the studies conducted so far, the composition of the current workforce is employees from three different generations, i.e. the baby boomers, generation X and generation Y, also known as millennial generation. The baby boomers that were born between 1946 and 1960 are starting to retire and they are expected to reach over all retirement for the next decade. Generation X was born between 1961 and 1980. generation Y, known also as millennial generation was born between 1980 and 2000. The millennial generation is independent, confident and goal-oriented (Twenge, 2010).

These days, we have been experienced with dramatic shift in the workplace as a result of technology, globalization and demographic changes, and such workforce diversity might influence the way of operation of the organization. Recently, a large number of young employees are entering workforce, and came up to work with and to manage people having a huge age gap from them, (Ellter, Suleiman and Alnaji, 2017).

Due to dramatic changes brought by millennial culture to the work place and the drastic challenges on the business increased the need for more innovative employees. As a result of new strategic realities, Human Resource departments are changing their present approaches to talent acquisition and retention. Studies showed these new realities and tried to identify reasons why the younger employees were resigning from high paid professional positions all over the world within two years of their employment. These positions in the previous times were held by the same employees aged above 40 years. Furthermore, the stiff competition for the best talent globally paved the way for the young workforce to prefer global technology companies, i.e. the organization that treat their employees as important as their customers. Attracting and retaining the best innovative workers is their new talent strategies (Graen and Grace, 2015).

The millennial generation (generation Y) who were born between 1980 and 2000 are entering the workforce in a large number and expected to shape the employment world within the coming few years. Attracting the best of the millennial workforce is a critical point for the

successful continuity of any business, specifically for those businesses engaging in the financial sector which are facing shortage of talent. The 21<sup>st</sup> century workplace culture could be defined by the Millennials due to their career aspiration, attitude, their adaptation to technologies, and their being numerous in number. Millennials will comprise 50% of the global workforce by 2020, and will account for 75% by 2025 (PWC, 2012).

Millennials unlike their predecessor generations are considered to be most educated, diversified generation, comfortable for team work, and energetic. Since this generation is overtaking the workforce of the employment composition, organizations must consider many factors in order to attract, retain, satisfy and motivate this dynamic generation. Unlike the previous generations Millennials have many expectations from their employers. Literatures revealed that Millennials expect more feedback from management. Even though they resign jobs frequently to look for a better ones, it does not necessarily mean that they cannot flourish to overtake leadership positions held by baby boomers. This new energetic workforce is self-confident and technology savvy (Hays, 2010).

According to Schweitzer (2010), Millennials want to have all things they want right now i.e. good pay and benefit package, rapid career development, challenging and entertaining work, and having social contribution, (Schweitzer, 2010).

Millennials have a considerable value for work/life balance, non-routine and challenging work, professional growth and development, having good social interactions in the workplace, to be considered capable of being responsible, assuming leadership in the workplace, and recognition for their contribution (Treuren and Anderson, 2010).

Employee turnover is a big challenge for these days businesses and without a fruit full strategy, a company may drain out of skilled workers and as a result might face a reduction of profitability, and lastly lose reputation. Strategies like compensation and reward, leadership opportunities, employee engagement programs, and training and development can be used to retain employees. Relevant training and development, positive workplace relationship, good working environment, motivational leadership and organizational policies, good remuneration of pay and reward, and management's care for employees' wellbeing are attributes for employee retention (Ruiz, 2017).

Being capable of retaining and managing effectively the young employees can lead to a better performance of an organization. Therefore this study would examine the effectiveness of managing millennial work force in commercial bank of Ethiopia and would serve as an input for HR decision making, through developing strategies to improve the millennial workforce attraction and retention and to increase employees' commitment to the organization.

## **1.2 Statement of the Problem**

The dominant workforce of these days' organizations is the youngest generation, known as the millennial or Generation Y. Generation Y is the latest workforce generation which makes a difference in the employment world. This generation considered to be the future workforce that having their own demand, set of work habit and expectations (Ng. Lyon and Schweitzer, 2012). Despite generational differences researches indicate that organizations apply the same strategies to attract and retain their employees in order to gain competitive advantages over their rivals. The commonly used attraction and retention strategies by organizations for all types of generations are reward and recognition, training and development, working condition, supervisor support, fair and competitive salary, and stable upward career development opportunities.

Organizations are facing a challenge of attracting and retaining the young workforce. Even though they easily attract unemployed youth, it becomes difficult for organizations to retain them after gaining the necessary work experience and high market value. They are mostly failed to understand why employees of high ability are leaving and how they can redesign their reward strategies to attract and retain these employees (Gilbert, 2011).

The millennial workforces are more demanding than their previous generations and organizations are required to design different approaches to handle them. Therefore, to attract and retain the young workforce, organizations are looking forward for strategies like ways of people management, creating flexible working environment, leadership style, continuous feedback provision, teamwork, work life balance, organizational culture, challenging work, and learning and career development opportunities.

If the current labour market is dominated by the millennial workforce and if the organizations are still following the old fashioned strategies of attraction and retention of employees with regard to people management, leadership style, continuous feedback and recognition,

teamwork, organizational culture, challenging work, and learning and career development opportunities, then a lot remains to be done from the HR for attracting and retaining the millennial workforce.

The branch expansion requirement of commercial bank of Ethiopia and the growing competition in the banking sector so as to attract and retain employees' increases the demand for a large number of skilled human capital. To get the required skilled workforce and to remain as a best business competitor, it is necessary for the bank having strategies that attract and retain millennial workforce.

Commercial bank of Ethiopia shares the usual practices implemented by organizations in attracting and retaining employees without considering generational differences. According to the source obtained from the HR department of the bank, total employee turnover rate of the bank increased from 2.3% to 3.72% for the past five years, and the turnover rate of the millennial workforce compared to the total employee turnover rate has stood 65% in 2017/18. Even though the turnover rate of the millennial workforce is serious, research has not been done so far dealing with the effectiveness of managing the millennial workforce in commercial bank of Ethiopia. Therefore, the purpose of this study is to examine the factors that determine the effectiveness of managing the millennial workforce in attracting and retaining them in commercial bank of Ethiopia and filling the gap of attraction and retention strategies of millennial workforce of the bank.

### **1.3 Objective of the Study**

#### **1.3.1 General Objective**

The general objective of the study is to examine the effectiveness of managing the millennial workforce in commercial bank of Ethiopia: the case of Addis Ababa city Area.

#### **1.3.2 Specific Objectives**

The specific objectives of the study are:

- To examine the influence of Continuous feedback and Recognition in predicting the effectiveness of managing the millennial workforce in Commercial bank of Ethiopia.

- To examine the impact of Management Style in predicting the effectiveness of managing the millennial workforce in Commercial bank of Ethiopia.
- To examine the impact of the Nature of the Work in predicting the effectiveness of managing the millennial workforces in Commercial bank of Ethiopia
- To examine the influence of Organizational Culture in predicting the effectiveness of managing the millennial workforce in Commercial bank of Ethiopia. .
- To examine the influence of Opportunity for Professional growth and career development in predicting the effectiveness of managing the millennial workforce.

#### **1.4 Research Hypothesis**

A research hypothesis is a predictive statement which is going to be tested by scientific methods in a way that an independent variable in relation to the dependent variables (Kothari, 2004).

Here under alternative hypotheses dealing with the effectiveness of managing the millennial workforce in commercial bank of Ethiopia are presented and was tested quantitatively.

- Ha1: Continuous feedback and recognition has a significant impact in predicting the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia.
- Ha2: Management style has significant impact in predicting the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia.
- Ha3: Nature of the work has a significant impact in predicting the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia.
- Ha4: Organizational culture has significant impact in predicting the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia.
- Ha5: Opportunity for learning and career development has significant impact in predicting the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia.

#### **1.5 Significance of the Study**

- ✓ It would have a practical importance for decision makers of the bank to look for option while formulating attraction and retention strategies of millennial workforce.

- ✓ Researchers, students and other interested parties may use the research findings as a reference in their further investigations to search for answers to their queries, thus it would add value to the existing body of knowledge.

## **1.6 Scope of the Study**

Due to limited time and resources, this study was delimited to five independent variables i.e. nature of the work, opportunity for learning and career development, organizational culture, management style, continuous feedback and recognition, these were considered to predict the dependent variable of management effectiveness on attraction and retention of the millennial workforce in commercial bank of Ethiopia.

Furthermore, the study area of the research was delimited to Commercial Bank of Ethiopia selected branches that are located in Addis Ababa.

## **1.7 Limitation of the Study**

This study faced a problem on accessing adequate researches that would be used as a reference on the effectiveness of managing the millennial workforce emphasizing on the attraction and retention of the young workforce in Ethiopian context. Since, the study was focusing on the millennial workforces who are currently working in commercial bank of Ethiopia; the result of the study might not potentially lead to generalize the banking industry of the country as a whole.

## **1.8 Organization of the Study**

The research report has been organized in to five parts. The first chapter presented the background of the study, statement of the problem, the research questions, the research objective, research hypothesis, significance of study, and the scope as well as limitation of the study. The second chapter discussed the literature review of the theoretical arguments from secondary sources. The empirical studies were assessed in this chapter to enable the construction of the conceptual framework of the research. The third chapter dealt with how the research was conducted i.e. research design, sample and sampling procedures, methods of data collection and the methods of data analysis. The analysis of the collected data and discussion of the research findings has been performed at the fourth chapter. Summaries,

conclusion of the overall findings of the study and recommendations has been presented at the final chapter.

### **1.9 Operational Definition of Key Words**

The definition of key terms of the study has been defined here under as per their usages in this paper.

#### **1. Millennial Workforce(Generation Y)**

For the purpose of this study, the term is used to mean the young, workforce not the whole generational cohorts who were born from 1980 to 2000 GC.

#### **2. Management Effectiveness**

The term management effectiveness is used in the study to mean the effectiveness of the bank in attracting and retaining the millennial workforce.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1. Introduction

The theoretical as well as empirical literatures which are believed to be relevant for this study have been presented in this chapter. This chapter begins by presenting theoretical literatures and followed by the empirical literature.

The chapter ends up with the conceptual frameworks of the study that intends to show the way the objective of the study were achieved.

#### 2.2 Theoretical Review Literatures

##### 2.2.1 Generational Theory

The first, modern scholar to introduce generational theory was the famous sociologist Karl Mannheim in 1923 in his essay '*the problem of generation*', which were published in 1952(Hobbs, 2017; Baba, Khalique, and, Paul 2014; Raunio, 2014). The original essay was designed to provide a sociological explanation as to why different people of different ages behaved either similarly or differently (Jones, 2014). This theory showed that people of the same generational cohort develop a common view of the world as a result of sharing the same historical moments and cultural events (Baba et.al, 2014).

Even though, Strauss and Howe (1991) supported Mannheim's (1952) theory in their work in the 1990s, their theory was a bit differ from that Mannheim's (1952) theory of generations suggests generations are developed in response to major historical events. On the other hand Strauss and Howe's (1991) generational theory focuses on the influence of past generations. They further explained generational attitudes and values are shaped and determined by a number of factors such as parental interaction, economic situation, major social movements, and historical events that occur during the generational period (Jones, 2014).

##### 2.2.2 Definition of Generation

A generation, often referred to as a cohort, is a similar group of individuals that share birth years, age, and meaningful life events at critical stages of development. These people within

the different cohorts acquire similar personalities and characteristics because of their shared experiences (Jones, 2017). Jones, (2017), stated that society delegates these generational personalities and characteristics into stereotypes, which align with the environmental influences that affect their beliefs, values, personalities, and expectations towards leadership, management, work values, intrinsic and extrinsic motivators, and work ethic.

Berkup, (2014), defined the term generation as the groups of people who were born, grew and maintained their life in a certain period of time, and are supposed to have common characteristics and viewpoints as they are affected from the events occurred during the aforementioned period.

A Generation is a group of people who have shared the same events through news, music, mood, education, parenting styles, during a certain point in time; it is through these formative experiences that a generation develops a collective outlook (Murphy, 2007).

McCrinkle (2002) defined a generation based on three aspects; age, conditions and experiences. Age differs one generation from another and is a defining factor in categorizing a generation. Conditions such as the economic conditions, political events as well as social conditions (the external environment) are defining the characteristics of a generation. The last aspect mentioned by McCrinkle (2002) is that experiences, especially during the childhood and adolescent period influence a generation greatly. Raina (2016) also defined generation almost in a similar way that it is a set of individuals who chronologically share the same location in the history and can be influenced by key factors such as Culture, Economics, Education, Technology, Social Lifestyle and Politics.

Kowske, Rasch, and Wiley (2010) also pointed that members of the same generation are around the same ages upon meaningful events in any society share similar significant events in their own lives, such as beginning school, entering the workforce, and retiring.

Twenge (2010 ) by the same token elaborated that each generation is influenced by influential forces like parents, peers, media, critical economic and social events, and popular culture that create common value systems distinguishing them from people who grew up at different times. Although there can be no absolute beginning or end to the generational distinctions, they typically span 15–20 years (Weingarten, 2009).

According to Solnet et al., (2012), generations may experience a given event their age of exposure can be key determinant to how they respond and how their outlooks are affected. Despite lack of clear agreement on the defining life events for a generation on the precise start and end years for each generation that is currently in the workforce, it is useful for the purposes of categorization to define the period of years that identifies each generation. Thompson (2011) also noted that understanding how generations are defined allows researchers to determine what differentiates one cohort from another.

Alternatively, some researchers consider cohorts as a United States-specific phenomenon and others consider it a global one (Zopiatis, Krambia-Kapadris, and Varnavas, 2012). They further elaborated that generational cohorts occur more often when explaining in a multinational context. The advent of media and technology helps to transcend national boundaries and creates a new global understanding. Managers and administrators need to include implementing effective strategies to assist leaders in learning more about the details of generational cohorts.

DeVaney, (2015), as cited by Jones, the current business environment primarily includes four generational cohorts: traditionalists, born between 1925 and 1945, baby boomers, born between 1946 and 1964, Generation X, born between 1965 and 1981, and Generation Y (Millennials), born between 1982 and 1999. CWB (2017) further divided the period designated to Generation Y into two parts by adding generation Z as the latest generational cohort of the current workforces. This generation will be entering in to the companies in the coming years but little is known about characteristics, needs, attributes and work style (Singh and Dangmei, 2016) of this generation. Individuals within these cohorts share external historical events or life experiences that took place during their formative years (Duh & Strewing, 2015). In sharing significant life events, the four generations are susceptible to certain values and expectations that will contribute to how they perceive their work environment (J. Bell, 2013). Workplace diversity is now common in most companies due to the four generational cohorts coexisting in the workforce. The members of the four cohorts establish and determine their workplace beliefs, behaviors, attitudes, and expectations based on shared generational qualities (Hendricks & Cope, 2012).

### **2.2.2.1 The Traditionalist**

The youngest of this generation today would be in their early 70's and will likely be completely out of the workforce in the next 10 – 15 years (Goessling,2017).

The Silent Generation is also known as the “Traditionalists” and the World War II Generation. Most were children during World War II and regard it as their most formative experience. Raised in disciplined, nuclear families, Silent typically embraces a strong sense of loyalty to their family, community, and country, and is committed team members and collaborators (CWB, 2017). The traditionalists were born between 1925 and 1945 (CWB, 2017; Caraher, 2015).This generation is known by multiple terms: veterans, the silent generation, traditionalists, depression generation, traditional generation, and the greatest generation (Zemke et al., 2013). Traditionalists are hardworking and tend to favor military-like management that follows a top-down or chain of command style. Veterans believe that no feedback from their managers is good news. The only reward they look for is satisfaction in a job well done (Schaefer, 2017). This generation sacrifices and follows authoritative commands without question. Individuals of this generation are loyal to their employer and will often work for the same organization for much of their career. Additionally, they have respect for tradition and do not waiver from established rules (Jones, 2017).

### **2.2.2.2 The Baby Boomers**

As stated by Hobbs(2017),the people of the baby boomer generation (also known as Boomers) were born between 1946 and 1964 (Caraher, 2015; Durkin, 2010; Taylor, 2014).This generation is referred to as the baby boomer generation because of the extra 17 million babies born during this period relative to previous census figures in USA. Some characteristics of baby boomers include their belief in high values, growth, work ethics, title, and promotions (Brunettoet al.2012).Baby boomers’ work ethic caused them to be known as workaholics. They value the chain of command and may be technologically challenged when working with computers and digital technologies (Taylor, 2014). Baby Boomers have a strong work ethic, not because they view work as a privilege as Traditionalists do, but because they are motivated by rank, wealth, and prestige. They are extremely loyal to their employers, service- and goal-oriented, and competitive (Burch & Kelly, 2014).Boomers are also found to be loyal and committed to their organizations, and expect a corresponding reward from their organizations compared to younger generations because they believe hard

work pays off (Park &Gorsy, 2002). Baby Boomers are currently leaving the workforce and must share their knowledge to the millennial generation before they retire. Managers should establish mentor relationships to sustain that knowledge in the workforce (Schaefer, 2017).

### **2.2.2.3 Generation X**

Generation X is the cohort group born between the years of 1965 and 1979 and is less in total numbers than either the Baby Boomers or Millennials (Idem, 2016). Generation X saw the birth of the Internet and is technically quite proficient. They are also skeptical and leery of authority (Murphy, 2007).

Generation X marks the period of birth decline after the baby boom and has unique traits. They are often described as individualistic, risk-tolerant, and self-reliant, entrepreneurial, and comfortable with diversity and valuing work life balance (Gentry et al., 2011.). Some researchers have concluded that this generation can be less formal in certain situations. Generation X managers will typically be less formal, and more adaptable than their predecessors. Gen X tends to focus on outcomes rather than the process (Dolls et al., 2010). Other researchers have concluded that this generation lacks people skills. “For Gen X managers, the trait of independence comes with negatives; such as being impatient, having poor people skills, and working from a place of cynicism. They are also very straightforward and tend to lack people skills, which may affect employee retention” (Salahuddin, 2010). As managers, this generation uses a contingent based style depending on the situation that they are facing. Generation X managers labelled their leadership as situational, as opposed to boomers who discussed servant leadership (Salahuddin, 2010). They prefer direction such as “do it your way”, and there aren’t a lot of rules here messaging, and utilize the same styles themselves as leaders (Gentry, 2011). The next generation has proved to be a powerful force in the workforce because of their technological proficiencies.

### **2.2.2.4 Generation Y –Millennials**

The term Gen Y first appeared in August 1993 by (William Strauss, W., Howe, N., 1992) to describe the teenagers of the day separated from Gen X. Generation Y refers to the ‘generation of young people’, as the abbreviation ‘Y’ stands for ‘young’(Kissné ,2014).

Globally, Millennials are defined as the generation growing up after the Cold War and in the new era of globalization, communication technology and wireless connectivity. They are living in an age of unprecedented diversity and exposure to other cultures. They are growing up quickly, too quickly, some would say. As some of the almost most protected children in history, this generation is confident. Eric Chester, in ‘Employing Generation Why?’ writes that the Millennials have, more than any other young generation, an ability to “filter out every command, every request and every instruction that is not bundled with acceptable rationale - they demand reasons and rationale, so the traditional ‘because I said so’ isn’t going to cut it with them.” They are growing up in a world that is creaking under the strain of our lifestyles, and they are daily made aware of the fragile environment. So, it is no surprise that they are emerging as ethical consumers who want to change the world, (Graeme, 2008).

Millennials have grown up in the digital age. They show greater familiarity than previous generations with communication, media, and digital technologies. Because they are more “wired,” this gives Millennials a competitive advantage and makes them an asset when it comes to working with new technologies (Khan far, 2012). Tolbzie (2008), points out that “they are also sometimes called the “Trophy Generation” or “Trophy Kids” Based on the emerging trend in sports and competition to reward everyone for participation. Because of this experience they have been said to reject in-house competition and politics. Furthermore, because many watched their parents be adversely affected by the dot-com bubble burst and high rates of divorce and layoffs, Millennials are thought to be skeptical of long-term commitments, and are said to desire greater flexibility in their career. Members of this generation are described as preferring collective action, working in teams, wanting work that really matters to them, and being civic-minded, eco-aware, confident, conventional, optimistic, and socially conscious (Hewlett et al., 2009)A. study conducted by Gibson, Green, and Murphy (2010) identified the differences in management values between the generations, showed that the top five values for managers of Gen Y were: family security, health, freedom, self-respect, and true friendship. This study also concluded that the management styles and values of the generations were more alike than different. A study by Hartman and Mc Cambridge (2011) revealed that academic and business researchers that the development and use of effective communication strategies is a critical skill set for all Managers. These skills have been directly linked to both individual effectiveness i.e. opportunities for Promotion, special assignments, team effectiveness, and to organizational effectiveness and bottom line performance. Their study showed that although Millennials

have been characterized as being technologically sophisticated and capable of multitasking, they are deficient in oral, written, and interpersonal communication skills. Thus, it becomes imperative to understand more about this generation who will be leading organizations of the future, (Mc Cambridge (2011)).

Organizations are becoming increasingly dynamic as older members of the workforce approach retirement and younger members start their careers. This is because the older generational cohort worked during an era when people usually had a job for life, which certainly is not the case nowadays. Firms and their internal marketers should therefore be aware of the needs, wants and work preferences of different generations (Gaye, 2015). Generation Y (Gen Y) – also referred to as the internet or dot.com generation, Millennials as a result of their shared social and historical experiences, have been claimed to be different from their predecessor generations (Shaw and Fairhurst, 2008). Millennials are characterized as having high levels of self-confidence and self-reliance; independent, individualistic, and socially active and like to work in teams (Shih & Allen, 2007).

A demographic shift is underway; that is accelerating as more Boomers approach retirement and more Millennials find employment (Burch & Kelly, 2014). They have grown up in a world with massive amounts of information at their fingertips (Stanley, 2010).

Based on recent research reports it is common to find that Gen Y is seen independent, confident, diverse, collaborative and selfish. This new and young generation has grown up with technology, computers, mobile phones and the Internet (Islam, 2011).

Employees currently entering the workforce are known to be individual's part of Generation Y. Although these employees can be referred to by numerous names and various age ranges, throughout this study, Generation Y will be the cohort of individuals who are currently entering the workforce, born between the years of 1980 and 1994 (Engelmann, 2011). This group is cyber literate, realistic and globally concerned. Personal safety is their number one concern. Most Millennials believe that business success should be measured by more than profit. They are typically not company loyal having an average tenure of 2 years. They prefer on-the-spot recognition and feel personally responsible for making a difference in the world. Generation Y members are open, receptive, quick learners of technological innovations, agile, ambitious, recognized for their unlimited work spirit and unrealistically high salary expectations (Kissné, 2014). They are good team workers, optimistic, and tech savvy. Their

constant parental supervision growing up, combined with the instant gratification enabled through technology, however, has made them crave constant feedback and praise (Valcour, 2013). They crave meaningful work where they feel part of the organization's mission, and value meaningful work and helping others more than a big pay check. Millennials are also prone to frequent job changes as they seek new opportunities and employment on their own terms. Millennials prefer managers who take an educational approach and who take time to understand their personal and professional goals. Millennials value managers, who coach them, are positive, motivational, collaborative, achievement oriented, and who provide structure (Murphy, 2007). He further pointed out that to keep Millennials engaged; employers must offer this generation meaningful work. Millennials want to know how their work contributes to the larger mission.

The Generation Y cohort is known as the trophy generation or the trophy kids because of the emerging trend in competitive sports and other events that give rewards for participating rather than for winning (Jones, 2017).

### **2.2.3 Expectations, Values and Characteristics of Millennials.**

As reported by Hershatter and Epstein (2010), the millennial employees appear to possess the following distinctive characteristics. They prefer supportive environment that assures them with acknowledgement, reward, and career progression when they have made accomplishments; they prefer clear structures; they place strong values on work-life balance and are likely to make career decisions which makes balances between job stability and healthy personal and professional life. Finally, Millennials have strong affiliation needs to the employers and desire personal relationships with supervisors. Overall, the Millennials are happier than other generations to confine themselves to existing organizational infrastructures, to work with technologies, and to collaborate and engage with people around them. Millennials also have strong needs to be valued, taken care of, and appreciated. Members of Generation Y carry their own characteristics of wants, needs and beliefs to the workforce that is quite different from previous generations. One of the characteristics of this generation is that they have high expectations from their employees (Armour, 2005)

Pew Research, (2011) pointed out some of the most remarkable characteristics for the Millennial generation: Use of technology (text messaging, Internet, etc.) is necessary and desirable in all aspects of life; Millennials have a sense of uniqueness and identification with

their generational cohort; Influencer roles (parents, mentors, friends, etc.) are critical to success in life; Educational aspirations and attainment are the norm; Work/life balance is the rule, not the exception.

Characteristics of millennial generations are: multi-tasking, lack of communication skills, expect immediacy (Feiertag & Berge, 2008). Most of them are collaborative, team-oriented, emotionally needy, seek praise and approval, results oriented, technology literate, educated, confident, independent, individualistic, self-reliant, entrepreneurial, socially active, desire work and pressure, active learners (Meister & Willyerd 2010) .Need continuous feedback, view work as a key part of life, want a personally fulfilling life, have high expectations of themselves and others (Shaw & Airburst 2008). Not concerned with order or hierarchy, want mutual respect, and strongly reject authoritarian teaching styles, self-perceived expert information gatherers (Bohl, 2008). Like informality, learn quickly; embrace diversity, need supervision (Twenge, et al., 2010). Digital natives, preoccupied with maturity, investigative, sensitive to interests of others (especially employers), authenticate before trusting, close to parents, value intelligence, fiercely independent, open about emotions and intelligence, inclusive, express views freely, innovative, need group activities. Strong written communication skills, open to change, sheltered value multiculturalism, resilient, easily converse with adults regarding intellectual topics (without reservation), may struggle if unsupervised Gorman et al.,2004). Lack professional boundaries, entitled, lack critical thinking skills, unrealistic expectations, desire a “how to” guide for success, want to invest as little time/effort as possible to achieve success, think of themselves as special & winners, sheltered by parents, conventional (Monaco & Martin 2007).

McCrinkle (2002) noted several values that members of Generation Y hold. Not only do they want to have friendships, they want to be part of a community. They want to feel appreciated, understood, and respected. Hewlett et al. (2009) stated that this generation wants flexible work arrangements, high-quality of colleagues, prospects for advancement, recognition from management or organization, advancement and promotion and access to new experiences and challenges. Treuren and Anderson (2010)) strengthened the findings of Hewlett et al, (2009) in that Generation Y demands for professional growth and development, work/life balance, a need for variety in work, with challenge, social interaction, and responsibility, reward, and recognition of their contribution a desire for leadership. Randolph and Randolph,(2016) also pointed out that Millennials want to be treated like valued colleagues who are given clear

definitions of expectations, regular feedback, and heard by managers. Promotion is very important to members of Generation Y, but they want this with minimal effort, perhaps reflecting a sense of entitlement that is the product of a pampered upbringing (Ng, Schweitzer and Lyons,2010).They do not want to feel micromanaged, but rather to feel trusted and empowered. In short, they value clarity and accountability and the opportunity to contribute their ideas to the collective good. They embrace transparency from their managers. Ng, et al. (2010) identified five main themes in what Generation Y expects from their career, namely; work/life balance, good pay and benefits, opportunities for advancement, meaningful work experiences, and a nurturing work environment. They further added that Generation Y have high expectations of themselves as well as of their work environment. Generation Y is impatient and does not want to wait for promotion. This generation wants their jobs to offer fulfillment and have a meaning. The vision and mission of an organization are becoming increasingly important for this generation.

#### **2.2.4 Theories of Motivation**

Motivation refers to the individual forces that account for the direction, level, and persistence of a person's effort expended at work. Direction refers to an individual's choice when presented with a number of possible alternatives e.g., whether to exert effort toward product quality or toward product quantity. Level refers to the amount of effort a person puts forth. Persistence refers to the length of time a person sticks with a given action (Armstrong, 2009).

Maslow's hierarchy of needs and Herzberg's two factors theory which are supposed to be relevant to the variables used in the study.

##### **2.2.4.1 Maslow's Hierarchy of Needs**

In the 1950s, psychologist Abraham Maslow first published *Motivation and Personality*, which introduced his theory about how people satisfy various personal needs in the context of their work. He postulated that there is a pattern of needs recognition and satisfaction people follow, generally in the same sequence. He also theorized that a person could not recognize or pursue the next higher need in the hierarchy until the currently recognized need has been substantially satisfied (Aon, 2012).

Maslow's hierarchy of needs is often illustrated as a pyramid, with the survival need at the broad-based bottom and the self-actualization need at the narrow top. At the bottom of the total rewards hierarchy of needs are the need to earn a basic salary, which provides for life-sustaining needs such as food and shelter. Working up the hierarchy, people have needs regarding financial security, health and welfare, social needs, developing associations at work and working with co-workers, esteem needs, the need for recognition, performance feedback and promotion, and a need for learning and development, interesting and challenging work, self-actualization, and the need to reach one's full potential, and achieve advancement and growth opportunities (Aon, 2012).

#### **2.2.4.2 Herzberg's Two Factor Theory**

In the 1960s, sociologist Frederick Herzberg constructed a two-dimensional paradigm of factors affecting people's attitudes towards work. Herzberg set out to determine which external work factors, such as remuneration, job security, or advancement, made people feel positive about their jobs, and which factors made them feel negative. He surveyed workers, and concluded that, to understand employee satisfaction or dissatisfaction, he has to divide work factors into two categories, namely motivation and hygiene (Robbins & Judge, 2013).

Motivation factors are those factors that are strong contributors to job satisfaction, and hygiene factors are those that are not strong contributors to satisfaction, but must be present to meet a worker's expectations and prevent job dissatisfaction (Robbins & Judge, 2013).

He concluded that factors such as company policy, supervision, interpersonal relations, working conditions, and salary are hygiene factors, rather than motivators. According to his theory, the absence of hygiene factors can create job dissatisfaction, but their presence does not motivate or create satisfaction. In contrast, he determined from the data that motivators are the elements that enrich a person's job; he found five factors in particular that were strong determinants of job satisfaction: achievement, recognition, the work itself, responsibility, and advancement. These motivators (satisfiers) are associated with long-term positive effects in job performance, while the hygiene factors (dissatisfies) consistently produced only short-term changes in job attitudes and performance, which quickly returned to their previous levels. Thus, Herzberg's paradigm was essentially an early framework for total rewards (Robbins & Judge, 2013).

According to Herzberg (1987), motivation requires a twofold approach: eliminating dissatisfiers and enhancing satisfiers. Organizations need to understand the importance of aligning an employee's attitude and workplace motivation.

### **2.2.5 Challenges of Attraction and Retention of the Millennials**

A major challenge which faces organizations is how to attract, engage, and retain Gen Y because of their experiences and attitudes toward work, are markedly different from the previous generation in their workplace needs and expectations (Murno, 2009). He further noted that Gen Y brings an impressive, portfolio of academic credentials and requisite skills in technology to the workplace along with superior expectations for fast-track promotion, raises, perks, independence, flexible work arrangements, a need for fun, meaningful work that adds value to the organization's strategic direction, expectation of continuous recognition and daily feedback. They also call for managerial support as well as clear and comprehensive instructions, yet seek autonomy to chart the path and pace for achieving goals. While Kim & Yang (2013) have carried out their study on attraction and retention of the young people to organization by considering the following variables such as long-term career development and multiple experiences within a single organization, sense of purpose and meaning in work availability and access to mentors across the company, work-life flexibility ,tech-savvy work environment, open social networks that embrace open and honest communication, opportunities for personal growth, even in entry-level jobs and working with committed colleagues who share their values. AECD (2017) in its report of millennial workforce suggests that factors like good management, scheduling flexibility, workplace culture, and having an interest in the field of work play a critical role in employment decisions.

For the purpose of this study the researcher considered the following variables: continuous feedback and recognition, management style, nature of the work, organizational culture, and opportunity for learning and career development.

#### **2.2.5.1 Continuous Feedback and Recognition**

Millennials expect to have frequent feedback about their performance than previous generations so that they can evaluate their own progress. Consequently, HR professionals should design performance management systems that provide continuous feedback and coaching on a quarterly or even more frequently on a basis of goal setting and appraisal

(Cascio, 2014). Tucciarone & Hunt (2015) stated that Millennials want to know immediately what they are doing right and wrong. At the same time, they may feel ill equipped to handle negative feedback as they have been told so often by parents that they are truly wonderful. Unlike workers of other generational cohorts, open and honest communication is also a key strategy for successfully retaining Millennials. Growing up with such nurturing and involved parents, one of the defining characteristics of Generation Y is their desire for continuous, feedback. Retention will be improved when Generation Y employees know that their contribution is having a positive impact on the company. Bedingfield (2005) believes that mentoring schemes play a vital role in allowing Generation Y employees to get a better understanding of the opportunities in the organization, resulting in enhanced internal career options. In addition, the feedback process should not only involve positive or negative comment, but also be clear and specific, leaving no room for misunderstanding (Gilbert, 2011).

#### **2.2.5.2 Management Style**

Millennials are receiving particular attention because they represent the future of the workplace, and they also tend to live and do businesses in a way that differ from previous generations (Stevenson, 2008). It is important for companies to consider their approach to leadership in light of Gen Y's view of what ideal leaders should look like. This generation wants a new kind of leader: one that is fair, supportive and knowledgeable, and above all a coach and mentor. They want leaders who will encourage and help them to learn more to do their jobs better (Hays, 2013).

Millennials want a multifunctional leader who follows different leadership styles based on the situations in the workplace. Hobbs, (2017) described Millennials management style preference as follows: They want a leader who will know when it is appropriate to follow the leadership style that best addresses the issue; Millennials want a leader who allows for work flexibility, as well as a balanced work and personal life; Millennials want a leader who provides them option to work in the office or at their homes and the ability to leverage all available technology.

There should be a two-way communication between managers and employees regarding expectations and workplace issues. There should also be inter-office communication between team members. Gen Y most importantly wants their leaders to be caring, inspiring and

competent. Gen Y prefers working with relationship oriented leaders. Gen Y wants their managers to be people-oriented. They want their managers to be coaches and help them to navigate their work and life and to support their development (Islam, 2011). Generation Y wants to have a close relationship with authority figures, just as they did with their parents.

Generation Y prefers to work with superiors who are supportive, with good communication and motivation skills. Successful managers of Generation Y are good at forming mentoring relationships. Successful managers set expectations and mentor Millennials towards goals (Hunt & Tucciarone, 2011).

### **2.2.5.3 Nature of the Work**

Work values can be defined as generalized beliefs about the relative desirability of various aspects of work and work-related outcomes (Davis, 2016). Schwartz, (2017) classified work values into four dimensions: (1) extrinsic, including salary and job guaranty; (2) intrinsic, including individual growth, job interest, autonomy, and creativity; (3) social, including interaction with other employees and contribution to society; and (4) power, or authority and influence.

When organizations understand what employee value in the workplace they can incorporate these values into the company culture and job positions, (Lyon, Higgins & Duxbury, 2010).

One way to build loyalty among Generation Y employees is to give them work that makes a difference. Generation Y members like to do work that has a greater meaning (Hewlett et al., 2009). Generation Y are willing to work hard, but they do not live to work. They seek purpose from their work as well as rewards. Organizations need to recognize the high ambition of these employees by planning roles that are suitably challenging and complex (Bedingfield, 2005). Organizations can provide as much choice as possible in the job, such as work scheduling, choice of which duties to do and the order in which they are handled. More choices offer higher perceived individual control, leading to greater job satisfaction (Amar, 2004; Hulett, 2006). Beckman (2011) stated that Generation Y employees to make a difference and by tapping into their desire to do so helps your company achieve its goals. To help Generation Y employees make the connection to how the work they are doing contributes to the greater whole, managers should make sure employees are aware of the company's mission, vision, and values. This allows Generation Y to align their work

according to those values, mission, and vision which helps the company as a whole to focus on the greater mission and accomplishes companywide goals as well as helps Generation Y employees see how their work pertains to the company's goals (Hewlett, et al., 2009).

#### **2.2.5.4 Organizational Culture**

Organizational culture can be defined as the shared beliefs, norms and values reflected by employees in the company in order to monitor and coordinate employee's behavior (Julia et al, 2011). Melnychuk (2014) also defined it as a shared set of beliefs and values, reinforced by an organization's symbols and structures, and manifested in the way people think and act. They pointed out that an organization's culture is formed through the combining of core values based on firm beliefs and underlying assumptions, and may be visible through artifacts such as members' dress that are representative of the culture.

The ways in which its members think, believe, act and behave indicate the culture of their organization and tend to reflect the founders' or leaders' core values and underlying assumptions of the organization (Macintosh & Doherty, 2010). The organizational culture must become a safe environment where ideas can be developed and where taking risks can be encouraged (Peterson, 2015). Culture can encompass the organization's values, future vision, beliefs, mission, in-office norms and general atmosphere. It can help to create an environment of respect, trust, innovation and purpose to motivate employees and improve workplace productivity, and can also be shared with clients, customers and the general public to establish a unique identity or brand. Therefore, employers should define their organization's culture in clear terms and communicate it to their employees (idilus HR, 2014).

Millennials place a high priority on workplace culture and desire a work environment that emphasizes teamwork and a sense of community. They also value transparency. They want to provide input on their work assignments and need the support of their supervisors. All of the above statements also are true of non-Millennials, yet not to the same level as the millennial generation (PWC, 2013). Because the Millennials are such a unique generation, they want to work for an employer who understands and shares their values. As they have specific desires for the type of work that they want to spend, they are also conscious about the environment that they performing their work. They want to look for not only enjoying what they are doing, but they look where they are doing. A diverse, multigenerational-friendly culture is also highly attractive to Gen Y. Leaders should try to understand and identify intergenerational

commonalities (Smith, 2016). According to him a conducive culture is required to retain Millennials.

#### **2.2.5.5 Opportunity for Learning and Career Development**

Professional development is a determining factor of retention and promotion opportunities increases employees commitment to stay (Kalgora & Kossivi, 2010). Millennials place great value on professional and personal development. Millennials view their current role as a learning opportunity; therefore, organizations that invest in development opportunities will be more likely to retain employee long-term (AEDC millennial workforce report, 2014).

According to Sherman (2016), traditional career ladders i.e. companies that base promotions and raise on tenure rather than skills and talent are not comfortable for Millennials. If a company does not offers promising internal development opportunities, then employees may look elsewhere after they have gained a year or two of experience.

Generation Y place a high value on the ability to keep learning and advancing their skill set. They are motivated by a desire to enhance professional skills in order to remain marketable (Sayers, 2007). Organizations that provide learning opportunities such as on-the-job training, mentoring, coaching, opportunities for further academic study etc., can be more successful in attracting and retaining Generation Y.

### **2.3 Empirical Review Literatures**

This section presented empirical review of related literature, which was supposed to be relevant for the development of conceptual framework.

#### **2.3.1 Continuous Feedback and Recognition**

Receiving continuous feedback is important to all employees, however, Generation Y is expecting it to a greater extent than other generation, (Martin & Tulgan, 2001; Parment, 2008). They pointed out that in order to increase Generation Ys satisfaction, and to enhance retention, it's important for organizations to incorporate formal feedback program, and foster an environment where feedback and recognition is phenomenon of life.

According to Gibson, (2008) praise and recognition are the easiest ways for managers to engage Generation Y employees and keep their productivity high. The need for managers to have coaching relationships and providing feedback and trust were more likely to retain millennial employees (Kim et al., 2015; Oren et al., 2012).

Tessema et al. (2013) also highlights recognition as a successful retention strategy for Generation Y. A study has proven that employees tend to remain loyal to an organization when they receive recognition from the employer. (Alam et al., 2013). Besides Lefton (2012) also pointed out that recognition makes employees feel valued and engaged and this strengthens their desire to remain with the organization.

Therefore, the researcher claims that continuous feedback and recognition has significant impact on the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia.

### **2.3.2 Management Style**

The way people are managed and the leadership style have direct impact on an organization's ability to maintain its workforce (Kalgora & Kosivi, 2016). They argued that the way employees view an organization depends on their relationship with their supervisor. According to AEDC millennial workforce report (2017) employees are more likely to stay with a company the more they interact with management. A study done by Jokisaari and Nurmi (2009) found out that millennial, not unlike employees of previous generations, view strong relationships with supervisors to be a basis for negotiating their roles initially, as well as for their long-term satisfaction in the organization. Kroon and Freese (2013) have also the view that participative leadership style plays a significant role in employee retention. Andrews and Wan (2009) noted that management plays a determinant role in employee retention and established that there is a direct correlation between employee retention and manager behavior. Noah (2008) found out that participation in decision-making process makes employees feel that they are part of the organization and this makes them loyal and increases retention. According to Meier (2010), management style was among the top motivational characteristics that Gen Y was interested in from an employer.

Therefore, the researcher claims that management style has significant impact on the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia.

### **2.3.3 Nature of the Work**

According to Melnychuk, (2014) the nature of Millennials' work was a significant motivator for participants' decision to stay within their current roles. Specifically, meaningful work, which is very closely tied to Millennials' desire to contribute to society, was the number one motivator and a key influencer in their decision to stay within an organization. Challenging and stimulating work is the most crucial aspect of their work.

The lack of challenging work is interpreted as stagnation and a lack of personal and professional development, which was stated as a reason for considering leaving the organization (Naidoo and Parsons, 2012). Furthermore, Sharma and Bhaskar (2009) assume that most significant influence over job satisfaction of employees appears from the nature of the work. In addition, they assert that job satisfaction can be achieved by employees if the job is with variety, challenging and enabling to use one's own skills and abilities.

Therefore, the researcher claims that nature of the work has significant impact on the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia.

### **2.3.4 Organizational Culture**

According to Shim (2010), organizational culture was used to determine the effects on employee's intention to leave. The result of this study provided the evidence that the organizational culture has a significant relationship with the employees' turnover intention.

Generation Y prefers to have a friendship with colleagues; it creates a sense of security and increase commitment to their work (Ariani, 2015). Elements of a good colleague's relationship are cooperation helping Generation Y to develop teamwork skills and learn from them. This could improve organizational productivity and employees' intentions to stay longer at their jobs (Fernandez, 2009). Ariani (2015) also strengthened the finding of Fernandez and pointed out that employees engagement increase when there is a positive workplace relationship. The culture of an organization is significant to the retention of all employees, more importantly to the retention of the millennial generation who seems to have a culture of its own (Melnychuk, 2014).

Therefore, the researcher claims that organizational culture has significant impact on the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia.

### **2.3.5 Opportunity for Learning and Career Development**

A study conducted by Islam,(2011) come up with the finding that Coaching, communication, and career development have a significant impact on Gen Y's work place behavior. Based on these findings, business leaders and supervisor should consider the expected behavior of Gen Y and interact with them to create a sense of enjoyment at work. According to Global millennial survey (2014) nearly 70 percent of Millennials across the globe say achieving a manager or leadership role in their careers is important. The study indicates that 84% of Africans and 61% Europeans show a tendency to assume leadership.

Generation Y employees retention in the organization was affected by availability of mentorship programs aimed at both professional and personal development Beckett (2010). He further noted that the goal of mentorship in companies includes promotion of professional and personal growth among participants, and this helps to attract, motivate, develop, and retain profitable talent while increasing productivity.

According to Kim and Yang (2013) opportunities to career development was the most important factors in driving employees' retention. Generation Y wants to know where they are going to be. A survey shows that they will wait an average of 10 months to look for the presence of opportunities career development. Prince (2005) also identified promotion and opportunities for growth is a significant reason for which employees decide to leave or stay in an organization and went further by identifying influential factors pertaining to career development opportunities.

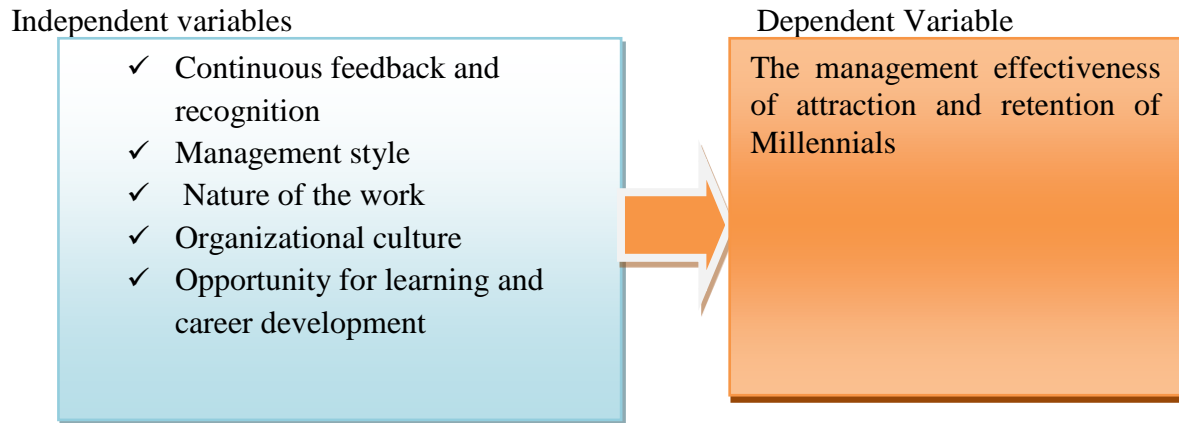
Therefore, the researcher claims that opportunity for learning and career development has significant impact on the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia.

### **2.4 Conceptual Framework of the Study**

After a deep review of literatures, the following conceptual model on which the framework of this specific study structured is developed. Effective management of attraction and retention of the millennial workforce has been taken as dependent variable while, continuous feedback and recognition, management style, nature of the work, organizational culture, and opportunity for learning and career development were independent variables.

The relationship of the variable for this study is depicted as follows.

**Figure 2.1 conceptual framework**



Source: - Developed by the researcher

## 2.5 Summary

The aim of this study is to examine the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia, emphasizing on the attraction and retention of the young work force. Hence, it has been attempted to review and summarize current and relevant theoretical literature such as generation theory; motivation theories of Maslow's hierarchy of needs and Herzberg's two-factor theory and; attraction retention strategies and the previously conducted empirical studies as well.

To successfully attract and retain employees, organizations need to understand the desires of its employees, and able to respond their needs. Based on the review of different articles, books and unpublished thesis and dissertation, the researcher identified potential elements that might be able to determine the attraction and retention of the millennial workforce, These elements include performance management, organizational culture, nature of the work i.e. challenging and meaningful work, provision of constructive feedback, praise and reward for top performance, and a workplace that is technologically advanced and conducive to teamwork, and innovation; which are of course considered by organizations to be the preferences and desire of the young generations. It is also obvious that organizations depend on employees' skills, knowledge, and abilities for efficient and effective delivery of services to take a competitive advantage over their business rivals. Therefore, it is increasingly important that organizations should devise attraction and retention strategies that take in to consideration the preference, desires and expectation of the young generation employees.

## CHAPTER THREE

### RESEARCH DESIGN AND METHODOLOGY

#### 3.1 Introduction

This chapter has discussed the methodology used to carry out this research. It tried to cover explanations of the study area, the research approach, research design, data sources, target population, sample size and sampling techniques, data collection methods and instruments, mode of data analysis and ethical considerations of the research.

#### 3.2 The Study Area

The study area was commercial bank of Ethiopia Addis Ababa city area. The history of commercial bank of Ethiopia dated back to the establishment of state bank of Ethiopia in 1942. It was legally established as a share company in 1963. It is the largest commercial bank in the country and it is a pioneer to introduce modern banking, and the first bank to introduce ATM. It has 1280 branches as of June30, 2018. As of June 30, 2018, the total asset of the bank reached to birr565.50 billion. The staff of the bank has shown growth year-on –year and reached 34,879 as of June30, 2018, (Bank’s annual report, 2017/18).

According to the information collected from the bank’s employee’s bio data, the following table shows the generational cohort of employees working at the bank.

**Table 3.1 Generational cohort**

Generation type	year of born	Gender		absolute frequency	relative frequency
		Male	Female		
Baby Boomers	1946-1960	74	49	123	0.35%
Generation X	1961-1979	3324	1603	4927	14.13%
Generation Y	1980-2000	22214	7615	29829	85.52%
Total		25612	9267	34879	100%

Source: HR Department of the bank, (2018).

From the above table we can clearly see that the proportion of the generation Y workforce constitute the highest proportion which is 85% of the total workforce of the bank.

### **3.3 The Research Approach**

There are three research approaches: Quantitative, Qualitative and Mixed, where one of them is not better than the others, all of this depends on how the researcher wants to do a research (Ghauri&Kjell, 2005). Quantitative method of research approach is the study involving analysis of data and information that are descriptive in nature, (Sekaran, 2001). The quantitative approach involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion (Kothari, 2004). The purpose of inferential approach to research is to form a data base from which to infer characteristics or relationships of population on the other hand qualitative approach in a research is concerned with subjective assessment of attitudes, opinions and behavior (Kothari, 2004). Mixed method approach is a relatively new approach which makes use of different forms of data that enable researchers to create understandable design out of complex data and analysis, (Sekaran, 2001).

To achieve the stated objectives, the study adopted quantitative research approach, where a close ended self administered questionnaire was adopted so as to generate descriptive and explanatory analysis result.

### **3.4 Research Design**

Research design is a conceptual structure within which research is conducted (Saunders et al., 2007). It is a framework that serves as a guide to study the research problem. The function of a research design provide an ease way for the collection of relevant data with minimal expenditure of effort, time and money taking into account the research purpose (Kothari, 2004).

Therefore, the research design used in this study was both descriptive and explanatory research. The descriptive research was used to identify and classify the elements or characteristics of the subjects. The explanatory research on the other hand used to explain the causal relationship between the dependent variable (attraction and retention) and independent variables of this study.

### **3.5. Target Population, Sample Size and Sampling Technique**

#### **3.5.1 Target Population**

Among the 15 districts of Commercial Bank of Ethiopia, only 4 districts are found in Addis Ababa with the total population of 11399 employees working under them, (4<sup>th</sup> quarter report of 2017/18). The branches under the four districts in Addis Ababa region are both city branches and outlying branches with the total number of 441 branches. Only two hundred ninety eight (298) branches are found in the city and the rest are found in the outlying branches. Because of the remoteness of the outlying branches and the reward difference given by the bank between the outlying branches and city branches, sample frame was narrowed to permanent employees of CBE in city branches only. This was done to undertake the study on homogenous population.

Even if the researcher believes that it would be more reliable if the study population includes all branches in Addis Ababa the researcher again reduced the target population to total number of employees of selected grade 4 branches from each of the four districts (three branches from each districts). This was done due to the geographical dispersion of the branches, the homogeneity of structure, homogeneity of the service provided and demographic similarity of the employees. The reason behind choosing grade four branches is that this branches are the highest grade branches in terms of their number of employees and number of customers, amount of deposit, number of transaction and the contribution they make for the profitability of the bank. The researcher thought that they are good representatives of other branches.

Therefore the target population of this study thus is presented in the following table.

**Table 3.2 Target population of the study**

Branch	District	Total number of Employees	Percentage	Sample
Kotebe	East	55	7.4	19
Megenagna	East	53	7.2	19
Meskel Square	East	46	6.3	16
Arada Giorgis	North	69	9.4	24
Gullele	North	58	7.9	20
Selassie	North	62	8.4	22
Finfine	South	90	12.3	32
Sengatera	South	67	9.1	24
Temenja Yaj	South	54	7.4	19
Abakoran	West	54	7.4	19
Paulos	West	68	9.3	24
Teklehaimanot	West	58	7.9	20
<b>Total</b>		734	100	258

Source: CBE HR Department, (4<sup>th</sup> Quarter report of 2017/18).

### 3.5.2 Sample Size

The number of target population that was used for the study is then 734. Using Taro Yamane (1967), sample selection method with a probability of 95 % free error, a total of 258 samples was drawn from the total target population.

$$n = \frac{N}{1 + N(e)^2}$$

Where, n= the required sample size

N= the target population

e= level of precision

By using the above formula the sample size is calculated as follows;

$$\begin{aligned}
 n &= \frac{734}{1 + 734(0.05)^2} \\
 &= \frac{734}{2.835} \\
 &= \mathbf{258}
 \end{aligned}$$

Therefore, from the target population of 734 employees the researcher selected 258 employees as sample to distribute the questionnaires. Since the number of people in each branch is not the same, the number of samples for each branch is taken based on their proportion of number of employees.

### **3.5.3 Sampling Techniques**

Sampling is a process of selecting a number of study units from a defined study population (Kombo and Tromp, 2006; Kothari, 2009). The sample designs are basically of two type, non-probability sampling and probability sampling (Kothari, 2004). In non probability type of sampling, items for the sample are selected deliberately by the researcher. On the other hand probability sampling is also known as ‘random sampling’ or ‘chance sampling’ where every item of the universe has an equal chance of inclusion in the sample (Kothari, 2004).

For this study the researcher used both probability and non-probability sampling techniques. The non-probability sampling technique was used to select the 12 branches from four Addis Ababa districts through purposive sampling techniques. The homogeneity of the population of city branches of CBE supports the purposive sampling method for the researcher to employ and makes the findings more representative to the CBE employees found in Addis Ababa.

The researcher also has used simple random sampling technique to distribute the questionnaires for respondents. The rationale behind using simple random sampling technique for this study was to give each member of the study population equal chance of being selected.

## **3.6 Sources, Types of Data, Collection Instrument and Method of Analysis**

### **3.6.1 Sources and Types of Data**

Kumar (2005) stated that there are two major approaches used by researchers’ namely primary and secondary data. For the purpose of this research, primary data source was used. Considering that using primary data instead of secondary data is more credible, the primary data was collected by distributing structured questionnaire for the employees of Commercial Bank of Ethiopia.

### **3.6.2 Data Collection Instrument**

The data collection instrument utilized in this study was questionnaire. According to Leary (2004), Questionnaire is usually inexpensive, easy to administer a large number of employees and less time-consuming and normally gets more consistent and reliable results than other instruments.

Therefore, due to its being less time consuming and less costly than other instruments, the researcher deployed self-administered questionnaires in which the respondent took the responsibility for reading and answering the questions without the interference of researcher.

#### **3.6.2.1 Questionnaire Design**

In order to make easy the data analysis process, close ended questionnaires were used. Moreover, the questions were adopted from relevant literatures of this specific study. So as to reduce misunderstanding and uncertainties on the questions, a maximum effort was exerted to make the questions clear, precise and understandable as much as possible.

The questionnaires that employed in this research contained two parts.

Part one was about the demographic information of the participants that includes gender, age, educational level, experience and marital status of the participants. And the responses of the participants were interpreted by using frequency distribution and percentage.

Section two was about questions pertaining to effectiveness of managing the Millennials. It was dealing with the five independent variables used in the study (Continuous feedback and recognition, Management style, Nature of the work, Organizational culture and Opportunity for growth and career development). The questions were formed in a five point Likert scale such that 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree which allows participants to indicate their level of agreement with the statement provided.

### **3.6.3 Method of Data Analysis**

The data that was collected from employees through questionnaire has been analyzed mainly by the help of SPSS version 22. After the collected data was rearranged, edited and calculated and sorted, it was necessary to employ statistical techniques to analyze the information.

Therefore, for this specific study both descriptive as well as inferential statistics has been utilized. The descriptive statistics (mean and standard deviations) has been used to describe and present the trends of the data. For the inferential statistics, correlation, one-way ANOVA, and multiple linear Regression has been carried out to analyze the casual relationship between the dependent and independent variables.

This study applied Likert scale data for questionnaire development, then the researcher made use of the data analysis methods like mean, standard deviation, Pearson correlation coefficient, ANNOVA, and linear regression model.

### 3.7 Reliability and Validity

#### 3.7.1 Reliability

Reliability is a measure of the degree to which a research instrument yields consistent results after repeated trials. Reliability is about the internal consistency of research instruments; it is the ability of research instruments to produce similar results time and again under consistent

**Table 3.3 Cronbach’s alpha value result**

No	Variables	No. of Items	Alpha value
1	Continuous feedback and recognition	5	0.711
2	Management style	4	0.705
3	Nature of the work	5	0.898
4	Organizational culture	4	0.759
5	Opportunity for learning and career development	5	0.821
6	Attraction and retention	9	0.947

Source; Researchers own survey

To ensure the inner consistency of the present instrument, the Cronbach’s alpha coefficient was used. Developed by Lee Cronbach’s in 1951, the Cronbach’s alpha coefficient is a statistical tool that evaluates the inner consistency of a questionnaire. For the utilization of this coefficient, it is a requirement that all the items of an instrument use the same measurement scale. The Cronbach’s alpha is obtained by the variance of individual components and by the variance of the components sum of each evaluated, aiming to investigate the possible relations between the items. As stated by MasdiaMasri (2009), the closer the reliability coefficient to 1.00 is the better. In general, reliabilities less than 0.60 are considered poor; those in the range of 0.60 to 0.80 are considered good and acceptable. In

this study, all the independent variables and dependent variable, met the above requirement. The alpha value for each question is identified and summarized in the above table.

### **3.7.2 Validity Test**

Validity refers to the extent to which measurement of instrument actually measure what is intended to measure. It is the strength of our conclusions, inferences or propositions. It involves the degree to which you are measuring what you are supposed to, more simply, the accuracy of your measurement (Adams, 2007).

Therefore, pilot test was conducted and this validation has been made to get some evidence on whether the content of the items was relevant in helping to answer the research questions as well as to check the clarity of the questions.

### **3.8 Ethical Consideration**

As far as the ethical consideration for the rights of the research participants is concerned, utmost care has been made. The researcher ensured that the principle of voluntary participation such that people was not coercively participated as a respondent. The consent of the participants ensured by explaining the aim of the study and the procedures involved so as to gain their consent.

The researcher ensured that the participants were not required to provide their names and tell them the information they provide would be confidential and assure that it would be used only for academic purpose.

## CHAPTER FOUR

### DATAPRESENTATION, ANALYSIS AND INTERPRETATION

#### 4.1. Introduction

This chapter presented and discussed the final results of the collected data from sample participants. In the first section of his chapter the response rate of the questionnaire is presented followed by the demographic variables of participants. Finally, the data has been presented and analyzed using descriptive and inferential statistics.

#### 4.2. Response Rate

Based on the sample size determined in the study, a total of 258 structured questionnaires were distributed to the randomly selected sample participants. Out of these questionnaires, 248 (96%) were valid and used for analysis.

#### 4.3 Demographic Characteristic of Participants

The analysis and interpretation of the demographic data has been presented as follows:

**Table 4.1 Frequency and Percentage of demographic Variables**

Demographic variable		Frequency n=248	Percentage
Sex	Male	180	72.6
	Female	68	27.4
Age	20-23	30	12.1
	24-28	188	75.8
	29-33	26	10.5
	>=34	4	1.6
Educational Level	First Degree	233	94
	Second degree and above	15	6
Experience	<2Years	54	21.8
	2-5years	157	63.3
	>5Years	37	14.9
Marital status	Single	221	89.1
	Married	27	10.9
	Total	248	100.0

Source: Researcher's own survey (2019)

As we can see from the above table demographic variables of participants varied in their sex, age, educational level, experience and marital status in CBE. Accordingly, row one of the above table shows the sex distribution of the participants. Out of 248 participants, 180(72.6%) was male while 68(27.4%) was female. The second row of the table showed age distribution of the participants. As a result, the largest number of participants which accounts for 188(75.8%) are in age categories between 24-28 followed by 20-23, 29-33; representing to 30(12.1%) and 26(10.5%) respectively. The rest age category which is 34 years and above takes the lowest percentage of participants, that accounts for 4(1.6%). Row three of the table is about the educational level of the participants. Accordingly, the largest numbers of the participants, that is 233 (94%) are first degree holders whereas the remaining 15(6%) are second degree and above holders. The fourth row of the above table shows the experience of participants. The largest groups of the respondents that are 157(63.3%) have a work experience of 2-5 years and 54(21.8%) of the participants have working experiences of less than 2 years. The remaining 37(14.9%) have a work experience of more than 5 years. The last row of the above table shows the marital status of the participants. 221(89.1%) were single while the rest 27(10.9%) were married.

To conclude, majority of employees working in those positions are male, single, first degree holders, and at early stages of their career life.

#### 4.4. Descriptive Analysis of Variables

In this section the participants' level of agreement on the effectiveness of managing the millennial workforce is presented and findings has been summarized and analyzed with the following class width formula.

$$\text{Interval} = \frac{\text{the highest score} - \text{the lowest score}}{\text{Number of Intervals}}$$

$$\frac{5 - 1}{5} = 0.8$$

Therefore, the average score i.e. mean obtained from each item has been interpreted based on degree of agreement level as follows:

- 1.00-1.80 (Very low level of agreement)
- 1.81-2.60 (Low level of agreement)
- 2.61-3.40 (Moderate level of agreement)
- 3.41-4.20 (High level of agreement)
- 4.21-5.00 (Very high level of agreement)

**Table 4.2 Level of participants' agreement on continuous feedback and recognition**

Continuous feedback and recognition	N	Mean	std. Deviation
My manager/supervisor provides regular feedback to me both positive and corrective feedback -when and where appropriate.	248	2.56	0.85
My manager/supervisor praises me when I achieve good performance.	248	2.54	0.72
The management awards employees who make a difference (achieve high performance).	248	2.58	0.88
Giving continuous feedback to employees and co-workers by the manager/supervisor has positive influence towards the job.	248	3.03	0.74
I want to be told how I am doing my job.	248	3.22	0.74
Total	248	2.78	0.54

Source: Researcher's own survey (2019)

Based on the analysis of the response of participants, the mean value and standard deviation were measured for each question of continuous feedback and recognition. Participants' level of agreement showed moderate for the statement "I want to be told how I am doing my job" with a mean score of 3.22 and standard deviation of 0.74. However, low level of agreement of respondents have been observed for the statement "My manager/supervisor praises me when I achieve good performance" (mean=2.54 and S.D. =0.72). Therefore the low mean score for the above statement could be an indication for the occurrence of low level of understanding between the millennial workforce desire to being praised for good performance by supervisors and the understanding of their supervisors' on the influence of providing continuous feedback and recognition to attract and retain the millennial workforces in the CBE.

As we can see from the above table the overall participants' average mean value with regard to continuous feedback and recognition was 2.78 and standard deviation of 0.54. This illustrates that most of the participants had moderate level agreement for the presence of continuous feedback and recognition to attract and retain the millennial workforce in the bank.

**Table 4.3: Level of participants' agreements on management style**

Management style	N	Mean	SD.
My manager/supervisor doesn't micromanage me, rather he/she makes the vision and goals clear and allow employees flexibility in how to achieve the goals.	248	2.27	0.81
My involvement in decision making motivates me to stay in the bank.	248	3.39	1.004
My manager/supervisor is knowledgeable adult who jumps in as a team player when needed.	248	2.46	0.98
My manager/supervisor has good management skills, and is easy to get along with, understanding, supportive, and open-minded.	248	2.29	0.99
Total	248	2.60	0.69

Source: Researcher's own survey (2019)

With regard to the effectiveness of management style, the participants' level of agreement showed moderate for the statement "My involvement in decision making motivates me to stay in the bank" with a mean score of 3.39 and standard deviation of 1.004. However, the rest items as well as the overall level of agreement score is low, on average having mean of 2.60 and standard deviation of 0.69 which leads as to say that the management style effectiveness followed by the bank is low for attracting and retaining of the millennial workforce.

**Table 4.4: Level of participants' agreement on Nature of the work**

Nature of the work	N	Mean	SD.
I am doing a work that challenges my abilities.	248	2.09	1.09
I am doing a work that makes a helpful contribution to society; makes a Difference.	248	2.05	1.11
I am doing a work that provides change and variety in work activities.	248	2.08	1.03
I am doing a work that I find interesting, exciting and engaging.	248	1.75	0.98
I am working with agreeable and friendly co-workers with whom I could form Friendships.	248	2.90	1.26
Total	248	2.17	0.92

Source: Researcher's own survey (2019)

The above table shows the analysis results of the participants' response and depicts the mean value and standard deviation of each questions of nature of the work. Participants had moderate level agreement for the statement "I am working with agreeable and friendly co-

workers with whom I could form Friendships” with a mean value of 2.90 and standard deviation of 1.26. However, for the rest four items the participants’ level of agreement is low. The overall participants’ agreement with regard to nature of the work is on average 2.17 and standard deviation of 0.92. This shows that most of the participants’ have low level of agreement that “nature of the work is effective on attraction and retention of the millennial workforce of CBE”.

**Table 4.5: Level of participants’ agreement on organizational culture**

Organizational culture	N	Mean	Std. Deviation
My organization emphasizes cooperation and teamwork among members of my workgroup.	248	1.77	0.83
The relationship among all staff is built on the basis of strong mutual confidence and cooperation.	248	2.24	1.10
My organization provides a working environment where people are encouraged to share ideas, experiences, successes and failures.	248	1.94	1.08
The staffs in our organization mutually respect each other.	248	1.84	0.86
	248	1.95	0.74

Source: Researcher’s own survey (2019)

As far as Organizational culture is concerned, participants’ level of agreement for the statement “My organization emphasizes cooperation and teamwork among members of my workgroup” was very low with a mean score of 1.77 and standard deviation of 0.83. The other items have a low level of mean score. The average mean score is 1.95 with a standard deviation of 0.74. This leads us to conclude that there is a low level of understanding on the effect of organizational culture to attract and retain the millennial work force of the bank.

**Table 4.6: Level of participants’ agreement opportunity for learning and career development**

Opportunity for learning and career development	N	Mean	Std. Deviation
I have an opportunity for promotion in this Bank.	248	1.92	0.98
Staffs are promoted in a fair and transparent way.	248	1.85	0.79
The Bank provides opportunities for career development.	248	1.53	0.79
I have received sufficient training to do my job effectively.	248	1.95	0.65
I have received regular training to keep me update for better performance.	248	1.95	0.65
Total	248	1.84	0.60

Source: Researcher’s own survey (2019)

Table 4.6 shows the level of participants’ agreement on the effectiveness of “opportunity for learning and career development” on attraction and retention of the millennial workforce. As a result, the statement “The Bank provides opportunities for career development” have a very low level of agreement with a mean and s. Deviation value of 1.53 and 0.79 respectively. The remaining items get low level of agreement.

On average the overall participants’ agreement with regard to Opportunity for learning and career development is low with a mean and SD. value of 1.84 and 0.60 respectively. Therefore, the effectiveness of the provided opportunity for learning and development to retain and attract millennial workforce is low.

**Table 4.7: Level of participants Agreement on attraction and retention items**

Attraction and retention	N	Mean	Std. deviation
For me this would be a good job.	248	1.98	0.91
This job is attractive to me for employment.	248	1.96	0.97
I am interested in learning more about this job.	248	2.09	1.13
I feel a lot of loyalty to this bank.	248	1.91	0.97
This is the best bank for me to work for.	248	1.72	0.97
I am not thinking about quitting my job at the present time.	248	1.86	1.01
If I want to do another job or function, I would look first at the possibilities within this Bank.	248	2.05	0.93
It is unlikely that I will actively look for a different organization to work for in the next year.	248	1.69	0.83
I would be very happy to spend the rest of my career with CBE.	248	1.73	0.89
Total	248	1.89	0.80

Source: Researcher's own survey (2019)

As we can see from table 4.7 the participants scored very low level of agreement for the statement “It is unlikely that I will actively look for a different organization to work for in the next year” and “I would be very happy to spend the rest of my career with CBE” having mean score of 1.69 and 1.73, and standard deviation of 0.83 and 0.89 respectively. For the remaining items the respondents score low level of agreement. For all attraction and retention items the participants' level of agreement is low with a mean and std. Deviation value of 1.89 and 0.80

## 4.5 Inferential Analysis of Variables

### 4.5.1 Correlation Analysis

The correlation between two variables measures the degree of linear association between them. If it is stated that  $y$  and  $x$  are correlated, it means that  $y$  and  $x$  are being treated in a completely symmetrical way. Thus, it is not implied that changes in  $x$  cause changes in  $y$ , or indeed that changes in  $y$  cause changes in  $x$ . rather, it is simply stated that there is evidence for a linear relationship between the two variables, and that movements in the two are on average related to an extent given by the correlation Coefficient, (Brooks,2008). Correlation

coefficient has both magnitude and direction. As a result, correlation coefficient can take a number with + or – sign (Reimann, Filzmoser, Garrett, & Dutter, 2008).

Pearson product moment correlation is one of the commonly used methods to calculate a correlation coefficient. This method result in a number between –1 and +1 that expresses how closely the two variables are related,  $\pm 1$  shows a perfect 1:1 relationship (positive or negative) and 0 indicates that no systematic relationship exists between the two variables (Reimann et.al, 2008). Regarding the magnitude of correlation coefficient, Cohen (1988) stated that a correlation coefficient between 0.10 - 0.29 can be considered as weak, from 0.30 to 0.49 moderate and from 0.50 to 1 strong.

**Table 4.8: Correlation Analysis of Independent and Dependent Variable**

	Attraction and retention
Continuous feedback and recognition	0.354 <sup>**</sup>
Management style	0.214 <sup>**</sup>
Nature of work	0.312 <sup>**</sup>
Organizational culture	0.180 <sup>**</sup>
Opportunity for learning and career development	0.238 <sup>**</sup>

<sup>\*\*</sup>Correlation is significant at the 0.01 level (2-tailed)

Source: Researcher’s own survey (2019)

The above table shows the correlations between the five independent variables and the dependent variable i.e. attraction and retention. As we can see from the table attraction and retention has statistically significant and positive relationship with independent variables. This implies that an increase or decrease in the above independent (explanatory) variables will have direct increasing or decreasing effect on the dependent variable. As we can see from the above figure, continuous feedback and recognition ( $r=0.354$ ,  $p<0.01$ ) and nature of work ( $r=0.312$ ,  $p<0.01$ ) have moderate and significant correlation with attraction and retention. The figure also tells us that opportunity for learning and career development ( $r=0.238$ ,  $p<0.01$ ), management style ( $r=0.214$ ,  $p<0.01$ ) and organizational culture ( $r=0.180$ ,

p<0.01) have statistically significant and positive but weak correlation with the dependent variable.

#### 4.5.2 Tests for Linear Classical Regression Model Assumptions

These tests are taken place to make sure that the data is ready for analysis and to get reliable output from the study. The intent of the tests is to check whether the CLRM (Classical Linear Regression Model) assumptions, i.e. the OLS assumptions, are fulfilled when the explanatory variables are regressed against the dependent variables. Accordingly, the data has to meet certain assumptions as indicated below to ensure whether the data fits the basic assumptions of classical linear regression model or not.

##### 4.5.2.1 Multicollinearity Test

Multicollinearity occurs if some or all of the explanatory variables are highly correlated with one another. It shows the regression model has difficulty in explaining which independent variables are affecting the dependent variable (Brooks, 2008).

**Table 4.9: correlation between independent variables**

	CFR	MGTS	NW	OC	OLCD
CFR	1				
MGTS	0.273 <sup>**</sup>	1			
NW	0.497 <sup>**</sup>	0.092	1		
OC	0.330 <sup>**</sup>	0.028	0.452 <sup>**</sup>	1	
OLCD	0.324 <sup>**</sup>	0.076	0.181 <sup>**</sup>	0.056	1

<sup>\*\*</sup>Correlation is significant at the 0.01 level (2-tailed)

Source: Researcher’s own survey (2019)

As we can see from the above table even though the independent variable CFR has a significant relation with the other independent variables, but the correlation coefficient is not >0.50 which is low. This implies that the assumption of Multicollinearity is not violated. The rest correlation among the independent variable is insignificant and the assumption remains still valid. Multicollinearity can also be tested through SPSS as part of multiple regression results i.e. Tolerance and VIF. Tolerance is an indicator of how much of the variability of the specified independent variable is not explained by the other independent variables in the

model and is calculated using the formula  $(1 - R^2)$  for each variable. If this value is small (less than 0.10) it indicates that the multiple correlation of variable is high, suggesting the possibility of Multicollinearity. Under this study the tolerance value for each independent variable was not less than 0.10. VIF (Variance inflation factor), is the inverse of the Tolerance. VIF values above 10 would indicate Multicollinearity. VIF value in this study is less than 10 for all independent variables (see the table under). Therefore, these results suggest that the assumption of Multicollinearity has not been violated.

**Table 4.10: Collinearity Statistics Test of Independent Variables**  
Coefficients<sup>a</sup>

Model		Collinearity Statistics	
		Tolerance	VIF
1	continuous feedback and recognition	.634	1.577
	Management style	.920	1.087
	Nature of the work	.658	1.519
	Organizational culture	.775	1.290
	Opportunity for learning and career development	.890	1.123

a. Dependent Variable: Attraction and retention

Source: Researcher's own survey (2019)

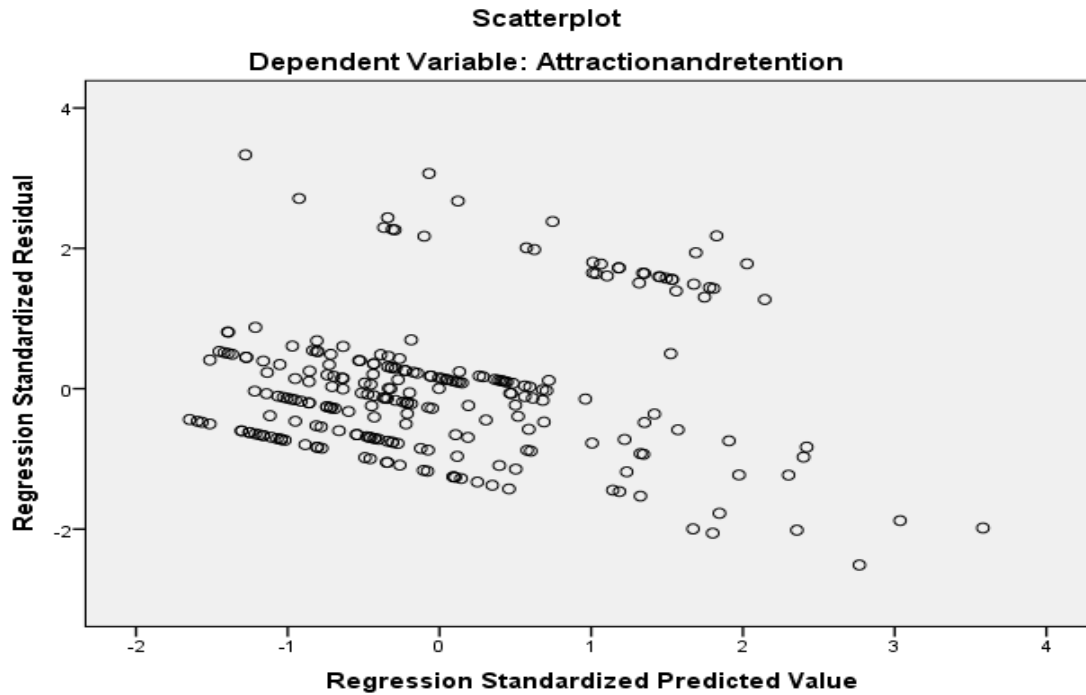
#### 4.5.2.2 Homoscedasticity Test

This is the variation of the residuals across all the observations under study. If the errors have constant variance, the errors are called homoscedastic. The possibility of the existence of heteroscedasticity is a big consideration to apply regression analysis, including the analysis of variance. The presence of heteroscedasticity violates statistical tests of significance that assume that the modeling errors are uncorrelated and normally distributed and that their variances do not vary with the effects being modeled.

To examine the assumption of Heteroscedasticity in regression analysis, plotting the predicted  $Y$  values against the residual values is undertaken. Thus, the scatter plot shows that

the points are concentrated around zero which shows that Homoscedasticity is not violated (see figure 4.1).

**Figure 4.1 Scatter plot**

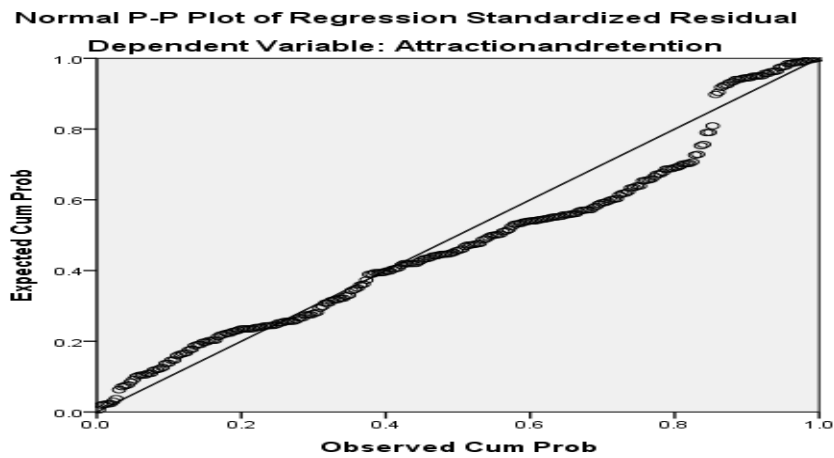


**Source:** Researcher's own survey (2019)

#### 4.5.2.3 Normality test

Normality is used to describe a symmetrical bell-shaped which has a greatest frequency of score around the middle and smaller frequencies towards the extremes. The assumptions of normality can be checked by inspecting the Normal Probability Plot (P-P) of the Regression Standardized Residual. If the points are lying in a reasonably straight diagonal line from bottom left to top right in the Normal P-P plot, we can say that there is no major deviation from normality. We can see from the Normal P-P plot that the assumption of normality was not violated due to the observation that points lies in a reasonably straight diagonal line from bottom left to top right for all dependent variables (figure 4.2).

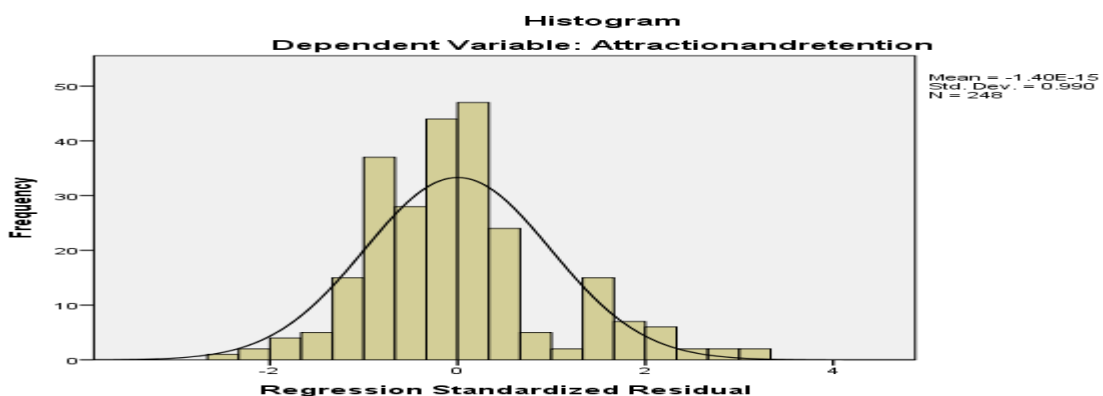
**Figure 4.2 Normal P-P Plots**



**Source:** Researcher's own survey (2019)

A histogram with the normal curve provides crucial graphical representation of the data. The black line put on top on the below histogram represents the bell-shaped "normal" curve of the sample data under study. However, generally some samples deviate somewhat from normal, so the question is how much deviation from the black line indicates "non-normality"? We can conclude by observing the figure under that there is no as such deviation of the normality assumption.

**Figure 4.3 Histogram**



**Source:** Researcher's own survey (2019)

#### 4.5.2.4 Autocorrelation Test

Durbin Watson statistic test was used to test autocorrelation. DW tests for autocorrelation in the residuals from statistical regression analysis. Autocorrelation error occurs when there is a serial correlation between residuals and their own past values. In other words, if the errors are not uncorrelated with one another, it would be stated that they are “auto correlated” or that they are serially correlated.

**Table 4.11 Durbin-Watson autocorrelation statistic test  
Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.429 <sup>a</sup>	.184	.167	.73249	1.556

a. Predictors: (Constant), Opportunity for learning and career development, Organizational culture, Management style, Nature of the work, continuous feedback and recognition

b. Dependent Variable: Attraction and retention

Source: Researcher’s own survey (2019)

Therefore, as we can observe from the above table the Durbin-Watson result is 1.556 which is greater than 1.5. To conclude the figure is a perfect indicator of no autocorrelation in the sample.

To conclude, the Classical Linear Regression Model) assumptions has been tested and the requirement is fulfilled to undertake regression analysis.

#### 4.6 Regression Analysis

Assumptions of classical linear regression model has been tested and requirements has fulfilled to deploy multiple linear regression to investigate the relationship the independent variables (CFR, MGTS, NW, OC, and OLCD), and the dependent variable i.e. attraction and retention. Multiple regression analysis is applied to examine whether there is statistically significant relation between the explanatory variables and the dependent variable.

**Table 4.12: Multiple Regression Model Summaries**  
**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.429 <sup>a</sup>	.184	.167	.73249

a. Predictors: (Constant), Opportunity for learning and career development, Organizational culture, Management style, Nature of the work, continuous feedback and recognition

b. Dependent Variable: Attraction and retention

Source: Researchers own survey (2019)

As we can see from the above multiple regression model result, the R value is .429, which tells the degrees of correlation between the dependent variable and independent variables, the adjusted R square value of 0.167 shows that those independent variables can explained 16.7 % of the variation in dependent variable i.e. attraction and retention is explained by these five predictors; while the rest of 83.3% attraction and retention is influenced by other variables that are not included under this study. Since this model explains only 16.7% of the dependent variable that reveals the model is weak.

**Table 4.13 ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	29.219	5	5.844	10.892	.000 <sup>b</sup>
	Residual	129.842	242	.537		
	Total	159.062	247			

a. Dependent Variable: Attraction and retention

b. Predictors: (Constant), Opportunity for learning and career development, Organizational culture, Management style, Nature of the work, continuous feedback and recognition

Source: Researchers own survey (2019)

The ANOVA test on the above table shows the general significant of the model. The F test is used to determine whether a significant relationship exists between the dependent variable and the set of all the independent variables; the test for overall significance. The result revealed that the set of predictors is statistically significant at predicting attraction and retention, with F-statistic=10.892,  $P < 0.01$  (Sig. = 0.000) is less than alpha value 0.05. Therefore, the independent variables are significant to explain the variance in attraction and retention.

**Table 4.14: Regression Coefficients of Predictor Variables Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.009	.287		.032	.975
Continuous feedback and recognition	.260	.109	.175	2.397	.017
Management style	.162	.070	.139	2.294	.023
Nature of the work	.149	.062	.172	2.404	.017
Organizational culture	.036	.071	.033	.501	.617
Opportunity for learning and career development	.185	.083	.137	2.231	.027

a. Dependent Variable: Attraction and retention

b. Source: Researchers own survey (2019)

The table above shows the extent to which each independent variables influence the dependent variable. We can see that among the predictor variables, except OC the other four variables such that CFR, MGTS, NW and OLCN had a statistically significant positive influence/prediction in determining the dependent variable, AR. We can look at the Beta value to evaluate the influence of each independent variable to the dependent variable. As a result, the Beta value for predictor variable, CFR was 0.175,  $p < 0.05$  which implies that this predictor variable made the first strong positive and statistically significant influence in explaining or predicting the dependent variable AR holding all other variables constant. NW made a statistically significant positive influence to the dependent variable with Beta value of 0.172, and  $p < 0.05$  which implies that NW made the second strong influence in predicting the dependent variable, AR.

However, Organizational culture (OC) has a Beta value of 0.033 with significant p-value > 0.05. As a result, this predictor has no significant effect on attraction and retention.

The un standardized Beta coefficient indicates that other variables remaining constant, a one unit increase in CFR will cause to the raise of 0.260 units, in attracting and retaining the millennial workforce to the CBE. At the same token, a one unit increase in MGTS, NW, and OLCB causes to the raise of 0.162 units, 0.149units, and 0.185units respectively in attracting and retaining the emerging workforce to CBE.

## **4.7 Discussion of the Findings**

### **4.7.1 Continuous Feedback and Recognition**

**Ha1:** Continuous feedback and recognition has a significant influence in predicting the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia.

The result obtained has shown that the attraction and retention effect of continuous feedback and recognition is positive, robust and statistically significant at 5% level of significance in commercial bank of Ethiopia. This confirms that employee attraction and retention of Commercial Bank of Ethiopia has been affected by continuous feedback and recognition. This is to mean that, as indicated in the table 4.14 above, a unit increment in continuous feedback and recognition can enhance attraction and retention of the millennial workforce by 0.26 remaining other variables constant. As a result, we fail to reject the hypothesis (H1).

This finding also had similar results to previous studies, in which it was found out that millennial workforce who receive continuous feedback and recognition increase their satisfaction, and facilitate retention. It's important for organizations both to incorporate an extensive formal feedback program, and to foster an environment where feedback and recognition is a natural part of everyday life. The need for managers to have coaching relationships and providing feedback and trust were significant influence to attract and retain millennial employees. Recognition enables employees to feel being valued, engaged and in turn satisfy them, and enhances their desire to remain with the organization (Kim et al., 2015; Oren et al., 2012; Tessema et al. 2013; Alam et al., 2013; Lefton, 2012).

The result of the study implies that if the millennial work force are not receiving regular feedback and recognition both positive and correctives; and of receiving praise & award

when they achieve good performance; and of fail to tell them how they are doing their job from their managers, attraction and retention of the millennial workforces cannot be easily realized by CBE.

#### **4.7.2 Management Style**

Ha2: Management style has significant impact in predicting the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia.

The regression result on table 4.14 above confirmed that management style has significant influence on the effectiveness of attraction and retention of the millennial workforce having P-value of 0.017 which is acceptable at 5% significant level. This showed that every unit increase in management style can increase attraction and retention of the millennial workforces by 0.162 in CBE keeping other variables constant. Thus, based on the result we fail to reject the hypothesis (Ha2).

The study result also supported by the previous studies such that the way people are managed and the leadership style have direct influence on an organization ability to retain its workforce. Based on the studies the employees view towards an organization is shaped by their relationship with their supervisor. Employees are more likely to stay with a company the more they interact with management. Millennial believe that strong relationships with supervisors are foundation to negotiate their roles as well as to enhance their long-term satisfaction in the organization. Participative leadership style plays a significant role in employee retention, (Kalgora and Kosivi, 2016; AEDC millennial workforce report, 2017; Jokisaari and Nurmi, 2009; Kroon and Freese, 2013; Andrews and Wan, 2009; Meier, 2010).

Thus, the result of the study implies that managers who make clear the vision & goals of CBE to the millennial workforce; involve them in decision making; becoming good team players having good management skills, be supportive and open-minded then attraction and retention of the millennial workforce can be realized.

#### **4.7.3 Nature of the Work**

Ha3: Nature of the work has a significant impact in predicting the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia.

The regression result provided by the model indicates the effect of the nature of the work on attraction and retention of the millennial workforce in CBE. The result confirmed that the coefficient of nature of the work is positive and statistically significant at 5% significance level. We can see from table 4.14 above that as nature of the work, increase by 1 unit, then attraction and retention of the millennial workforce of CBE increases by 0.149 holding other variables constant. So it is still a significant factor. As a result, we fail to reject the hypothesis (Ha3).

This finding is supported by the previous studies results that the millennial workforces who are coming up with a work that challenges their abilities; a work that provides change and variety in work activities; a work that is interesting exciting and engaging; a work that contributes to the societies motivated them to stay within an organization (Melnychuk, 2014).

Thus, the result implies that CBE can effectively attract and retain the millennial workforce if the management can provide a work that challenges their abilities, make helpful contribution to the society, provides change and variety in work activities, a work that is interesting exciting and engaging.

#### **4.7.4 Organizational Culture**

Ha4: Organizational culture has significant impact in predicting the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia.

The regression result in table 4.14 shows that organizational culture has positive but insignificant effect on attraction and retention of the millennial workforce with the coefficient of 0.036 and  $p=0.617$  which is greater than 0.05, meaning that it is statistically insignificant at 5% confidence interval. Thus, we reject the hypothesis (Ha4).

#### **4.7.5 Opportunity for Learning and Career Development**

Ha5: Opportunity for professional growth and career development has significant influence in predicting the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia.

The regression result provided by the model indicates the effect of opportunity for learning and career development has significant effect on the effectiveness of attraction and retention

of the millennial workforce with the coefficient of 0.185 and  $p=.027$  which is acceptable at 5% level of significant. The result indicated that for a unit increase in opportunity for learning and career development can increase attraction and retention of the millennial workforce in CBE by 0.185 holding other variables constant. Thus, we fail to reject the hypothesis (H5).

The study result was supported by the previous studies in which Coaching, Communication, and Career development have a significant impact on Gen Y's work place behavior. Nearly 70 percent of Millennials across the globe said that achieving a managerial or leadership role in their careers is their dream. Generation Y employees retention in the organization was also driven by availability of learning and development programs aimed at both professional and personal growth and this significantly determines to attract, motivate, develop, and retain the talent. Promotion and opportunities for career development is considered as a significant reason for employees' decision toward leaving or stay in an organization, (Islam, 2011).

Thus, the result implies that CBE can effectively attract and retain the millennial workforce if the management can provide the millennial workforce an opportunity for career development and promotion in a fair and transparent manner; give them sufficient and regular training in order to update them, then managerial effectiveness in attracting and retaining the millennial workforce can be planted.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter comprises three parts. The summary has been presented in the first part of this chapter. In the second section of the chapter conclusion has been drawn the study. The recommendation forwarded by the researcher based on the finding is presented at the last part of the chapter.

#### 5.1 Summary

The objective of the study is to examine the effectiveness of managing the millennial workforce in commercial bank of Ethiopia. Since the nature of the study was cross sectional survey, close ended questionnaire was designed in the form of Likert scale and were distributed to 258 randomly selected sample participants and 248 of it has been used for analysis. The study was conducted using descriptive survey method. It employed reliability and validity Test to confirm the stability, consistency, sampling adequacy, and strength of the relationship among questionnaire items. After the reliability and validity test, the study applied descriptive, correlation and regression techniques of analysis using SPSS version 22.

The demographic information of the participants indicates that the majority of the participants are male which account for 180 (72.6%) of the total participants and the remaining 68 (27.4%) are female. The age distribution shows that most of participants are aged in the range of 24-28 with 75.8% of the total participants. Most of participants 221(89.1%) are single, 233(94%) are degree holders and the remaining 15(6%) are second degree holders, and 157(63.3%) of participants have work experience of 2-5 years.

According to the results of the descriptive analysis the mean value for continuous feedback and recognition is 2.78, SD=.0.0.54 which is moderate. Other independent variable like management style, nature of the work, organizational culture, opportunity for learning and career development and the dependent variable i.e. attraction and retention have a mean score of (2.60, SD. 0.69, 2.17, SD. 0.92, 1.95, SD. 0.74, 1.84, SD. 0.60 and 1.89, SD. 0.80) respectively which is low score.

The result of correlation shows that continuous feedback and recognition ( $r=0.354$ ,  $p<0.05$ ), and nature of the work ( $r=0.0.32$ ,  $p<0.05$ ) have moderate and significant correlation with the

dependent variable (attraction and retention) while management style( $r=0.214$ ,  $p<0.05$ ) and opportunity for learning and career development ( $r=0.238$ ,  $p<0.05$ ) have weak and significant correlation with attraction and retention. Among those explanatory variables organizational culture ( $r=0.18$ ,  $p<0.0617$ ) has the lowest correlation coefficient and the correlation is also insignificant.

The model summary of multiple regression analysis revealed that the adjusted R square value is 0.167. This demonstrates that 16.7% of variation in attraction and retention is explained by the independent variables in this model. The F-Statistic suggests that the four independent variables together significantly predict the variation in attraction and retention at 95% confidence level. All independent variables except organizational culture have a positive and significant effect on the management effectiveness of attraction and retention of the millennial workforce in commercial bank of Ethiopia. Despite having positive effect, organizational culture has insignificant effect on the management effectiveness of attraction and retention of the millennial workforce in the bank.

## **5.2 Conclusion**

The objective of the study is to examine the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia. After a depth review of theoretical and empirical studies which were supposed to be relevant for the study, the five explanatory variables; continuous feedback and recognition, management style, nature of the work, organizational culture and opportunity for learning and career development were selected.

After testing the assumptions of classical linear regression model for the fulfillment of the requirements for analysis of the data the variables that were hypothesized in chapter one had been tested.

The result of descriptive analysis shows that all explanatory variables have low mean value. This implies that the management practice performed by the bank to attract and retain the millennial workforce is low.

There is a positive correlation between the dependent and explanatory variables as it has been presented in the analysis. Therefore, we can conclude all the independent variables have positive relationship with attraction and retention of the millennial work force.

Continuous feedback and recognition has a positive and significant impact on the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia. More specifically, the regression coefficient showed the extent to which Continuous feedback and recognition has a positive and significant beta values at the level of  $P < 0.05$ . Therefore, this variable has a positive and significant impact on the attraction and retention of the millennial workforce of Commercial Bank of Ethiopia.

From the regression result we can conclude that management style has a positive and significant effect on the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia. This implies that the management practice of the bank to attract and retain the millennial workforce can be effective if managers are able to make clear the vision & goals of the bank to the millennial workforce; involve them in decision making; becoming a good team players; of managers of good management skills; be supportive and open-minded

The nature of the work had a positive and significant impact on the effectiveness of managing the millennial workforce in commercial bank of Ethiopia. Therefore, we can conclude that the management effectiveness of attraction and retention of the millennial workforce of the bank can be improved if the management is able to provide a work that is challenging; a work with change and variety in activities; of being interesting.

From the regression result we can conclude that organizational culture has a positive but statistically insignificant impact at 5% confidence interval on the management effectiveness of attraction and retention of the millennial workforce of commercial bank of Ethiopia.

Opportunity for learning and career development has a positive and significant impact on effectiveness of managing the millennial workforce of commercial bank of Ethiopia. Therefore, we can conclude that the management effectiveness of attraction and retention of the millennial workforce of the bank can be improved if the management is able to provide career development opportunities; and of a fair and transparent promotion; and of providing appropriate training for better performance.

### 5.3 Recommendations

Based on the findings and conclusions of the research the following recommendations have been forwarded to the bank management.

- ✓ According to the study continuous feedback and recognition had a positive and significant impact on the effectiveness of managing the millennial workforce in CBE. Therefore, the bank should improve management skill of the managers to give effective continuous feedback and recognition to the millennial work force of the bank to enhance attraction and retention objective of the bank.
- ✓ The management style also had a positive and significant impact on the effectiveness of managing the millennial workforce in CBE. From the descriptive analysis result we can see that the mean score of participants on the management style of the bank is low. Therefore, effective management style should be applied by the management to improve the attraction and retention of the millennial work force of the bank.
- ✓ As far as the nature of the work is concerned, it has a positive and statistically significant impact on the effectiveness of managing the millennial workforce in Commercial Bank of Ethiopia. Therefore the management should able to provide a work that is challenging; a work with change and variety in activities; of being interesting exciting to be effective on attraction and retention the millennial workforce.
- ✓ Opportunity for learning and career development also had a positive and significant impact on effectiveness of managing the millennial workforce of Commercial Bank of Ethiopia. The mean score is low for this variable. Therefore, the bank should strive to improve strategies of learning and career development opportunities to effectively attract and retain the millennial work force.
- ✓ The study found out that as indicated in the regression analysis only 16.7 % of the variation in millennial workforce attraction and retention is explained by the independent variables (continuous feedback and recognition, management style, the nature of the work, organizational culture, and opportunity for learning and career development); while the rest 83.3% attraction and retention determinant factors are not addressed by this study. Therefore, further researches can be conducted to address the remaining determinant factors of attraction and retention of the millennial workforce.

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## Appendix: Questionnaire

ADDIS ABABA UNIVERSITY

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Master of Business Administration

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This questionnaire is designed for collecting a primary data for a research to be conducted **‘The Effectiveness of Managing the millennial workforce in Commercial Bank of Ethiopia: The case of Addis Ababa city Area’**.

**Dear participants;**

I am conducting a research on **“The Effectiveness of Managing the millennial workforce in Commercial Bank of Ethiopia: The case of Addis Ababa city Area”** for partial fulfillment of the requirements for **‘Masters of Business Administration’**. Your participation as a respondent for this study is crucial and greatly appreciated. The information gathered will be kept with utmost confidentiality and will not be used for any other purpose other than academic purpose.

Thank you in advance for your cooperation.

**Instructions:**

There is no need of writing your name and in all cases where answer options are available please make a tick mark (✓) in the appropriate space provided.

**Part one: Demographic characteristics:**

1. Sex: Male\_\_\_\_\_ Female\_\_\_\_\_
2. Age: 20-23\_\_\_\_\_ 24-28\_\_\_\_\_ 29-33\_\_\_\_\_ 34 and above\_\_\_\_\_

3. Educational level: Diploma\_\_\_\_ First Degree\_\_\_\_ second Degree and above\_\_\_\_
4. Experience : Less than 2 years\_\_\_\_ 2 – 5 years\_\_\_\_ More than 5 years\_\_\_\_
5. Marital Status: Married\_\_\_\_ Single\_\_\_\_ Divorced\_\_\_\_ Widowed\_\_\_\_

**Part Two**

The following table consists of items presented on a five point likert scale. Indicate your level of agreement by putting a tick mark (√).

1=strongly disagree, 2=Disagree, 3=Neutral, 4=agree 5=strongly agree.

S.N	Continuous feedback and recognition	1	2	3	4	5
1	My manager/supervisor provides regular feedback to me both positive and corrective feedback -when and where appropriate.					
2	My manager/supervisor praises me when I achieve good performance.					
3	The management awards employees who make a difference (achieve high performance).					
4	Giving continuous feedback to employees and co-workers by the manager/supervisor has positive influence towards the job.					
5	I want to be told how I am doing my job.					
	<b>Management Style</b>	1	2	3	4	5
1	My manager/supervisor doesn't micromanage me, rather he/she makes the vision and goals clear and allow employees flexibility in how to achieve the goals.					
2	My involvement in decision making motivates me to stay in the bank.					
3	My manager/supervisor is knowledgeable adult who jumps in as a team player when needed.					
4	My manager/supervisor has good management skills, and is easy to get along with, understanding, supportive, and open-minded.					

	<b>Nature of the work</b>	1	2	3	4	5
1	I am doing a work that challenges my abilities.					
2	I am doing a work that makes a helpful contribution to society; makes a Difference.					
3	I am doing a work that provides change and variety in work activities.					
4	I am doing a work that I find interesting, exciting and engaging.					
5	I am working with agreeable and friendly co-workers with whom I could form Friendships.					
	<b>Organizational culture</b>	1	2	3	4	5
1	My organization emphasizes cooperation and teamwork among members of my workgroup.					
1=strongly disagree, 2=Disagree, 3=Neutral, 4=agree 5=strongly agree.						
2	The relationship among all staff is built on the basis of strong mutual confidence and cooperation.					
3	My organization provides a working environment where people are encouraged to share ideas, experiences, successes and failures.					
4	The staffs in our organization mutually respect each other.					
	<b>Opportunity for learning and career development</b>	1	2	3	4	5
1	I have an opportunity for promotion in this Bank.					
2	Staffs are promoted in a fair and transparent way.					
3	The Bank provides opportunities for career development.					
4	I have received sufficient training to do my job effectively.					
5	I have received regular training to keep me update for better performance.					
	<b>Attraction and retention</b>	1	2	3	4	5
1	For me this would be a good job.					
2	This job is attractive to me for employment.					
3	I am interested in learning more about this job.					

4	I feel a lot of loyalty to this bank.					
5	This is the best bank for me to work for.					
6	I am not thinking about quitting my job at the present time.					
7	If I want to do another job or function, I would look first at the possibilities within this Bank.					
8	It is unlikely that I will actively look for a different organization to work for in the next year.					
9	I would be very happy to spend the rest of my career with CBE.					

**Thank you!!!**