PRELIMINARY STUDY ON YOUNG EMPLOYEES’ WISH LIST TOWARDS EMPLOYMENT ATTRACTIVENESS IN BANKS

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ABSTRACT

The banking industry is an important industry because it determines the economic growth of a country. Because of its’ importance, banks are governed with highly regulated acts which makes it less attractive in terms of employment attractiveness among the younger generation. With the steady increase in the population of young generation into the workforce, it is imperative to conduct research on the factors that can stimulate their attraction to work in banks. A study to explore factors desired by young bank employees for steady employment and retain them is still dearth. Sampling for the study comprised of 50 young employees from commercial banks in Klang Valley and survey questionnaires were used to gather primary data collection. Analysis from the study offer implicit understanding of the issue and affords fertile directions and suggests actions to be implemented by the human resource managers and the management team in Malaysian banks.

Field of Research: Generation Y, Employment Attraction, Banking Industry

1.0 Introduction

Banking groups’ entity consists of commercial bank, investment bank, Islamic bank, insurance and unit trust. The business of a bank revolves around financial matters such as long-term assets, i.e., loans against short term, highly liquid liabilities like deposits and provides special financial services in the form of credit extensions, deposit taking and payment services (Coelho-Rodriguez, 2001). Banks are important financial institutions that connect the banking system and conduct of monetary policy which are essential to the country’s economy (Hupkes, 2000; Goodhart, C., Goodhart, C. A., and Charle, G. (1998). Given the important function that banks play in the country, the organizations are placed as a highly regulated institution whereby all rules, policies and procedures practiced are in accordance to the BAFIA Act (1989) supervised by the Central Bank (Bank Negara Malaysia).

Because of its position as a highly regulated institution, banks are not allowed to practice flexibility in its daily operation due to some risk factors that they have to manage. Being inflexible, they hinder young employees’ attractiveness to seek employment with banks.

In this study, young employee refers to the generation Y who are born between the year of 1980 to 2000 (Tolbize, 2008). Scholars have conducted studies on this cohort and one of their attitudes towards work is the need for flexible workplace environment. Organizations that lack such flexibility will not be attracted to them (Sujansky & Ferri-Reed, 2009).

This study serves as a preliminary research to discover factors that are associated with the attractiveness of banking employment among young employees. The findings will assist
human resource managers and banks’ management team to implement the necessary strategy in enhancing the attractiveness of banks’ employment among young employees.

A. **Description of young generation of workforce**

Kupperschmidt (2000) defined generation as a group that can be identified by the same years of birth and have significant life events at critical stages of development. Young employees, known as the “Generation Y” is the biggest cohort currently entering the workforce. They are the young employees in organizations and born between the year 1980 to 2000 (Tolbize, 2008). Previous research has found that this generation is the most intelligent group (Bingam, 2009) with state-of-the-art information technology as their second nature (Zemke, Raines & Filiczak, 1999) and therefore they have strong technical skills and are result focus. They are the first group to be labeled as "Digital Natives" because of their comfortability with the wired world, such as the world of social networking (Shaw & Fairhurst, 2008).

One of the characteristics possessed by the young employees is that life must be enjoyable and they can easily get bored with work (McCrindle, 2002). Due to that, they demand customization made in organizations to suit their needs (Bingam, 2009). Hence, the workplace environment, process and human interaction must be flexible. Organizations have no choice but to accommodate to the changes demanded to get their attraction to join the workforce.

B. **Young graduates from IPTA and IPTS**

Table 1 below shows the information on graduates from the government universities (IPTA) in Malaysia according to level of qualification.

<table>
<thead>
<tr>
<th>Level</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diploma</td>
<td>13,561</td>
<td>16,319</td>
<td>21,403</td>
<td>20,042</td>
<td>17,745</td>
<td>16,255</td>
</tr>
<tr>
<td>Degree</td>
<td>36,802</td>
<td>50,249</td>
<td>43,826</td>
<td>51,771</td>
<td>55,524</td>
<td>59,471</td>
</tr>
<tr>
<td>Masters</td>
<td>6,511</td>
<td>8,446</td>
<td>6,074</td>
<td>7,172</td>
<td>6,767</td>
<td>8,499</td>
</tr>
</tbody>
</table>

With the increasing in number of graduates from Government universities in Malaysia, organizations must seriously emphasize on the employee attractiveness strategy. The graduates will enter the workforce and become the young employees in the organizations and banks are not excluded.

A good strategy to attract the young generation is important because of the different culture and attitude that the cohort possesses (Smola & Sutton, 2002).

C. **The importance of young generation at the workplace**

The total population of Malaysian aged 60 and above was at 6.7% in 2005 and will increase to 22.2% in 2050 (Department of Statistic, 2011). It shows that more “senior
employees” in the workforce will leave the organization rapidly due to retirement or voluntary resignations and therefore organizations need to swiftly plan for good employment attractiveness among the young generation. The young employees in organization will be taking over the roles and responsibilities from senior employees and responsible to materialize the objectives of organizations. The fact that the new generation is said to possess higher intelligence level compared to the previous cohort (Bingham, 2009), it is important to utilize their intelligence in ensuring successful future development of organizations. In addition to that, the youth in Malaysia has an important role to play in the country’s effort to achieve the status of fully developed country by the year 2020 with their contributions in the economics success through Malaysia’s GDP (Ibrahim, Yusof & Malik, 2011).

D. Issues related to young employees at the workplace

Previous research has discovered the work attitude of young employees whereby they have no loyalty towards organizations compared to the previous generation of employees (Smola & Sutton, 2002; Jenkins, 2005). In relation to no loyalty, they are also “job hoppers”. Deal (2007) found only 20% of young employees who are already in employment tend to remain with the organizations while others will “job hop” after being employed for 3 years. The reason for job hopping is because they demand frequent changes (Shaw & Fairhurst, 2010) and are ways looking for new excitement (Smola & Sutton, 2002).

The young employees are also very robust and are quick to demand for new changes (Shaw & Fairhurst, 2010) and this results in frequent employment changes taking place resulting in disengagement from the organizations (Chang, 1999). Young employees’ distinct attitudes compared to the previous generation forces organization to work extra miles in making them attracted to work and keeping them engaged in organizations. The young employees also lack willingness to contribute more to organizations because they are more “me” oriented (Smola & Sutton, 2002). They demand recognition, appreciation and support from organizations (Tolbize, 2008) and seek work life balance in employment (Kupperschmidt, 2001). Being a cohort that demand support from the organizations, Martin (2008) found that they expect constant constructive feedback from managers on their performance and are constantly seek approval, praise and validation from superiors (Jonas-Dwyer & Pospisil, 2008). These work attitudes have instigated challenges for managers in keeping the young employees attracted to work and engage with organizations.

This phenomenon fears many organizations including the banking institutions. It worries the Human Resource managers (HRM) because the degree level of engagement towards organization is decreasing among the young employees. In a nutshell, this study will be able to provide answers to the following questions:

a. What factors hinder young employees from working in banks?
b. What criteria should banks adopt in order to enhance the attractiveness of a banking career?

Based on the above, the researcher has come up with the hypothesis below:

Hypothesis 1: The attractiveness of banking career among young employees is influenced by the flexibility and freedom in performing their job.
2.0 METHODOLOGY

Primary data was used in this study and collected using open-ended survey questionnaire through purposive sampling. A total of 50 survey questionnaires were distributed to young employees who work at various local and foreign commercial banks in Malaysia. Ball-pens were given as a token of appreciation to value the respondents’ voluntary effort in completing the survey. The researcher visited the banks to explain the purpose of the study and also to give detailed instructions to complete the survey. The study is a correlational type of study where the researcher has minimal direct interference with the respondents. Due to the confidentiality at workplace practiced by banks, the researcher used “drop-off” and “pick-up” method whereby the questionnaires were left to the respondents and collected later upon completion. It was agreed between the researcher and the respondents that two weeks is the adequate time for respondents to complete the survey questionnaire. The response rate was 100% since after three weeks all the questionnaires distributed were ready to be collected from all the 50 respondents.

In the survey, 13 criteria on the aspects of work were listed. The respondents were asked to rank all criteria according to their preferences to indicate the most important criteria followed by the less important criteria and finally the least important criteria. The criteria served as a medium to determine what is mostly demanded and wishful by the young employees to get attracted to work and be engaged with the organization. Below are the criteria listed in the survey questionnaire:

In your perception, an organization should:

- provide for steady employment
- encourage me to do things for other people
- allow me to tell people what to do
- allow me to do something that makes use of my abilities
- have company policies that are put into practice
- pay the amount of work I do
- provide chances for advancement
- provide freedom to use my own judgment
- provide chances for me to try my own methods of doing the work
- provide conducive working conditions
- encourage me and my co-workers to get along with each other
- praise me for doing an excellent work
- make me feel the accomplishment I get from doing the work

3.0 FINDINGS

In terms of demographic analysis, out of the 50 respondents, 40 were from local banks and 10 were from foreign banks. More female volunteered to participate in the survey and it showed by the statistic that 14 were male respondents and 36 were female respondents. In terms of ethic statistics, the Malays constituted 80% of the total respondents and 20% were Chinese. Because the study aimed at young bankers, the statistic on marital status found 76% were single and only 24% were married. On the position of employment, 66% held the position of executives and 22% were senior executives. The study focuses on the employment position of executive and above. Therefore, participants who graduated with bachelor degree were 54% and made up of more than half of the total respondents while the remaining graduated with diploma. In terms of the length of service or tenure of employment with organizations, 28% of the respondents have been with the bank for less...
than one year, more than half i.e., 52% have been with the bank for 1 to 3 years and only 20% have worked for 4 to 6 years. The study has also discovered that 34% of the respondents were fresh graduates and declared that this employment is their first job. While 32% of them indicated that they have worked elsewhere with the employment period which lasted less than one year.

The first question asked in the survey questionnaire was “How do you define your work? Respondents must choose the answer from 5 options below.

- Very boring
- Boring
- Somewhat interesting
- Interesting
- Very interesting

It was found that 58% of the respondents said that their job was either boring or somewhat interesting. This finding has motivated the researcher to find out what would be the young employees wish list towards the organization in order to make their work interesting and ultimately attract them to stay engage with organizations. From the 13 criteria mentioned earlier, 7 have been identified as the most important criteria for young employees in employment. The criteria are:

- “Provide for steady employment”
- “Allow me to do something that makes me use of my abilities”
- “Have company policies that are put into practice”
- “Pay the amount of work I do”
- “Provide chances for advancement”
- “Provide conducive working environment”
- “Make me feel the accomplishment I get from doing the work”.

Four criteria have been found to be the least important for young employees.

- “Encourage me to do things for other people”
- “Allow me to tell people what to do”
- “Encourage me and my co-workers to get along with each other”
- “Praise me for doing an excellent job”.

The remaining 2 criteria were identified as neither most important nor least important.

- “Provide freedom to use my own judgment”
- “Provide chances for me to try my own methods of doing the work”.

4.0 DISCUSSION

Findings from the study revealed that more than half of the respondents perceived that their jobs are either boring or somewhat interesting. In relation to this, young employees in banks wished to have working environment that is conducive. For example, they want a non-standard formal cubical work stations where they can enjoy and have fun while working (Jonas-Dwyer & Pospisil, 2004). It is rather next to impossible in banks due to the legacy system practiced by financial institutions, whereby the sitting arrangement in workplace is according to ranks and employees are required to sit at the designated workstation during office hours. This is one of the factors that have contributed to the 58% respondents saying that their jobs are boring and somewhat interesting. It reflects the
nature of the young generation that possessed the character of wanting a flexible working environment. This finding is also in concurrence with one of the criteria chosen by the young bankers that they wish that organizations provide working environment that is conducive for them. A designated workstation that glued them to do work contradicts with what they wish for.

Another wish from this cohort is flexibility in terms of working hours. Banks operate long working hours (Bank Negara, 2011) especially in the operations department where consolidation of cash and balancing the daily transactions need to be done after each transaction day. The work has to be done at the designated work stations and most of the time will take long hours to be completed. Such job requirement conflicts with the culture and work attitude of the young employees that wish to perform work from the lounges and cafeteria. The consolidation of cash transaction is impossible to perform through teleconferencing whereby no physical presence is required. In addition to flexibility, this cohort does not value much on good working relationship with colleagues but are satisfied enough with the conducive working environment. The reason for this could be due to their nature of being “me oriented” (Smola & Sutton, 2002) and behaves more individualism rather than collectivism in society.

Young employees in banks also wish the organizations reward them well according to the amount of work that they do. This is in agreement with Chen et al. (2010) that young employees are difficult to be satisfied with remuneration because living in the high technology world these days, they tend to spend more in order to suit the living style. The character of the young employees, they believe that life style is very important and meeting the wants consumed “big expenditure” (Chen et al. 2010). Therefore, remuneration must be high. If the expected remuneration is not met, they tend to disengage with the organization and incline to job hop to another organization. The young employees will search for another organization that are willing to pay more to them due to their attitude on “job hop” as discovered by Smola and Sutton (2002). This cohort does not picture job security as one of the important item in their lives (Hart, 2006) therefore they continue to hunt for other organizations if they perceive the current remuneration is below expectation.

The young generation demands organizations to allow them to complete tasks assigned to them on their own freedom, own pace and own time (Martin, 2005). This attitude corresponds to the findings that one of the criteria they look for i.e., ‘allow me to do something that makes me use of my abilities’. In order to materialize this, banks must form a good strategy to allow the young employees the freedom to work without jeopardizing the existing policies that can invite risk in operations.
CONCLUSION

In conclusion, young employees are an important cohort to materialize the development plan for the country. The difference in working culture among the young generation is a challenge for many organizations. However, it must be overcome to ensure continuity in employment and sustainability of organizations in the future. In developing the economic growth for the country, banking institutions must therefore strategize an attractive package to attract employment from young employees to join and be engaged with banks.

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