

Understanding the Needs of the Young Employees in the City of Joy

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ABSTRACT

India is a young nation with almost 27.2% of the population below the age of 29 years. The City of Joy has a thriving ITES sector. These individuals have aspirations, these aspirations drive their actions. The educated youth employed today will be the business leaders of tomorrow. If the current employers are not fulfilling their aspirations, the young employees attrite. Substituting the talent is time consuming and expensive. Attrition leads to loss of knowledge – *brain drain*, which negatively impacts business. The talented young employees if retained locally, will help to develop the region and in-turn India. ITES sector is one of the biggest employers of Generation Z youths in Kolkata. My study aims to identify, analyse and understand the factors that are in demand amongst the members of this talent pool. A structured questionnaire utilising Likert scale was used to collect data from the target population – employees of the ITES sector aged between 21 – 25 years. The research design adopted to study the raw data was descriptive approach. Quantitative techniques like Principal Component Analysis, Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Varimax with Kaiser Normalization were used for detailed analysis of the data. The findings of the research will help HRs to design proper retention initiatives and organisational policies to retain the talent pool in the region and such retentions will eventually contribute in developing the entire region by making it attractive destination for investors and business firms.

Keywords- Employee Needs, Kolkata, Youth, ITES, Generation Z.

I. INTRODUCTION TO THE STUDY

The city of Kolkata has continued to be one of the or perhaps the most important city in the eastern part of India. The city was once the political capital of the nation and although it is no longer enjoys that status but it is still the only Metro city in the entire eastern part of India. West Bengal is now the third fastest growing economy in the country and Kolkata's ITES sector is growing at a rate of 70% per year; which is twice the national average. The city of Kolkata acts as the heart of ITES industry in the eastern region of India attracting talented youth from various parts of the nation. This is evident from the fact that roughly a fifth of the city's total population, are migrants, according to the 2011 Census figures.

As per the 2022 report published by the *Ministry of Statistics & Programme Implementation*, Government of India, more than 50% of the population of India are below the age of 25 years where-as those below 35 years constitutes about 65% of the population. According to a report published in the *Business Standard* dated May'2024, only about *one percent* of Indian IT employees are above the age of 50 years.

Individuals born roughly from mid-1990s till about year 2012 are categorised as Generation Z or Gen Z. This pool of individuals comprises about 30% of the current population as per the report of *The Organisation for Economic Co-operation and Development* (OECD), published in 2021. According to Statista (2021), the members of this generation contribute to 25% of the global labour force.

The young employees of today, if taken care of, will be the leaders of tomorrow and thus retaining this pool of talent will be beneficial and a top priority for any organisation who wants to stay viable in the long run.

Generation Z employee pool has aspirations which generates needs. Maslow in his theory of *Hierarchy of Needs* has categorised human needs into five clusters namely *physiological, safety, social, esteem and self-actualisation Needs*.

Table - I capture the characteristics of the details of the categorisation along with the various workplace factors that when available contributes to satisfy such human needs of employees.

Table I

Name of the Need Cluster	Characteristics	Factors that fulfil the Need
Physiological	These constitutes basic needs of employees that are required to be addressed to allow the individual to perform their basic duties as employees.	Compensation
		Clarity of Goals & Expectations
		Work Life Balance
Safety	These needs satisfy the desires of the employee to reduce risk, harm and uncertainty and maintain order.	Employee Health Care Plan
		Employee Transportation Policy
		Job Security
Social	These captures the emotional need/desire of employees to establish affiliation and a sense of belongingness with other employees.	Employee Engagement (connects with full team & HR)
		Feedback from Leads
		Flexibility regarding Work Location (<i>Work from Home, Work from Office, Hybrid</i>)
Esteem	Employees need to sense that they are valued by others and feel that they are positively contributing to the organisation. The Esteem Needs helps in satisfying this desire of the employees.	Reward & Recognition
		Appreciation Notes
		Behaviour (courteous & gentle) of leads
		Behaviour (Courteous & Gentle) of fellow employees.
Self-Actualization	These needs address the desire of an employee to achieve his/her true potential (self-fulfilment). The activities and facilities that employees seek to ensure personal growth helps address these needs of an employee.	Promotion Frequency
		On-Job Learning Opportunity
		Ease of Internal Movement

II. LITERATURE REVIEW

In this section, I have highlighted the various researches that were conducted by earlier researchers regarding the characteristics of Generation Z.

2.1 Understanding Generation Z

Table II captures certain observations regarding Generation Z in terms of the “year of birth” as proposed by various authors.

Table - II

Birth Years	Author(s)
Born between mid-1990 to mid-2000's	Dwivedula <i>et al.</i> , (2019)
Born between mid-1990 to 2004	Sidorcuka & Chesnovicka, (2017)
Born after 1995	Chillakuri (2020); Dolot (2018); Chillakuri & Mahanandia (2018)
Born between 1995-2010	Jayathilake & Annur (2020); Agarwal & Vaghela (2018); Fodor & Jaeckel, (2018); McKinsey & Company (2018)
Born between 1995 – 2009	Cseh-Papp <i>et al.</i> , (2017)
Born between 1997 - 2012	Mahlia Posey and Breanna Muir (2018)

Table III captures the various observations of researchers regarding attributes and preferences of Gen Z individuals.

Table - III

Theme	Sub - Theme	Citation
Career choices	Regularly change employment	Fodor <i>et al.</i> , (2017); Cora (2019); Mărginean (2021)
	Comfortable to freelance	McKinsey & Company (2018)
General attributes	Have high level of confidence	Barhate & Dirani (2021); Said <i>et al.</i> , (2020); Çora (2019); Bieleń & Kubiczek (2020); Hampton & Welsh (2019); Maioli (2016)

	Independent mindset	Grow & Yang (2018); Said et al., (2020); Fodor et al., (2017); Çora (2019); Agarwal & Vaghela (2018); Schwieger & Ladwig (2018); Chillakuri (2020); Chillakuri & Mahanandia, (2018)
	Individual centric	Vidya Jha, (2021), Agarwal & Vaghela (2018); Çora (2019); Barhate & Dirani (2021)

III. OBJECTIVE OF THE STUDY

Following are the objectives of my study -

1. Identify the need factors that are important to of Generation Z employees in the ITES sector of Kolkata.
2. Study the factors that are important to Generation Z employees.
3. Analyse the impact of need factors on attrition intentions of Generation Z employees in the ITES sector of Kolkata.
4. Discover areas of intervention to address the needs of Generation Z employees in the ITES sector of Kolkata.

IV. RESEARCH METHODOLOGY

The target population for this study belong to the age group of 21 years till 25 years which represents the age group covers all individuals who belongs to the Generation Z employees at the point of conducting my research survey A sample size of 100 respondents were surveyed utilising a structured questionnaire over a 5-point Linkert.

The process of Convenience Sampling was adopted because intent of attrition being a sensitive issue, some may be reluctant to share information on such matters.

The data was analysed using SPSS utilising statistical tools like – i) *Descriptive Statistics*, ii) *KMO (Kaiser-Meyer-Olkin)* test iii) *Bartlett's Test of Sphericity* iv) Factor Analysis using "*Principal Component Analysis*" (done to identify and understand the impact of the variables on the factors. Since the count of respondents was 100, thus entries with factor loadings less than 0.55 were suppressed) v) *Varimax rotation* was utilised to determine the distribution of the total amount of variance accounted for over the extracted factors and vi) **Reliability Analysis**: The reliability (internal consistency) of the set of survey item was checked through "Cronbach Alpha".

V. DATA ANALYSIS & INTERPRETATION

The statistician analysis of the survey data revealed that “Male” & “Female” are equally represented amongst the respondents; amongst the respondents, most (94%) are unmarried, 5% are married and 1% is divorced/separated, again amongst the respondents, mostly (85%) are Graduates, whereas, 5% have completed post-graduation and remaining 8% has class XII as their highest qualification.

It was also revealed that amongst the respondents, 47% are having their work and home location both in Kolkata, whereas, the majority (53%) although are working in offices located in Kolkata but are not native to the city. Lastly, out of the total 100 respondents, it is observed that 96% have overall tenure in the sector of *less than five years*, whereas, 1% has tenure in the range of *10-15 years* and 3% has tenure in the range of *5 -10 years* of service. *This data tells us that people have joined this sector even before completing high school.*

Principal Component Analysis (PCA) was next conducted and since the count of respondents was 100, thus entries with factor loadings less than 0.55 were suppressed.

The KMO (Kaiser-Meyer-Olkin) Measure of Sampling Adequacy value of 0.763, which is acceptable. The Significance level observed in the Bartlett's test is 0.000 which being less than 0.05 is also acceptable indicating that the correlations between variables are large enough to be used in factor analysis.

Table V shows the contributions of the different items to the principal factors –

Table – V

Factor	Eigen Value & Variance %
Dissatisfaction with Compensation	4.563 of 19.014%
Clarity of Goals & Expectations	3.035 of 12.644%
Work Life Balance	3.027 of 12.608%
Employee Health & Transportation	2.781 of 11.588%
Employee Engagement	2.685 of 11.187%
Constructive Feedback	1.969 of 8.202%
Work Location	1.853 of 7.723%
Intent to Attrite	1.698 of 7.076%

The value of the alpha in Cronbach's reliability test was found to be 0.908 out of the 24 items taken which is meant to be highly significant as the value is higher than 0.5.

The Rotated Sums of Squared Loadings identifies the 8 *Principal Factors* that contributions to about 90% towards attrition amongst the respondents.

Basis the analysis of the factor analysis, it is observed that the factor of "Job Security" does not have significant loading, this indicates to the fact that the employees of Generation Z are themselves not mostly bothered about this factor and are ready to accept jobs with less security if factors related to lower needs (Physiological Needs) are taken care of by the employer.

Factors contributing to the Esteem Needs namely *Reward & Recognition (RnR)* initiatives, *Appreciation from Leadership & Behaviour of co-employees* have also failed to record any significant loading amongst the employees of the Generation Z in Kolkata. This indicates that the Generation Z employees are swayed less by such initiatives and thus organisations must come up with new methods to retain the talent belonging to Generation Z.

Similarly, factors contributing to the *Self-Actualization Needs* namely *Promotion Frequency*, *On-Job Learning Opportunity and Ease of Internal Movement* has also failed to generate significant loading amongst the Gen Z employees of Kolkata ITES Sector. This indicates that individuals of the concerned age group are comfortable to settle down in a team instead of moving and working with different teams to explore more diversity.

The lack of significance attached to factors grouped under the *Self Actualisation Needs* indicates the fact that the employees of this generation prefer to enjoy and live in the present and are less worried about the future.

The above data analysis has also revealed that the Generation Z employees who are currently part of the ITES sector of the city of Kolkata are mostly not native to the city.

The employees of this generation are seeking guidance and support from their leads and HR to help them with their career growth. Since most of them are not native to the city, they often live away from their families and thus the *Social Needs* have more weightage than the *Safety & Security Needs*.

The employees of this generation attach high weightage to the compensation that they receive. They are also bothered about transportation services provided since travelling to office over long distance and that too in flexible shifts (which is mostly the case in the ITES sector) is often a challenge for them. This is evident from the high weightage to compensation and transportation issues.

These individuals are found not displaying much interest in separate learning and upskilling initiatives. They do welcome feedback from their leads.

From the analysis it is evident that for the Generation Z employees of the ITES sector in Kolkata, the needs are dominated by factors addressing the '*Physiological*' needs of the employees followed by those addressing their '*Social*' needs and lastly the factors addressing their '*Security & Safety*' needs.

VI. CONCLUSION

Without properly understanding the desired needs of employees, no organisation can create any appropriate HR Intervention to deliver the same. Attracting and retaining new young talent is achieved through HR interventions.

Any unplanned HR Intervention will have very little chance of yielding a positive outcome and will only add to the expenses incurred.

HR policy makers, I believe, will be able to better frame their employee retention policies by tapping on to the findings of the study and in doing so will be able to stem the attrition amongst the Generation Z employees of the sector in the City of Joy.

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