

Introduction

CHAPTER 1

INTRODUCTION

Most of the organisations today have four generations working together. These generations known as Traditionalists, Baby Boomers, Generation X and Millennials / Generation Y are shaped by different experiences which in turn influence their workplace needs and expectations, career aspirations, attitude towards work, and perceptions. The Gen Y or Millennials born during 1980 – 2000 (Meister, 2007) is rapidly entering the workforce (Smola and Sutton, 2002; Sujansky, 2004) and is poised to take over the other generations in number in the near future and make up a large part of the labour pool. Attention towards research on Millennials and their work related characteristics has become increasingly important as they are not only the largest generation (Pew Research Center, 2012) but also have different values from their predecessors in the workforce, the Generation X – individuals born between 1961 and 1981 (Strauss and Howe, 1991) and Baby Boomers- individuals born between 1943 and 1960 (Smola and Sutton, 2002; Twenge, 2010).

Enough evidence is available that suggest work related characteristics of Gen Y are different from the other generations. Gen Y are highly collaborative and optimistic (Howe and Strauss, 2004). They like to have a say at workplace (Alsop, 2008). They are technology dependent and expect automation in the workplace to support their skills at multitasking. Generation Y employees dislike being stuck at one level for a long time and prefer learning and growing. They would like to grow quickly so they prefer a job that recognizes performance and not tenure (Meier *et al.*, 2010). They have no problem moving on somewhere that will offer them what they want. Cruz (2007) explains that Millennials are inclined to change organizations if they perceive better opportunities offering greater levels of appreciation. It has also been reported that Generation Y members associate themselves more with the type of work which they perform than with their employing organization (Lloyd, 2007). Gen Y is also known as the most entrepreneurial generation in history and organizations are putting in efforts to convince

the young individuals to work for organisations by promoting an image of an attractive place to work (Martin, 2005). Therefore, Gen Y presents a challenge to employers who need to attract, develop and retain them.

With 65 percent of its population under the age of 35, India today has one of the largest available workforces in the world and has one of the largest populations of Gen Y individuals. The Indian Gen Y constitutes 25.47% of the world population (Census of India, 2011). A substantial part of this large segment of Gen Y cohort is entering the workforce and will be the dominant generation in the near future. Only if India is able to utilize this huge demographic opportunity, it will be able to reap the benefits of this demographic advantage. Therefore, a thorough understanding of how this Gen Y cohort makes the transition into the workforce, their career aspirations, and goals, expectations regarding work, preferences and perceptions are extremely important for Indian organizations today.

The scope of the present study is narrowed down to the study of Gen Y management students of Coimbatore. This is because MBA degree has emerged as one of the most sought after higher educational qualification for a large number of students in India, as they believe management education improves their career prospects (GMAC, 2015), and is a means to attaining a good job and successful career. Furthermore, in India majority of the students who join higher education courses belong to Gen Y without or with very less work experience compared to other countries. According to a 2013 report by Associated Chambers of Commerce and Industry of India (ASSOCHAM), MBA seats grew almost four-fold from 95,000 in 2006-07 to 3.6 lakh in 2011-12, resulting in a five-year compounded annual growth rate of 30 per cent. Coimbatore with more than 65 business schools is a sought after destination for pursuing MBA for students from the surrounding places.

There are many factors reported to influence the choice of MBA as a career like market trends, influence of family and friends or benefits and developmental opportunities associated with the career. When examining the market trends of the last five years, the number of B-schools in India has tripled to about 4,500. Even though around 3.6 lakh MBA graduates enter the employment marketplace each year, only

10 per cent of the graduates from Indian business schools, excluding those from the top 20 schools, get a job straight after completing their course despite the robust demand for MBAs (Umarji, 2013). This has resulted in competition for scarce managerial talent, high levels of attrition, and an increase in the compensation levels of managerial professionals. According to GMAC's 2014 Year-End poll of Employers (GMAC, 2014), there will be a steady demand for MBAs and other business master's graduates. Further, nearly two-thirds of employers categorize their companies as expanding and growing; these companies expect to hire a greater share of recent graduate business students in 2015, in line with their organizational goals. Apart from market trends, family and friends also influence individual's choice of a career. Other factors like the financial benefits and developmental opportunities associated with the career, and suitability of one's education and abilities to a career in management also influences ones choice of MBA as a career.

It has been established that right employees are an organisation's assets and competitive advantage. Thus, attracting and retaining good quality applicants is very important. Further, individual's attraction towards an organisation results in the decision to work for the organisation or behaviour to pursue a job with the organisation. Also, preferences for job and organisational attributes of the organisation are the deciding factors for individuals looking for a job with an organisation. These preferences are influenced by the factors that influence their early career choice, from the time they choose to pursue a particular education or degree. Thus, the factors that influence the career choice in management of Gen Y students will also influence their preferences for job and organisational attributes in the organisation they choose to work for and subsequently their intention to pursue a job.

Besides these, there is a changing pattern of vocational behaviour as a result of increasing global competition, technological advances, escalating rates of changes in product and process technologies (Kuchinke and Park, 2012). Together with these, changes in the workforce diversity have altered traditional organizational structures, employer-employee relationships, and the work context, creating changes in how individuals enact their career (Briscoe *et al.*, 2006). The responsibility of career management has shifted from the organisation to the employees. Hall (1976) uses the term protean to describe a career approach that is not dependent on the organisation but

proactively managed by the individual. Hall (1976) describes the protean career drawing from the Greek mythological character *Proteus*- the God of Sea who changes his form at will to adapt to changes or threat. Individuals with Protean Career orientation take care of their career management; demonstrate greater mobility, a more whole-life perspective and a developmental progression (Hall, 1976; 2002; Briscoe *et al.*, 2006). Sargent and Domberger (2007) report that Protean Career may be particularly salient to the current generation of graduates as the traditional employment programs are on the decline and unable to accommodate the increasing number of graduates, this cohort is likely to experience the non-traditional careers (King, 2003).

Therefore, in summary, it is understood that a large number of management graduates belong to Gen Y. Distinct factors influence the early Career Choice of individuals. Gen Y management graduates are likely to exhibit Protean Career orientation. Gen Y management students choose an organisation to work based on their attractiveness to or preferences of distinct values offered by the organisation. Also, attractiveness towards an organisation results in Job Pursuit Intention. Consequently, it is likely that there is a relationship among the factors influencing career choice of Gen Y management students, their career orientation and preferences or attractiveness to specific job and organisational attributes of potential employers and their Job Pursuit Intention. This study aims in understanding the career orientation of this Gen Y cohort, the factors that influence their career choice, and the dimensions of employer attractiveness and its influence on the intention to pursue a job.

1.1 Need for the Study

The youngest entrants of the workforce, Gen Y are set to outnumber the other generations in the near future as in India, with more than half of its population less than 25 years of age, and total population exceeding 1.2 billion, the size of this young workforce is huge. This large section of young workers comes with a mindset very different from that of the earlier generations. They differ from their predecessors in their expectations, aspirations, career orientation, preferences and work values. The generations before the Gen Y in India grew up experiencing hardships and struggles with the newly independent country taking baby steps in the new journey of growth and development.

With India promoting two children movement to control population growth, majority of this generation are part of a small family with one or two siblings. They have not experienced scarcity of resources and struggles as compared to the previous generations, and are used to receiving attention. They are more independent and used to taking their own decisions hence their need for recognition, appreciation and freedom is high.

Moreover, the rapid changes over the past 20 years characterised by liberalization and globalization since the 1990s has increased the mobility of adolescents across national and cultural boundaries. Experts also note that the current generation is more aware of global opportunities as is reflected in their aspirations and decreasing loyalty towards their employers. The tremendous progress India has made in technology adoption particularly in the area of information and communication technologies, including the usage of mobile laptops, smart phones, the internet and social media have not only changed the way people communicate but they seem to have an effect on the way children and young adults grow up, socialize, and the expectations they hold with regard to work and career.

Based on the findings of a report by Deloitte and the Confederation of Indian Industries released in 2013 titled, “Gen Next Workforce Study, 2013”, Deloitte’s Dongrie says: “The evolving preferences of the current generation [in India] pose perplexing challenges for organizations looking at attracting, engaging and retaining them.” As per Dongrie, organizations need to address the issues arising out of a multigenerational workforce or else it can result in “a lower engagement rate, loss in productivity and a higher attrition rate which could lead to a situation of unrest among the workforce. The consequences of which can be an output from the investment in human capital that will be much lower than its true potential.” Human resource managers in India today face a great challenge of managing a multigenerational workforce of traditionalists, baby boomers, Gen X and Gen Y as the expectations and preferences of these cohorts vary. Though managing Gen Y is a challenge, organisations can benefit from their skills and potential if their qualities are channelized in the right direction. Millennials are tech-savvy, good in their ability to use communication technologies and social media, have fresh perspective towards their approach to work, are team-oriented, and socially responsible (Jurkiewicz, 2000; Lancaster and Stillman 2002; Meier *et al.*, 2010;

Twenge, Campbell and Freeman, 2012). Therefore, deep insights and understanding of Gen Y individuals' career expectations and preferences will give a foundation for developing effective management strategies in attracting, motivating, engaging and retaining the Millennials. Thus, for organisations to be successful in the future, they should prevent losing out on this valuable human resource. Efforts should be made to understand these new employees' career expectations and preferences so that their strengths become a benefit to the organisation.

Business factors coupled with several socio-cultural changes have led to changing career preferences among young people in India. As managerial skills become crucial for organizations to achieve success in a competitive and turbulent business environment, there has been a sharp rise in the demand for managerial professionals worldwide. Sturges *et al.* (2003) in their study state that the MBA degree imparts certain key competencies to students. These competencies may be of key significance in the career success of students as the profession of management has gained in importance over other forms of professions.

An individual's choice of career is likely to be influenced by several factors, including external factors like job market, economic trends, personal and cultural values, family background, career expectations, etc. Studies have been conducted in different cultural contexts to determine the range of factors that influenced students in making career choices (Ozbilgin *et al.*, 2005; Kyriacou *et al.*, 2002; Ozkale *et al.*, 2004). Despite the importance of understanding the huge young population's career choices and aspirations, literature review suggests that no empirical study has been conducted among management students in India in order to understand their subjective view about why they choose to pursue a career. There is a gap in research, for example it is not known what factors influence the decision making of young individuals' choice of a career; what kind of career orientation they exhibit, is it traditional or modern (protean); what factors attract Gen Y management students to potential employers, and are they similar or different from that of the other generations. Though such studies have been done on employees in the form of surveys by independent consulting firms (PriceWater Coopers, Deloitte), non-profit organisations (GMAC, CII) and media (Business Today), there is no literature that focuses on management students in the Indian context. Therefore, the main

purpose of the present study is to identify the important factors that influence the Gen Y students' choice of career in management in India, and their career orientation. The study also attempts to explore the role of career orientation and career choice factors in influencing attractiveness of students to potential employers. Finally, the study also examines the impact of employer attractiveness on job pursuit intention.

1.1.1 Challenges of Changing Employment Marketplace

The world economy is going through a shift from capital investment to intellectual capital. This shift, along with the change in the business environment and structure, is leading to compelling changes in the way people are to be managed. India has come a long way from the pre-LPG era (Liberalization, Privatization and Globalisation) where manufacturing sector and agriculture dominated the Indian economy. The present times with knowledge and information based economy; service sector dominates and is a large provider of employment with the predominance of knowledge and skill intensive nature of work. Government organizations used to be the main providers of employment in the organised sector. Over the years, multinational companies and private organisations have emerged as the main job providers replacing government in the organised sector. This change has escalated the requirement of skilled labour and highly educated employees in the economy, resulting in increasingly competitive employment markets. Extensive establishment of various professional courses and growing enrolments in higher studies have bridged the gap between demand and supply of skilled workforce to some extent, but still the business dynamics has resulted in an increasing demand of highly educated and skilled work force in Indian economy. Firms need to develop strategies to ensure that their human-resource base remains adequate for the challenge of doing business.

In India, with an increase in the retiring age coupled with increase in younger workforce, multiple generations work together. As per the statistics given by the Economic survey 2011-12 and the Human Development Report (HDR) published by the United Nations Development Program (UNDP), there will be 63.5 million new entrants to the working age population (between 15 and 59 years) between 2011 and 2016 where a majority of the increase will be between the age group of 20-35 years. While the rising

young population in India in the form of ‘demographic dividend’ offers huge opportunities, it also poses numerous challenges for organisations like integrating personal aspirations of the Gen Y workforce with the organisational vision, retaining this cohort, identifying and modifying the processes and practices to adjust to the needs of the Gen Y workforce.

The current generation seeks variety in roles, is excited about challenging work and does not relate with the traditional organisational hierarchy. They have very little in common with the older workers. They are more impatient, ambitious, technology savvy and are always connected. The aspirations, values, and expectations of the Gen Next workforce are different from that of other generations and will require separate tailored policies. The CII-Deloitte, “Gen Next Workforce study 2013” reveals that Gen Next prefer fixed pay to long term incentives. They also do not prefer to stay with one organisation for a long period of time. Thus, it is important for companies to understand and manage this young workforce and strive to create a workplace that attracts and retains them.

1.1.2 Career Choice and Career Orientation of Business students

Several factors influence an individual’s Career Choice like personal factors, external environment, career expectations etc. Factors that influence students in making career choices have been studied in different cultural contexts (Kyriacou *et al.*, 2002; Ozkale *et al.*, 2004; Ozbilgin *et al.*, 2005). Hardly any study has been conducted among management students in India to understand their view about their decision to pursue a career in management (Agarwala, 2008). The career choice motivation influences the decision of individuals to pursue the career of their choice and the approach to their career management. Studies in the area have classified the career choice motivation or factors into intrinsic, extrinsic and interpersonal (Carpenter and Foster, 1977; Beyon *et al.*, 1998; Agarwala, 2008). Intrinsic factors are related to the interest in the job that provides personal satisfaction and extrinsic factors are associated with financial remuneration and market-related factors that are extrinsic to the nature of the job itself (Carpenter and Foster, 1977; Felton *et al.*, 1994; Ahmed *et al.*, 1997; Beyon *et al.*, 1998; Agarwala, 2008). Research have also reported the influence of interpersonal relationships

like influence of parents, and significant others like friends, co-workers, relatives, teachers and partners (Ozbilgin *et al.*, 2005; Agarwala, 2008), and impression(s) of the benefits and costs of the profession (Felton *et al.* 1994) on career choice. The types of factors that influence the early career choice of individuals are likely to be related to their approach to career development and shaping their career orientation.

Employment marketplace has changed as the result of changes in the business environment, such as increased globalization, rapid technological advancements and increased workforce diversity. The traditional organizational structures and the employer-employee relationships have altered the way individuals manage their career. Individuals now choose to be self-reliant, flexible and mobile, often not staying with a single employer for their lifetime. This transformation has been termed as Protean Career Orientation, a phrase that has been introduced by Hall (1976) and refers to a self-reliant career management that is directed independently by the individual instead of the organization. Studies have proved that career management is no longer traditional but protean and the present employees tend to exhibit Protean Orientation. The current generation, also referred to as the Gen Y or millennials enact the Protean Career as they too do not prefer staying with one organisation, are growth oriented and demonstrate independence in managing their own career. There are two aspects to Protean Career – Self Directed and Values Driven prepositions (Briscoe *et al.*, 2006). Self-direction refers to an individual's ability of taking responsibility of his/her career, being proactive and self-reliant in managing his/her career (Briscoe *et al.*, 2006; Enache *et al.*, 2008). Self-directed individuals when pursuing their career focus on fulfilling their career aspirations and dreams. They are promotion-focused and pursue advancement in their career (Enache *et al.*, 2011). Protean career individuals are also values driven in enacting their career. These individuals are motivated by their internal values when pursuing their career and follow their own needs and aspirations instead of borrowing from external standards (Briscoe *et al.*, 2006; Enache *et al.*, 2011). As individuals also make their career choice which is influenced by certain factors like external and internal drivers and aspirations, it will be interesting to study whether the factors influencing career choice has any impact on the development of protean career orientation of MBA students in their early career stage.

1.1.3 Employer Attractiveness and Job Pursuit Intention

It is a known fact that human capital brings value to the firm and through focused investment in human capital; organisational performance can be enhanced (Backhaus and Tikoo, 2004; Verma and Verma, 2015). It has been proved that organisations with strong employer brands attract better talent and increase employee retention. In the prevailing business environment, firms with employees with right skills have competitive advantage over others and therefore competition for talented employees is almost as fierce as competition for customers (Berthon *et al.*, 2005; Alnıaçık and Alnıaçık, 2012).

Employer Attractiveness is posited as an antecedent of the more general concept of employer brand equity (Berthon *et al.*, 2005). Employer attractiveness has been described as perceived Economic value, Interest value, Social value, Development value and Application value (Berthon *et al.*, 2005; Jiang and Iles, 2011). Berthon *et al.* (2005, p 156) defines ‘Employer Attractiveness’ as the “envisioned benefits that a potential employee sees in working for a specific organisation”. Employer Attractiveness has received quite a lot of attention for a little over the past decade with Employer branding gaining popularity among HR professionals. There are many factors that influence employer attractiveness. A number of studies have focused on job attributes/ characteristics and organisational attributes/ characteristics preferred by potential applicants. Studies on the dimensions or factors of Employer Attractiveness too have explored the significance of job and organisational characteristics in attracting potential applicants. Another dimension investigated and found to have an impact on Organisational/ Employer Attractiveness is organisational image and reputation. Scholars have linked the image of the organisation to its perceived reputation in the areas of Corporate Social Responsibility, Prestige, Financial Performance, Organisational size and culture. Potential applicants in their early career stage are influenced by their expectations and preferences when choosing an organisation to work for. They find an organisation attractive on the perceived attractiveness of the factors or dimensions of Employer Attractiveness like job and organisational attributes, and image.

The young generation entering the workforce take responsibility of managing their career, seek opportunity for growth and advancement, independence and do not

prefer hierarchy. These preferences of independence and growth focus are associated with the characteristics of Protean Career Orientation as individuals with Protean Career Orientation will demonstrate greater mobility, a more holistic perspective towards life, a developmental progression and independence in managing their own career (Briscoe and Hall, 2006; Briscoe *et al.*, 2006). It is therefore inferred that individuals with Protean Career Orientation will prefer organisations with jobs that provide growth and development opportunities, autonomy and meaningful work. Previous studies have reported the development of Protean Career Orientation in students in their very early career stage. Protean Career Orientation is all the more common in the Gen Y individuals. It is therefore likely that there will be strong relationship among the factors that influence the Career Choice of Gen Y management students', their Protean Career Orientation, dimensions of Employer Attractiveness and Job Pursuit Intention.

In order to attract and retain these set of talent, it is very important for employers to know what characteristics or attributes these individuals look for when making a choice of their workplace. HR managers and organisations can then focus to know the job attribute preferences of the Gen Y workforce. In India not many research has been undertaken in this area though many surveys and studies have been carried out by consulting firms, professional bodies, associations (CII) and print media (Business Today) on best places to work for. The main purpose of the present study is to identify important factors that influence the Career Choice of students pursuing an MBA degree in India, and the strength of their Protean Career Orientation and find if Protean Career Orientation influences the dimension of Employer Attractiveness and thereby the Job Pursuit Intention of these students.

1.2 Statement of the Problem

Management graduates continue to be a major source of hiring for skilled jobs. These potential hires are targeted for filling entry level positions and are much sought after by organisations as managerial skills has high demand in the employment marketplace of India. This is evident from the data given by All India Council for Technical Education (AICTE). There are 3844 AICTE approved institutes as per the

AICTE Process Handbook 2013-14, offering management education (PGDM and MBA) in India thus endorsing the popularity of the course.

Young Gen Y individuals are set to dominate the workforce in the near future. These individuals are different from other generations in their career orientation, work expectations and preferences, due to which organisations find attracting and retaining members of this cohort challenging. Further, the expectations from an organisation one chooses to work starts right from the time one makes a decision to choose a career. As it is also logical that the attractiveness to an organisation will result in Job Pursuit Intention and behaviour, it is important for organisations to gain an understanding of the factors influencing Career Choice, Career Orientation and preferences of dimensions of Employer Attractiveness of the Gen Y management students.

There are no studies available in the Indian context which explores the expectations and aspirations of management students when seeking employment. Therefore, the study attempts to provide insights into the preferred attractiveness dimensions and career orientation of Gen Y management students.

1.3 Objectives of the Study

The objectives of the study are

- i) To identify the factors that influence the Career Choice of Generation Y Management students
- ii) To examine Protean Career Orientation among Gen Y Management Students
- iii) To explore the perceived level of importance of dimensions of Employer Attractiveness by management students
- iv) To study the influence of factors of Career Choice and Protean Career Orientation on Employer Attractiveness
- v) To investigate the impact of Employer Attractiveness dimensions on Job Pursuit Intention
- vi) To examine significant gender differences in factors influencing the Career Choice, Protean Career Orientation and the perceived level of importance of the dimensions of Employer Attractiveness

1.4 Scope of the Study

Increasingly, it is becoming important to understand the motives of job-seekers if organizations seek to gain a competitive advantage through attracting the best available human capital. HR professionals need to pay attention to various needs of the employees. The old social contract of the employee being loyal to the company and the company taking care of the employee until retirement no longer holds good. Employees are more responsible for managing their own careers. This study attempts to throw light on the preferred employer attributes of graduating business students within the Indian context. Findings of this study will give insights to organizations in framing strategies to attract, engage and retain Gen Y. The knowledge of what attracts these management graduates to organisations and how they take career decisions will provide insights to HR professionals and employers for framing recruitment and retention strategies for greater recruitment success and long-term organisational performance.

The findings of the study will also be useful to management institutes in providing vocational guidance and counseling to Indian students aspiring for a career in management. An insight into how students make their career choices will help business schools to guide students towards more realistic career choices. Further, business schools can enhance their image by making efforts towards helping students meet their career expectations and thereby attract more students.

The study results will also benefit the industry by providing a clearer understanding of what students perceive as important in a career. Organisations can use this information for recruitment of the best management graduates and retention of high quality talent by developing appropriate recruitment and retention strategies. An understanding of what graduates are seeking in their career, like if they are seeking a career which allows them to be creative and original, or to work with and help others or seek opportunities for growth can empower organisations to consider, integrate and promote these aspects when developing recruitment strategies, position descriptions and internal promotions opportunities.

1.5 Limitations of the Study

The limitations of the study are:

- The study is confined to the students of management institutes in Coimbatore therefore, generalizing from these findings in relation to students from other cities may not give the same result as culture, exposure, job opportunities in the state or city and the kind of institute may impact the findings.
- The results can also not be generalized to all Gen Y students, as other demographics such as discipline, socio-economic background, personality, academic performance, and skills are likely to impact the responses.
- As almost all the respondents were homogenous with respect to work experience and age (most of them were less than 25 years with no work experience); the outcomes may not be applicable to students with work experience pursuing MBA since their perception towards the study variables may not be the same as that of individuals without work experience. Most of the respondents were also not married and have no experience of family responsibility and so outcomes and results of gender differences of these respondents as compared to married individuals and with children or other dependants is likely to be different.
- One of the major limitations of the study is its reliance on a questionnaire survey, which does not allow for hermeneutic analysis. Therefore, the study provides a relatively static understanding of Career Choice, Career Orientation and perceived Employer Attractiveness. These insights could be supplemented with a qualitative study so that an understanding of the dynamic nature of Career Choice can be achieved.

1.6 Chapter Framework

The thesis of the study is organized into six major chapters. A brief outline of each of them is as given below:

Chapter 1: The Introductory chapter titled “**Introduction**” deals with brief introduction of the study discussing the need for the study, Statement of the problem, Objectives of the study, Scope of the study and Limitations of the study.

- Chapter 2:** Second chapter titled “**Review of Literature**” discusses the concepts of the study through reviews of the relevant literature. Hypotheses are also framed for the study based on theoretical framework.
- Chapter 3:** Third chapter titled “**Research Methodology**” details the methodology followed while doing the research, including the identification of measures, sampling techniques, target population, data collection and lists the statistical tools applied.
- Chapter 4:** Fourth chapter titled “**Analysis and Discussion**” discusses the results of the analysis and the interrelationship between the study variables.
- Chapter 5:** The fifth chapter titled “**Findings and Implications of the Study**” describes the findings and discusses the practical implications of the study for organizations faced with the challenges of attracting and retaining the talented Gen Y management graduates and management institutes to aid in the design of their programme to meet the needs of these individuals and thereby helping them achieve their career aspirations.
- Chapter 6:** The sixth chapter titled “**Conclusion and Scope for Further Study**” summaries the findings of the study and discusses the scope for further study.