



Faculty of Cognitive Sciences and Human Development

**EXPLORING THE GENERATION Y RETENTION ENABLERS:
A CASE STUDY AMONG LECTURERS IN PUBLIC COLLEGES IN
KUCHING, SARAWAK**

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**Bachelor of Science with Honours
(Human Resource Development)
2019**


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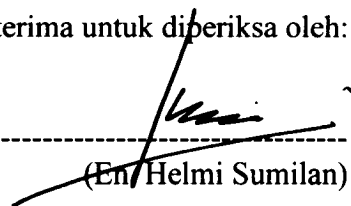
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Projek bertajuk 'Eksplorasi Pengekalan Generasi Y: Satu Kajian di Kolej Pendidikan Awam di Kuching, Sarawak' telah disediakan oleh Alicia Lim Poh Lin dan telah diserahkan kepada Fakulti Sains Kognitif dan Pembangunan Manusia sebagai memenuhi syarat untuk Ijazah Sarjana Muda Sains dengan Kepujian (Pembangunan Sumber Manusia)

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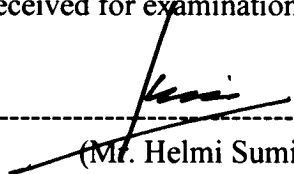
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The project entitled 'Exploring the Generation Y Retention Enablers: A Case Study Among Lecturers in Public Colleges in Kuching, Sarawak' was prepared by Alicia Lim Poh Lin and submitted to the Faculty of Cognitive Sciences and Human Development in partial fulfillment of the requirements for a Bachelor of Science with Honours (*Human Resource Development*)

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TABLE OF CONTENT

ACKNOWLEDGEMENT	i
TABLE OF CONTENT	ii
LIST OF TABLES	v
LIST OF FIGURES	vi
ABSTRACT	vii
ABSTRAK	viii
CHAPTER 1: INTRODUCTION	1
1.1 Background of Study.....	1
1.2 Statement of Problem.....	2
1.3 Research Objectives	4
1.4 Research Questions	4
1.5 Significance of Study	4
1.5.1 Contribution to body of knowledge.....	4
1.5.2 Contribution to policy.....	5
1.5.3 Contribution to practitioner	5
1.6 Limitations of Study.....	5
1.7 Definition of Terms.....	6
1.7.1 Generation Y.....	6
1.7.2 Retention.....	6
1.8 Summary	7
CHAPTER 2: LITERATURE REVIEW	8
2.0 Introduction.....	8
2.1 Generation Y and Retention.....	8
2.2 Issues Related to Generation Y Retention.....	9
2.3 Enablers of Generation Y Retention	10
2.3.1 Mentoring	10
2.3.2 Career Development.....	12
2.3.3 Job Satisfaction.....	13

2.3.4 Management Style	14
2.3.5 Working Environment	15
2.3.6 Nature of Working Style.....	16
2.4 Outcomes of Generation Y Retention	17
2.5 Theory Related to The Present Study.....	18
2.5.1 Herzberg Two Factor Theory	18
2.6 Summary	20
CHAPTER 3: METHODOLOGY	21
3.1 Introduction	21
3.2 Research Design.....	21
3.3 Population, Sample and Sampling Technique.....	22
3.4 Instrument of Study.....	23
3.4.1 Warming up questions	24
3.4.2 Situational questions.....	24
3.4.3 Main questions.....	24
3.4.4 Closing questions.....	25
3.5 Pre-Test	25
3.6 Validity and Reliability	26
3.7 Ethical Consideration	27
3.8 Data Collection Procedure	28
3.9 Data Analysis Procedure	29
3.10 Summary	30
CHAPTER 4: RESULTS AND DISCUSSIONS	31
4.0 Introduction	31
4.1 Demographic Profile of Informants	31
4.2 Main Findings	33
4.2.1 Objective 1: To determine the issues which influence Generation Y employees’ retention.	33
4.2.2 Objective 2: To identify the enablers which are effective in retention of Generation Y employees.	41
4.2.3 Objective 3: To identify the outcomes of enablers identified in the retention of Generation Y employees.	51
4.3 Summary	57

CHAPTER 5: CONCLUSION, RECOMMENDATIONS AND IMPLICATIONS.....	58
5.0 Introduction	58
5.1 Research Summary.....	58
5.2 Implications of the Study	60
5.2.1 Implications to the Body of Knowledge.....	60
5.2.2 Implications to the Policy	62
5.2.3 Implications to the Human Resource Practitioners	62
5.2.4 Implications to Future Research	63
5.3 Recommendations	63
5.3.1 Recommendations for Management of Public Education Colleges	63
5.3.2 Recommendation for Future Research Direction	67
5.4 Conclusion.....	68
5.5 Summary	69
REFERENCES.....	70
APPENDICES	80

LIST OF TABLES

Table 4.1 Demographic Profile of Informants.....	31
Table 4.2 Issues Influencing Generation Y Employees' Retention.....	33
Table 4.3 Enablers Effective in Retention of Generation Y Employees.....	41
Table 4.4 Outcomes of the Enablers Identified in the Retention of Generation Y Employees.	51

LIST OF FIGURES

Figure 2.1 Herzberg Two-Factor Theory.....	18
Figure 3.1 Data collection procedures.....	28
Figure 4.1 Issues influencing Generation Y employees' retention.....	40
Figure 4.2 Enablers effective in retention of Generation Y employees.....	50
Figure 4.3 Outcomes of the enablers identified in the retention of Generation Y employees....	56

ABSTRACT

EXPLORING THE GENERATION Y RETENTION ENABLERS: A CASE STUDY AMONG LECTURERS IN PUBLIC COLLEGES IN KUCHING, SARAWAK

ALICIA LIM POH LIN

The purpose of this research is to explore the enablers of Generation Y retention among lecturers of public education colleges. A case study approach was utilized in collecting data through semi-structured interview among lecturers of public education colleges in Kuching, Sarawak. This research was conducted on a total sample consisting of seven lecturers who were selected through purposive sampling technique. Results revealed several issues which influence Generation Y academicians to leave the institution, namely knowledge pursue, person-job match, flexibility, career progression, compensation and benefits as well as hometown and family reasons. Enablers which are effective in retaining Generation Y academicians are mentoring, career development, job satisfaction, management style, working environment and nature of working style, however, improvements can be made. There are four outcomes of Generation Y academicians' retention, namely, foundation of organization success, retaining talent and institutional knowledge, establish cohesive organization culture and maintaining current clients' trust. Finally, the research paper discussed about implications towards the body of knowledge, policy, Human Resource practitioners and future research as well as recommendations to the management of public education colleges and future research direction. This paper concluded that the enablers of Generation Y retention can be utilized effectively to resolve issues of turnover and reap positive outcomes for the institutions.

Keywords: *generation y, gen y, retention, retention enablers, retention outcomes, retention issues, academicians, public colleges*

ABSTRAK

EKSPLORASI PENGEKALAN GENERASI Y:

SATU KAJIAN DI KOLEJ PENDIDIKAN AWAM DI KUCHING, SARAWAK

ALICIA LIM POH LIN

Kajian ini bertujuan untuk menerokai penyebab pengekalan pensyarah Generasi Y di kolej pendidikan awam. Penyelidikan kajian kes digunakan untuk mengumpul data melalui tembual semi-struktur antara pensyarah di kolej pendidikan awam di Kuching, Sarawak. Sampel kajian ini terdiri daripada tujuh orang pensyarah yang dipilih melalui teknik persampelan bertujuan. Keputusan menunjukkan terdapat beberapa isu yang menyebabkan ahli akademik Generasi Y meninggalkan institusi tersebut, iaitu, pencarian ilmu, penyesuaian pekerjaan dengan individu, fleksibiliti, kemajuan kerjaya, faedah dan pampasan serta atas sebab kampung halaman dan keluarga. Pemboleh pengekalan ahli akademik yang berkesan adalah mentoring, perkembangan kerjaya, kepuasan berkerja, gaya pengurusan, persekitaran kerja dan sifat gaya bekerja., namun, masih terdapat ruang penambahbaikan. Terdapat empat hasil pengekalan ahli akademik di institusi, seperti, asas kejayaan institusi, mengekalkan bakat dan pengetahuan institusi, mewujudkan budaya organisasi yang padu dan mengekalkan kepercayaan pelanggan semasa. Akhir sekali, kertas kajian ini membincangkan implikasi kepada badan pengetahuan, dasar, pengamal sumber manusia dan penyelidikan masa depan serta membekalkan cadangan untuk pihak pengurusan kolej pendidikan awam dan penyelidikan masa depan. Kertas kajian ini juga membuat kesimpulan bahawa pemboleh pengekalan Generasi Y boleh digunakan secara berkesan oleh institusi untuk menyelesaikan isu peolehan perkejar dan menikmati hasil positif.

Kata kunci: *generasi y, gen y, pegekalan peherja, penyebab pengekalan, hasil pengekalan pekerja, isu pengekalan pekerja, ahli akademik, kolej pendidikan awam*

CHAPTER 1

INTRODUCTION

1.1 Background of Study

In the current work field, generational diversity is not an alien term, especially with the influx of younger workforce, commonly known as Generation Y. The term diversity in workforce aspect refers to a group of individuals of different identity set which contributes various work perspectives and approaches (Ferdman, 2014). Various diversity inclusion advances are implemented by organizations to ensure every employee employed can be retained. While most diversity inclusion strategies prioritize on women and minorities, it is undeniable that generational heterogeneity and age are being recognized of its importance too as these diversities boost organization's innovation (HR Asia, 2018).

Employees are one of the essential assets which determines the performance of an organization and thus, organizations' effort in developing strategies to retain them despite the complexity to cater to all needs (Lash & Baruah, 2013). Retainment management strategies varies from reward and compensation, employee's development to work environment and climate as examples. An article by Hogan (2015) revealed employee retention is ranked by business leaders as high percentage of importance and turnover intention does not only occur among newly hired employees but even the top managerial levels as well.

In a survey on North America turnover trends and effects, it is revealed that both United States and Canada Generation Y employees expressed most of the intention to voluntary leave, followed by Generation X employees (Mercer, 2017). A recent article released by Canadian HR Reporter (2018) reveals that the top 3 countries with highest turnover rates are France, United Kingdom and Australia with percentage of 21%, 17.6% and 17.5% respectively. In Malaysia, the

issue of turnover also increases from year to another. This trend also spikes in the education field though this sector plays a huge role in developing the human capital (Othman & Muhammad, 2014). Lecturers serve as the backbone of any education institution success (Chong, Koh, Tan & Tan, 2013). However, the turnover rate of lecturers in public universities and private universities or colleges in Malaysia was reported at 18.18% and 45.45% respectively in 2004 as per National Higher Education Research Institute. The education sector in general has also been reported to have a higher turnover rate. According to Malaysian Employers Federation (MEF), the average turnover rate for the education sector was 29.2% in 2011; it ranked third among all the sectors.

Looking at the importance of education sectors which plays a huge role in developing the human capital (Othman & Mohamad, 2014), the important roles of lecturers should not be overlooked (Thanuja, Ng & Tee, 2016). Efforts should be done to reduce lecturer's turnover trends. Thus, this study aims to explore the retention enablers among Gen Y lecturers. This research will focus on examining the retention enablers of Generation Y employees among lecturers of public education colleges in Malaysia.

1.2 Statement of Problem

The buzz of employment turnover and retention of talents have been in the circle for quite a long while globally. While Malaysia seems to be safe from being in the list of high labour turnover, a study done by Aeon Hewitt back in 2011 for turnover across the countries of Asia Pacific shows otherwise with Malaysia being the sixth highest in attrition rate, dominated by Generation Y employees (Goh, 2012). However, news report by Bernama (2018) stated that employment in Malaysia has been improving with 2017 rate to be 2.1 percent higher than 2016 employment rate. Dass (2018) refuted the statement as the youth unemployment rate in Malaysia

maintains at unchanging high rate of 13.2 percent stating that most youth are facing job mismatch and employers prefer seasoned workers than young, inexperienced employees.

Not to be disregarded, Willis Towers Watsons (2015) reveals that Malaysian employers are still battling with the issue of retention. Adding truth to the statement, a survey recorded 26.6 percent of youth in Malaysia feels suicidal in their jobs out of the 15000 employees surveyed which are alarming and may contribute to the intention of employees to leave their current jobs (Bernama, 2016). However, Jobstreet (2018) ranked Malaysia to be the fourth country with highest employee happiness index in its 2017 survey while noting that employers should consider increasing career progression and training activities to maintain employees' motivation to work. As employee retention problems are increasing there is the need for more research advances to contribute in planning and implementing new strategies which enables retention especially among youth employees.

In terms of research, quantitative research of employee retention is more abundant. Previous qualitative research done on of Generation Y retention are mostly based on document analysis (Kim & Yang, 2013; Naim, 2014; Naim & Lenka, 2018). Noticeably, research of Generation Y retention is more abundant in the West compared to Malaysia (Queiri, Wan Yusoff & Dwaikatt, 2014) which focus on employers and employees' perspective on factors of turnover and strategies of retention. Ching and Kee (2012) pointed out that research of Malaysia's Generation Y retention in the sector of education are lesser as compared to other sectors such as manufacturing and banking.

1.3 Research Objectives

The general objective of the study to explore the enablers of Generation Y employees' retention among lecturers of public education colleges in Malaysia.

The following are the specific objectives of this study:

- 1) To determine issues which influence Generation Y employees' retention.
- 2) To identify the enablers which are effective in the retention of Generation Y employees.
- 3) To identify the outcomes of the enablers identified in the retention of Generation Y employees.

1.4 Research Questions

RQ1: What are the issues which can influence Generation Y employees' retention.

RQ2: What are the enablers that are effective in retention of Generation Y employees?

RQ3: What are the outcomes of the enablers identified in the retention of Generation Y employees?

1.5 Significance of Study

1.5.1 Contribution to body of knowledge

Researches in regard to employees' retention were abundantly conducted in the past few years. However, past researches were mainly focused on strategies and factors which affect employee retention as well as employees' and employers' perception on retention strategies. Few researches were done on retention in terms of generation differences of employees. Nevertheless, most research done on retention of generation differences are mostly generalized. Hence, this research contributes to the body of knowledge of employee retention in the aspect of Generation Y employees. The research enriches the knowledge of turnover intention as retention management is one of the solutions to reduce employee turnover.

1.5.2 Contribution to policy

Retention management policies designed by organizations today are mostly based on the employer's perception of the factors or enablers which will best attract and ensure employees' continuation of service for the organization. However, for effective policies to be implemented, there is the need to consider on the outlooks of employees, especially with the diverse generations of employees hired in an organization. This research enhances the current retention management policies made available by contributing additional inputs in the aspect of effective retention enablers for Generation Y employees.

1.5.3 Contribution to practitioner

This research, which focuses on the enablers of Generation Y retention, bring significance to Human Resource practitioners in organization as the research serves as additional knowledge for them to consider, incorporate and design retention strategies which will cater to the needs of Generation Y employees as more Generation Y enter into the work field. Retention strategies which are align to the generational workforce in the organization will bring many advantages as proper retention management will increase the job satisfaction and motivation of employees which contributes to effective and efficient work productivity. Besides that, as turnover intention among employees decreases, less costs will be incurred to the revenue of organization as time, energy and financial resources spent on recruiting and training new employees decreases.

1.6 Limitations of Study

In conducting the research, there are several limitations which were faced by the researcher, one of which is geographical linked, where locations of the informants are far. This disabled the researcher from making more trips for data reverification other than the trips for interview sessions.

In solving this, some processes were simplified by using the means of technology such as data reverification with informants which were done either through phone calls or email.

Another limitation faced by the researcher was due to the establishment of the public education colleges where they are divided into several branches. Due to the work schedule of the informants, not all of them, from the same branch, can be interviewed at the same day. Hence, in order to successfully administer all interview sessions, the data collection method was diversified into 2 other alternatives aside from face -to-face interview sessions, which were phone call interviews or video interviews. Three informants chosen to utilize phone call interview while the other informants went through face-to-face interview sessions.

1.7 Definition of Terms

1.7.1 Generation Y

Generation Y advocates to the population who were born between 1982 to 1995, also commonly known as Millennials or Echo Booms and characterized as generation of high self-efficacy, education and altruistic minded as well as valuing open-minded society (Sladek, 2007). For this research, Generation Y refers to academic employees in the education sectors who are born between 1982 to 1995 and actively working.

1.7.2 Retention

Generally, retention is the amount of current employees who continue serving for the organization over a given time frame (Carsen, 2002). In this research, retention is related to organization's effort to maintain Generation Y employees who are currently hired and working under the organization.

1.8 Summary

This research aimed to explore the enablers of Generation Y employees' retention among lecturers of public education colleges in Malaysia. The chapter discussed on background of study, statement of problems, research hypothesis, research objective, research questions significance of study, limitations of study and definition of terms. The next chapter reviewed on the issues and theory related to the study.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter discussed on literature reviews which are related to the research which includes the concept of Generation Y and retention, the enablers of Generation Y employees' retention, the importance of Generation Y employees' retention and issues which influence Generation Y employees' retention. The chapter also elaborated on a theory related to Generation Y retention enablers as well as past findings related to the research.

2.1 Generation Y and Retention

According to Hobart and Sendek (2014), in the short span of 7 years, which is 2025, Generation Y are the ones who will be dominating the global workforce with a high prediction of approximately 75 percent. Congruently, Generation Y in Malaysia who are estimated to surpass previous generation's population in the year 2028, are advancing into workforce with new ideas and cultures befitting with their perceptions of a modern workplace (Kavanagh, 2016). Generation Y in Malaysia, often dubbed as Gen Y or Millennials, are born between the year of 1982 to 2004, where besides technology savvy, in terms of work, they value balance between work and life whilst working well either in teams or solo (Paul, 2010). Generation Y, as described by KPMG (2017), although are well adapted to technology and compatible to diversity at work, but they are curious by nature, demanding in work-life balance adherence, prioritize autonomy in respect to work involvement and hence, have high tendency of job hopping after a time frame of maximum three years in search of greater challenges. In a survey by Millennial Branding and Beyond.com, about 60 percent of millennials job hops within 3 years and 45 percent of companies involving in the

survey claimed to experience high turnover rates in regard to Generation Y employees which costs them a fortune for replacement process (Schawbel, 2013). Hence, in order to retain employees, management needs to understand the enablers of Generation Y retention and outcomes of their long-term loyalty to organization.

2.2 Issues Related to Generation Y Retention

Retention among Generation Y employees are one of the biggest concerns of management. According to Kramer (2017), Generation Y employees job hop due to several reasons which are mostly related to characteristics inherent to their generation which are risk takers, education-minded, person-job match, constantly upskilling, values meaning of work, prioritize flexibility, autonomy in job, needing mentor guidance and lastly, better job offers. Education-minded and constantly upskilling is proven true as research by Naim and Lenkla (2016), where Generation Y, whom prefers to pursue and upgrade themselves with needed knowledge, are frequently known to be showing the intention to quit their jobs solely for the reason of focus. Tee (2014), in another research with quantitative approach, garnered result for person-job match characteristics to be a high determinant of Generation Y employees' turnover as they are comfortable if they are given a job on par with their qualifications and their ideal of the job are fulfilled. Additionally, Ong and Loh (2019), conducted a research and provided findings that flexibility is an intrinsic factor where the choice in planning for their work in aspects such as work methods, hours and arrangements inflicted the intention to continue working for a company. Consequently, Sharma (2012), also relates Generation Y characteristics to the difficulty in retaining them as they value continuous learning, flexible in work matters and prioritizes team orientation but individualism in mentoring and coaching aspect. She also highlighted Generation Y employees' value in career progression as

well as the importance of relevant compensation and benefits and work volunteerism. Figueroa (2015), whom did a research on the influences of the causes of turnover in higher education industry supported with results that career progression is one of the reasons for workers, especially women and minority workers, too choose to end their service with the institution. Queiri, Wan Yusoff and Dwaikat (2015), in their research, found salary, an extrinsic rewards have positive relationship with the intention of conducting turnovers among Generation Y employees because the living cost faced and bare by Malaysian workers is increasing year-by-year which is difficult for them to be living lavishly.

2.3 Enablers of Generation Y Retention

In retaining Generation Y in an organization, it is crucial for employers to identify the enabling factors which can be utilized to reduce employee turnover intention. Aruna and Anitha (2015) proposed that 6 main factors are commonly related to Generation Y retention, which are mentoring, career development, job satisfaction, management style, working environment and nature of working style.

2.3.1 Mentoring

Mentoring encompasses of a committed and consented relationship between two individuals where one party needs guidance in career, assuming the role of mentee or protégé and another party who could provide guidance due to his or her expertise, called mentor (Ragins & Scandura, 1999). Mentoring, in contrary to previous traditional method, Generation Y employees brought on a new different approach whereby in their perspective, mentoring is a platform for learning and solutions, with dynamic methods and branching of multiple mentors at workplace for varies work and career guidance (Emelo, 2011). In the recent years, mentoring for Generation Y