Millennials Through The Looking Glass: Workplace Motivating Factors

By RUSSELL CALK AND ANGELA PATRICK[*]

For the first time in history, organizations today have a workforce composed of four distinct generations of employees. Millennials are the latest and potentially largest generational group to enter the workforce. Organizations are struggling to recruit and retain talent from the Millennial generation. This study examines the factors influencing Millennials' workplace motivation. Findings show that Millennial workers are motivated by basic needs and the desire for belonging, and seek actualization through challenging and meaningful work. The generation is, however, very diverse with respect to their motivating factors.

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JEL Classification: M5

I. Introduction

Numbering approximately 76 million and aged 28 and younger, Millennials, or Generation Y, have a significant impact on the size and characteristics of the United States labor force (Toossi, 2009). Based on dates provided by Strauss and Howe (1991) Millennials are one of four distinct generations comprising the current workforce: the Silent Generation born from 1925 to 1942, the Baby Boomers born from 1943 to 1960, Generation X born from 1961 to 1981, and Millennials born after 1982. Millennials are the most recent and potentially largest generation to enter the workforce. This generation is well educated but seems to have substandard decision-making and communication skills (Crumpacker and Crumpacker, 2007). Millennials tend to focus more on individual needs rather than on organizational ones (Rosenzweig, 2010). A current challenge for many organizations involves recruiting, retaining, and motivating Millennial employees (Jenkins, 2008).

For the first time in history, most organizations have four distinct generations with an age range spanning more than 60 years working together (Macon and Artley, 2009; Birkman, 2010). Each generational cohort brings varying beliefs, work ethics, values, attitudes, and expectations to organizations (Niemiec, 2000). Older workers from the Baby Boomers generation born between 1943 and 1960 are retiring, but Millennial employees who are in the early stages of their careers have not made long-term commitments to their organizations, causing potential leadership voids within organizations (Lancaster and Stillman, 2002). Organizations must continue to change and adapt to the work values of a multigenerational workforce in order to recruit, motivate, and retain both today's and tomorrow's leaders (Scandura and Williams, 2000). Birkman (2010) asserts that

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organizations struggle to understand and adapt to the needs and working styles of the four different generations comprising their workforce.

It is still debatable how Millennials perceive workplace motivation (Lancaster and Stillman 2002). Smola and Sutton (2002) urge more analysis examining Millennials' workplace motivation. Through understanding what motivates Millennials, the potentially largest and least understood of the four generations in the workforce, an organization can take advantage of recruiting and retaining the unique strengths and talents this generation has to offer (McDonald, 2008). The purpose of this study is to investigate perceptions of workplace motivation among Millennials preparing to enter the workforce.

II. The Millennial Generation

Mead (1970) was the first to use the term "generation gap" to describe differences in attitudes and beliefs between generations. The generation theory suggests that the era in which a person was born may affect their generational world views and development (Codrington, 2008). Lyons, *et al.* (2005) argue that some discrepancy exists in defining each generation, but each generation shares a unique set of significant historical and social life events that shape their attitudes and beliefs, thereby creating generation gaps. Managing those generation gaps provides unique challenges and opportunities for organizations (Lancaster and Stillman, 2002).

To be effective in today's world, organizations must be able to identify with a multi-generational workforce with varying beliefs, work ethics, lifestyles, values, attitudes, and expectations (Niemiec, 2000). Many readily available articles and books discuss the different aspects of managing organizations given the existing generation gaps (Denham and Gadbow, 2002). The main interest of many authors such as Howe and Strauss (2007) is to try to understand the history of each generation in hopes of better understanding the generation gaps thereby allowing organizations to think strategically and implement best practices to retain, manage, and utilize each distinct generation's talents.

Millennials are the newest and fastest growing segment of the workforce. By 2018, the Millennial workforce is expected to reach 38.8 million people and comprise half of all employees in the world (Toossi, 2009; Meister and Willyerd, 2010). At 32.0%, compared to 31.2% for Generation X, 30.6% for Baby Boomers, and 6.2% for the Silent Generation, Millennials now compose the greatest share of the United States labor market (Deloitte, 2016). They also have greater diversity than any other generation with 44.2% belonging to a minority group (United States Census Bureau, 2015).

Millennials differ from other generations in several ways. They have always had access to technology and view it as an integral part of their lives. They are realistic and place value on positive reinforcement, diversity, and autonomy (Lancaster and Stillman, 2002). They also value teamwork, personal productivity, self-management, personally fulfilling work, and social consciousness (Meister and Willyerd, 2010). Henderson (2012) cites research showing that Millennials are willing to take a lateral career move to gain beneficial work experience, are willing to travel frequently for work, prioritize intrinsic job satisfaction over the bottom line, value making a difference over professional recognition, and rate a positive work environment over pay.

Some research shows that Millennials are quicker to change jobs, and organizations experience great difficulty motivating and retaining Millennial employees who exert tremendous pressure for radical change in how organizations function (Solomon, 2000). More recent studies suggest that Millennials' perceived lack of loyalty to their employers is a function of prevailing

economic conditions and the age/stage of life of the Millennials being studied (Buckley *et. al.*, 2015). Lancaster and Stillman (2002) suggest that organizations can gain a competitive advantage by better understanding and adapting to Millennials' workplace motivation. By understanding the perceived motivational factors for Millennials, organizations will be able to increase workforce commitment, reduce turnover, and fill the leadership void.

III. Research Design

The purpose of this study is to investigate factors affecting workplace motivation among Millennials preparing to enter the workforce to start their careers. More specifically, this study examines Millennials' perceptions of five motivational needs identified in the 2000 update to the Work Motivation Inventory (WMI) first developed in 1967 (Hall and Williams, 2000). The WMI has been used extensively across a variety of organizations ranging from large, publicly traded corporations to public accounting firms, universities, and governmental entities. The original instrument has been revised and updated five times in 1980, 1986, 1994, 1995, and 2000. The WMI is a 60-item inventory that uses a forced-choice, paired comparison technique to create a motivational profile of an individual's values and needs considered important in making workplace decisions. The WMI is modeled after Maslow's (1943) Hierarchy of Needs and Herzberg's (1959) Hygiene-Motivator Model of Satisfaction and measures five workplace motivational needs: basic, safety, belonging, ego-status, and actualization. Given the robust history of the WMI as well as the broad application and the instrument's theoretical foundation of widely accepted basic human needs and motivations detailed by Maslow and Herzberg, the WMI is a valid model for examining Millennials' workplace motivation. Exhibit 1 provides a brief description of each motivational need captured by the WMI.

Exhibit 1: Five Motivational Needs of the Workplace Motivation Inventory

Basic	Reflected in concerns for pleasant working conditions, more leisure time, more luxurious personal property, increased salary, and avoidance of physical strain or discomfort
Safety	Reflected in concerns for performance standards, safe working conditions, and fringe benefits such as insurance and retirement plans
Belonging	Reflected in concerns for friendly colleagues, opportunities for interaction with others, and team membership
Ego-status	Reflected in concerns for recognition and rewards for performance and opportunities for job advancement
Actualization	Reflected in concerns for more challenging and meaningful work that allows for creativity and leads to a sense of personal fulfillment

To investigate Millennials' workplace motivation, the WMI was administered to full-time students, as defined by Willamson (2009), at a private, liberal arts university in the Southwestern United States. The university has a total enrollment of approximately 3,000 students. The majority, 81%, of the students are under 25 years of age and thus are within the Millennial generation. The university gender ratio is 55% female and 45% male. A total of 341 surveys were distributed among randomly selected lower-division and upper-division classes across the university's six colleges. Of the 341 surveys distributed, 121 were returned for a response rate of approximately 35%. A total of 33 of the returned surveys were not completed in their entirety and were, therefore, excluded from the analysis. A final sample size of 88 surveys, 26% of the surveys distributed, were useable for the purpose of this study.

According to Cozby (2009), college students are increasingly diverse, and Herzberg (1959) asserts that motivation is ultimately an individual decision. Prior research has shown perceived motivational differences between genders (Lambert, 1991). The notion of a generational cycle suggests that as multiple generations work together, they find that they have much in common (Codrington, 2008). This is relevant in that the American Council on Education (2006) found that 60-80% of traditional college students have at least some part-time work experience and will have, therefore, interacted with prior generations in a work setting. It is also reasonable to assume that a student majoring in business and planning to enter a professional career might have different motivational factors than a student majoring in arts or education. Thus, in addition to the WMI, the survey instrument included demographic variables for gender, age, major, and prior work experience.

IV. Data Analysis and Results

Table 1 provides frequency distributions for the demographic variables. The survey sample closely resembles the university as a whole. The majority of respondents, 61%, were female. While only 33% had full-time work experience, 71% had worked part-time. The vast majority of respondents were from the College of Business (33%), the College of Nursing (21%), or the College of Education (16%). The respondents' ages ranged from 18-25 with a mean (standard deviation) of 19.97 (1.52).

Table 1: Frequency Distributions for Demographic Variables

Variable	*n*	%
Gender		
Female	54	61
Male	34	39
Full-time experience		
Yes	28	33
No	57	67
Part-time experience		
Yes	60	71
No	25	29
College		
Business	33	38
Education	16	18
Humanities	6	7
Nursing	21	24
Science	6	7
Visual and Performing Arts	6	7

The five motivational needs in the WMI are measured on a scale of 0 – 100 with a higher score indicating greater importance of the particular need. Table 2 presents the ranges, mean scores and standard deviations of the aggregate sample for each motivational need. Respondents scored highest on the basic, belonging, and ego-status motivational needs. The basic and ego-status motivational needs had the narrowest range of scores, while the belonging motivational need had the widest with scores ranging from a low of 29 to a high of 97. Clearly, individuals vary greatly on the motivational need for belonging in particular.

Table 2: Descriptive Statistics for WMI Motivational Needs

Motivational N	Mean (std dev)	Range
Basic	60.72 (9.57)	36 – 86
Safety	55.31 (9.12)	30 – 84
Belonging	61.86 (13.15)	29 – 97
Ego-status	62.19 (8.33)	44 – 92
Actualization	59.91 (10.36)	30 – 85

Results indicate statistically significant differences between the mean responses for the five motivational needs. See Table 3. The pairwise comparisons[1] in row 2 of Table 3 show that Millennials scale higher on all of the other four motivational needs as compared to safety. In particular, the basic and ego-status motivational needs scale significantly higher at the 0.001 level. These results are consistent with research showing that Millennials are willing to take career-related risks to experience more meaningful and satisfying work as long as they are able to meet basic needs (Twenge *et al.*, 2010). Stable, secure jobs with predictable salaries and a suite of benefits are not likely to be attractive to Millennials who scale low on the safety motivational need. It is worth noting that participants in this study were traditional college students. Buckley *et al.* (2015) show that as Millennials mature and evolve in both their professional and personal lives, they become much more committed to their employer. We might, therefore, expect to see the safety motivational need increase in importance over time. Such evidence is beyond the scope of this study.

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[1] It is reasonable to assume that Millennials could consider the motivational needs in combination rather than independently. The analysis of the results, however, did not reveal any significant interactions among the motivational needs variables. Thus, a one-by-one pairwise comparison of the motivational needs is appropriate.

Table 3: Pairwise Comparisons of Workplace Motivation Needs

		t-statistic	Standard Error
Basic	Safety	5.40**	1.27
	Belonging	-1.15	2.01
	Ego-status	-1.48	1.43
	Actualization	0.81	1.87
Safety	Basic	-5.40**	1.27
	Belonging	-6.55	1.98
	Ego-status	-6.69**	1.46
	Actualization	-4.60	1.74
Belonging	Basic	1.15	2.01
	Safety	6.55	1.98
	Ego-status	-0.34	2.00
	Actualization	1.96	1.95
Ego-status	Basic	1.48	1.43
	Safety	6.89**	1.46
	Belonging	0.34	2.00
	Actualization	2.29	1.32
Actualization	Basic	-0.81	1.87
	Safety	4.60	1.74
	Belonging	-1.96	1.95
	Ego-status	-2.29	1.32

*significant at $p<0.05$ **significant at $p<0.01$

Obviously, the individual respondents vary greatly. Table 4 presents MANOVA results for differences between the motivational needs scores given the respondents' gender ($p = 0.615$), major college ($p = 0.196$), part-time work experience ($p = 0.463$), and full-time work experience ($p = 0.762$). None of these demographic variables appear to be significant in explaining respondents' motivational needs scores. The variation in the individual responses is not attributable to gender, college of major[2], or work experience differences among respondents.

Table 4: MANOVA and ANOVA Comparisons of Workplace Motivational Needs For Demographic Variables

	MANOVA	ANOVA F(1, 86)				
Variable	F(4, 83)	Basic	Safety	Belonging	Ego-Status	Actualization
Gender	0.67	0.00	1.67	0.05	0.07	1.31
Full-time	0.46	0.19	0.60	0.45	0.25	0.56
Part-time	0.97	2.27	0.28	0.12	0.19	2.89
College	1.27	1.03	1.28	0.60	1.21	2.03

*significant at $p<0.05$ **significant at $p<0.01$

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[2] The results presented here are at the college level. At the major level, small cell sizes prevented meaningful analysis and conclusions. The results for differences across majors were no different than the results for differences across colleges.

V. Conclusion

The results presented here are consistent with prior research that Millennials are an eclectic group that differs from other generations but are difficult to generalize in terms of their motivational needs. The relatively high scores for belonging are consistent with Josiam *et al.* (2009) who conclude that Millennials are more positive and collaborative than previous generations. The low score on safety reinforces a willingness to change jobs in search of more leisure or a more challenging and satisfying work environment as long as basic needs are met (Josiam *et al.*, 2009; Twenge *et al.*, 2010).

To achieve long-term success, today's organizations must meet the challenge of managing a diverse workforce composed of multiple generations but increasingly populated by Millennials. For this reason, it is essential to understand what motivates Millennials and develop a work environment that addresses those needs. The results of this study suggest that to recruit and retain Millennial workers, organizations should promote a collaborative, team-based work environment (belonging) along with challenging and meaningful work (ego-status) instead of predictable salary, insurance, retirement, or other benefits (safety). Beyond that, results of this study reinforce the notion that Millennials are diverse in their motivators thus making it difficult for organizations to adopt a one-size-fits-all approach to recruiting and retention. Certainly by finding ways to appeal to Millennials' motivating factors, organizations will be able to tap into the potential of a new generation of leaders.

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