Employee Retention Management: long-term retention of employees – a comparison of generations

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Summary

Research questions: Which factors influence the long-term retention of employees? What differences can be found in the characteristics of different generations and to what extent is generation specific Employee Retention Management (ERM) necessary for long-term retention? Which measures and possible actions can be derived?

Methods: Based on a theoretical approach and an overview of relevant models and literature, hands-on tools, which can strengthen the retention of employees to the company in a generation-specific way, are derived.

Results: The paper results in the conclusion that retention of top performers in the company is indispensable in order to counteract current developments in the world of work. The generational diversity must be taken into account in the context of ERM. The differences between the generations Baby Boomer and Y are of particular interest and provide initial insights into the expectations of employees.

Structure of the article: Introduction; Theoretical Background; Practical Application; Conclusion; About the Authors; Bibliography
**Introduction**

Not only digitisation but also the growing shortage of skilled workers and demographic changes are contributing to changes in the world of work (cf. Wetzel, 2015, p. 7 f.). According to a recent study the shortage of skilled workers is present in over 90 percent of companies in Germany. (cf. Stippler et al., 2019, p. 16) Declining birth rates are one of the reasons why more employees are retiring than new graduates are entering the job market. As a result, a shift of power on the market is to be expected. (cf. Wolf, 2016, p. 36) Besides organisational capital (e.g. brand image), human capital - the employees - is one of the most important resources of a company. (cf. Wolf, 2016, p. 31)

In order to stay competitive in the market, both the recruitment of skilled workers and the retention of existing top performers and talent is crucial (cf. Wolf, 2016, p. 46 f.).

In addition to the aspect mentioned above, Nink and Sebald et al. observe the costs related to a high staff fluctuation rate as well as inner resignation of employees as reasons for the importance of ERM (cf. Nink, 2018; Sebald et al., 2007). Both the direct work environment and customers feel the negative effects of unmotivated employees. (cf. Nink, 2018, pp. 25 and 32) Based on these considerations, the paper addresses the above mentioned research questions.
What is Employee Retention Management?

There is no standardized definition for the term "employee retention" (cf. Thiele, 2009, p. 31). Bröckermann describes it as a "permanent task, which aims to prevent the loss of employees who have been won over in an arduous, time-consuming and costly process" (Bröckermann, 2016, p. 19). Furthermore, employee retention is described as the "management of employee-related risks" (Gmür and Thommen, 2019, p. 255).

Employee retention is often considered as part of HR management in companies. Yet as the importance of this topic increases hugely in times of skill shortages, employee retention becomes relevant for every leader in the organization and not only for HR. (cf. Thiele, 2009, p. 29). So, what exactly are the key elements which can help companies retain their employees? Once we have answered this question it will be clear that the topic is relevant beyond the standard practices of HR.

Key factors in retention of employees

Bröckermann identifies job satisfaction, strong solidarity and commitment as the key conditions for the successful retention of employees (cf. Bröckermann, 2016, p. 19). In addition to job satisfaction, Kanning mentions identification and social identity as well as commitment as the basis for high employee loyalty (cf. Kanning, 2017, p. 192).

All descriptions emphasize that ERM contains instruments that foster loyalty to the company, increase motivation and minimize personnel risks (cf. Gmür and Thommen, 2019, p. 255 f.; Thiele, 2009, p. 31 f.). Personnel risks are understood as dangers that weaken organisational performance when employees decide to leave their organisation (cf. Gmür and Thommen, 2019, p. 255). Because maintaining a high level of skill and motivation in an organisation is essential to succeed, the focus of ERM is to retain high performers and the competencies they posses. (cf. Gmür and Thommen, 2019, p. 255 f.)

Based on Bröckermann and Kanning, the following illustration shows the three main factors of employee retention (cf. Bröckermann, 2016, p. 19; Kanning, 2017, S. 192 f.).

Illustration 1: Key factors in retention of employees (Own Illustration based on Bröckermann, 2016, p. 19; Kanning, 2017, p. 193)

The following paragraph will further elaborated on the three elements and their interrelations will be discussed as these summarize the essential aspects of the observed literature (cf. Bröckermann, 2016; Gmür and Thommen, 2019; Kanning, 2017; Thiele, 2009).

Commitment. Allen and Meyer's three-component model is still the most widely used approach in research on commitment (cf. Giry, 2016, p. 16). The term "commitment" implies that it is not only a contract-based bond with the company, but also emphasizes the willingness to be motivated and to perform (cf. Thiele, 2009, p. 37). The model classifies commitment into three dimensions: affective, normative and calculative commitment (cf. Meyer and Allen, 1997, p. 11 ff.). The three types of commitment are explained below:

- **Affective commitment** exists when the employee has an emotional bond with the organization and identifies with it (cf. Meyer and Allen, 1997, p. 11). This is the case, when the employee feels joy, pride or gratitude towards the company. (cf. Gmür and Thommen, 2019, p. 261) The emotional bond can be described as a "feeling of connection". These employees are intrinsically motivated, which means that positive behaviour and motivation result from "one's own satisfaction with the work tasks and the work environment". (Nink, 2018, p. 23; Thiele, 2009, p. 44 f.)

- A **normative commitment** exists when the employee feels morally and ethically committed to the company, out of "normative constraints", rather than out of the own impulse. (cf. Berkenheide, 2015, p. 19; Gmür and Thommen, 2019, p. 261) There is an extrinsic motivation, which means that the employees "strive for recognition" (Thiele, 2009, p. 44). Furthermore, there is no consistency of commitment because this is based on the values
and recognition of the organisation. (cf. Thiele, 2009, p. 43 ff.)

− If an employee has a calculated commitment, the person weighs up the advantages and disadvantages of the current task. Financial aspects as well as security, recognition and self-fulfillment are important. (cf. Gmür and Thommen, 2019, p. 261)

Their willingness to perform and their commitment tend to be low while they are often dissatisfied with their current job (cf. Belsch, 2016, p. 32).

Nink names „having the highest possible percentage of emotionally bound employees“ as a necessary goal for every company (cf. Nink, 2018, p. 27). According to a study by the Gallup research institute which surveyed about 18 percent of companies in Germany in 2018, almost 71 percent of employees are not intrinsically motivated and only do their jobs according to regulations. (cf. Nink, 2018, p. 26 ff.)

Job satisfaction. Job satisfaction describes a "fundamental attitude of employees towards their professional employment" (Kanning, 2017, p. 194). This results from the comparison of an employee's personal expectations with reality. The closer the reality is to the expectations, the more satisfied the employee is. Kanning shows that the satisfaction of an employee is influenced to 30 percent by justice, co-determination and motivating leadership. (cf. Kanning, 2017, p. 193 ff.) A mutual interaction between satisfaction and commitment can be observed: The higher an employee's satisfaction is, the more the person feels connected to the company. (cf. Kanning, 2017, p. 192 ff.)

Identification and social identity. Wolf describes identification as a "state in which the individual equates himself with the organization and adopts its values and goals" (Wolf, 2016, p. 153). This state of mind contributes to the achievement of increased coverage of the goals and values of the employee and the company. (cf. Wolf, 2016, p. 153)

Social identity reflects the affiliation to a group or organization. This relationship to an organization influences the behaviour of a person and contributes to their loyalty. For example, if an individual sees himself or herself as part of a company, they are more likely to be motivated to contribute to its success. (cf. Wolf, 2016, p. 152 ff.) It is therefore important that organizations clearly communicate goals and values and offer "space for identification with the company" (cf. Wolf, 2016, p. 157 ff.).

The above mentioned elements can be supported by HR yet need to be driven and enhanced by the leaders in the organization on a day-to-day basis. After considering the interaction of commitment, job satisfaction, identification and social identity in the context of the emotional bond between employees and the company, the need for ERM became quite clear. Now the question arises: how can affective commitment be established in practice? For this purpose, we examine the specific incentives that affect the retention beyond the employment contract.

The main drivers of employee retention

Gmür and Thommen describe an "intact incentive-contribution balance" as the key element for the development of employee commitment to the company (cf. Gmür and Thommen, 2019, p. 260). Accordingly, the creation of a balance between incentives and contributions within an organization is crucial to retain top performers and build up affective commitment (cf. Gmür and Thommen, 2019, p. 260 ff.). In this context, it is less the physical employment contract that counts, but rather the "psychological contract". In other words, incentives or factors that are not explicitly written down in a legal employment contract. (cf. Gmür and Thommen, 2019, p. 260 ff.; Rump et al., 2012, p. 20)

The following section provides an overview of the main drivers of employee retention.

In the literature, several possibilities for classifying the influencing factors can be found (cf. Berkenheide, 2015, p. 30). In the context of this paper, the factors are classified according to Westphal and Gmür, as the model summarizes the context in a specific and precise manner (cf. 2009, p. 207 ff.). Examples in the context of the classifications can be derived from both the Global Workforce Study and the Hays Study. Based on this, the factors can be summarised as followed (cf. Rump et al., 2012; Towers Watson, 2014; Westphal and Gmür, 2009):

− Organisation-related factors: affect all employees, e.g. corporate image and culture, organisational values and employer attractiveness
− Work situation-related factors: concern the individual work situation of one employee, e.g., leadership, material incentives, work-life balance as well as career and development opportunities
− Personal-related factors: refer to a person and include for example demographic data or the attitude and characteristics of employees

The personal-related factors are not examined theoretically in empirical studies, however are included as "descriptive variables". These cannot be influenced from the outside (Westphal and Gmürr, 2009, p. 208). Consequently, further analysis is limited to the organisation-related and work situation-related factors.

**Organisation-related factors**

**Corporate image.** The importance of the corporate image has increased considerably in times of a shortage of skilled workers (cf. Gertz, 2004, p. 137). Gertz emphasizes that "the company's reputation is linked to the desired identification of the employees and the working atmosphere" (Gertz, 2004, p. 138). The Hays study showed that 48 percent of the companies surveyed see the fostering of corporate culture as a fundamental field of action. (cf. Rump et al., 2012) In this context, the Global Workforce Study emphasizes that a clear vision as well as the innovative power of a company are deciding factors for building commitment (cf. Sebald et al., 2007, p. 15).

Studies show that the corporate image and culture have an impact on the commitment of employees. It should be noted that this conclusion was not reached through single one-time measures, but was developed over several years. (cf. Belsch, 2016, p. 41) The DGFP describes corporate culture as a "system of shared values, norms, attitudes, convictions and ideals of the members of the organisation" (DGFP e.V., 2014, p. 30). However, the mere existence of values and goals is not enough. The awareness of the employees regarding the organisational values of an organisation is crucial. (cf. DGFP e.V., 2014, p. 28 f.) Therefore, in addition to the definition of values and goals, company-wide communication of these is essential (cf. DGFP e.V., 2014, p. 29).

What values and attitudes corporate culture should represent is described by both Weitbrecht (2005, p. 10) and the DGFP (2014, p. 28 f.). In particular, the appreciation and fairness of a company have a positive effect on the retention of employees (cf. DGFP e.V., 2014, p. 28; Weitbrecht, 2005, p. 10). In general, it applies that the corporate culture is always aligned with the corporate strategy (cf. DGFP e.V., 2014, p. 32). However, changes in the world of work must also be taken into account. At present, demographic change and the attitude of younger generations are contributing to a change in values in the world of work. Employees' demands for flexibility, personal responsibility and self-realisation are increasing. (cf. DGFP e.V., 2014, p. 30)

**Employer Attractiveness.** Furthermore, the employer attractiveness, both internally and externally, is an essential element at company level. Internal HR marketing strengthens the identification of existing employees with the company. Particularly commonalities between the company and its employees are to be emphasized in HR marketing measures. (cf. Wolf, 2016, p. 158 f.) These can be, for example, team activities or the communication of goals, values and the attitude of an organisation (cf. Wolf, 2016, p. 159). The aim of external HR marketing is to strengthen the employer-attractiveness to the outside world. This provides a better position for the organisation on the labour market to recruit for open positions. (cf. Wolf, 2016, p. 215 f.). A strong employer brand that is clearly communicated is crucial for external HR marketing. The key factors in this context are credibility and internal awareness. Brand messages that do not correspond to reality, will result in negative effects on employee loyalty. (cf. Wolf, 2016, p. 216 ff.) Another aspect that affects employer attractiveness is job security. According to Bastians, the actions of management in times of crisis influence the commitment of employees. (cf. Bastians, 2014, p. 53) For example, trust in the management level decreases when restructuring or dismissals are announced and these are perceived by employees as inappropriate. The reasons are often insufficient communication and a lack of open-mindedness on the management level. The result is increasing dissatisfaction among employees. (cf. Bastians, 2014, p. 53)

In summary, it can be said that in the analysis of organisation-related factors, research focuses in particular on corporate culture and corporate image (cf. Gertz, 2004, p. 137 ff.). In this context, both the values of an organisation and its attractiveness as an employer are key elements (cf. DGFP e.V., 2014, p. 28 ff.; Wolf,
2016, p. 158 ff.). It should be emphasized that the communication of goals, values or the employer brand alone are not enough to retain employees. The challenge for companies is to live these values as a community and to socialize new employees. (cf. DGFP e.V., 2014, p. 28 f.; Wolf, 2016, p. 216 ff.)

Work situation-related factors
In the following section, the factors that affect the individual level of employees are examined. For a better overview a distinction is made between non-material and material incentives. (cf. Belsch, 2016) First an overview is provided of the non-material incentives:

Leadership. In current research results, the leadership of employees is shown in many respects to be a significant factor which influence affective commitment (cf. Westphal and Gmür, 2009, p. 214). In this context, Westphal and Gmür emphasize „general system trust“ as well as satisfaction with management and the relationship with superiors (cf. Westphal and Gmür, 2009, p. 214). System trust is defined as "an employees trust in the department, that it will keep its promises" and "fair treatment of the employee by the department" (Westphal and Gmür, 2009, p. 214 f.). Furthermore, their analysis shows a strong positive correlation between affective commitment and a transformational leadership style of the supervisor. Particularly relevant sub-dimensions are "charisma of the superior", "individual consideration of the employee by the superior" and an appropriate "incentive-contribution balance". (Westphal and Gmür, 2009, p. 215) In contrast, negative effects on commitment can be seen when superiors apply a autocratic or laissez-faire leadership style (cf. Westphal and Gmür, 2009, p. 215).

Career and development opportunities. The model of transformational leadership describes not only the individual consideration of an employee, but also, among other things, individual opportunities for further training and challenging tasks as part of motivational leadership (cf. Bass and Riggio, 2006, p. 5 f.; Jenewein et al., S. 28 f.). Both the Global Workforce Study and the Hays Study confirm this. In this context, career and development opportunities have a strong influence on employee loyalty and positively affect employees retention. (cf. DGFP e.V., 2014, p. 97; Rump et al., 2012; Towers Watson, 2014) According to Berkenheide, employees who are supported e.g. by mentoring have a higher emotional bond to the organisation. Training also significantly increases employee loyalty. (cf. Berkenheide, 2015, p. 63 f.)

In the context of development opportunities, Sass differentiates between personal and job-related development (cf. Sass, 2019, p. 39). Personal development means e.g. broadening horizons, personal growth, realizing one's vision, and lifelong learning. Job-related development is aimed at expanding knowledge in the area of the professional task. (cf. Sass, 2019, p. 39 f.) This development arises e.g. through the expansion of the task area or specialization within the job. Challenging tasks contribute to job-related development in the same way as participation in trade fairs, seminars and training courses. (cf. Sass, 2019, p. 39 ff.)

Work-life balance. Research results also show that the work-life balance of employees is very important (cf. Rump et al., 2012; Sass, 2019, p. 44; Towers Watson, 2014). Thiele describes work-life balance as a supporting measure for employees to maintain a balance between work demands and personal needs, which in turn contributes to employee satisfaction. Work-life balance include approaches to self-realization, time management, managing work and family life as well as health support. (cf. Sass, 2019, p. 44; Thiele, 2009, p. 61) With regard to health support, Sass mentions measures such as sports activities, fitness offers or a healthy choice of food in the company canteen (cf. Sass, 2019, p. 45). In addition, a work culture that promotes a sense of community within an organisation is valuable (cf. Sass, 2019, p. 44 f.).

Thiele emphasizes work-life balance measures that promote the compatibility of work and family. According to a study by the Boston Consulting Group, flexible working hours and part-time work are among well-known offers in companies. (cf. Thiele, 2009, p. 73) Flexible working time models include all options that can be variably structured in terms of duration, distribution and location of working time. Working hours can be made more flexible in terms of duration and distribution e.g. by using working time accounts or sabbaticals. With regard to the arrangement of location, companies have the possibility to offer teleworking. This could be mobile or home based. (cf. Thiele, 2009)
In addition, there are several complementary ways of relieving the workload of employees and increasing their loyalty to the company by means of family-friendly measures. Examples include company-sponsored childcare or support for returning to work after parental leave. (cf. Thiele, 2009, p. 87 f.)

The next section provides an overview of the material incentives:

**Occupational pension arrangements.** In the context of material incentives, Gertz mentions various options that companies can offer with regard to occupational pension arrangements (cf. Gertz, 2004, p. 118). In addition to the occupational pension, the pension fund or direct insurance are mentioned as examples. One option that is highlighted is the "time value account". This combines flexible working hours with a company pension scheme. (cf. Gertz, 2004, p. 118 f.) In addition to saving up holiday entitlements and overtime, the account enables employees to invest part of their salary or christmas bonus in this form of investment. (cf. Gertz, 2004, p. 119) The time value account offers employees increasing flexibility. According to Gertz, the age group up to 40 uses the time value account primarily for travel, further training measures or a family break. The older group of employees, on the other hand, is more likely to think about early retirement and use the time value account e.g. for part-time work retirement. (cf. Gertz, 2004, p. 120)

**Remuneration.** Last but not least, remuneration matters in order to retain employees in the long term. This aspect continues to be a top priority, both in national and international studies. (cf. Rump et al., 2012; Towers Watson, 2014) Sass describes compensation as "the basis for any company incentive and reward system" (Sass, 2019, p. 27). Employees expect fair pay as well as salary increase during the course of a job (cf. Sass, 2019, p. 27). In this context, the DGFP mentions the "perceived fairness of remuneration" and "the level of remuneration as an expression of special appreciation of the employee" as significant aspects for organisations (DGFP e.V., 2014, p. 90). Both a "clearly defined catalogue of criteria" and the "systemic evaluation of functions" contribute to transparency in the allocation of salaries and salary components (DGFP e.V., 2014, p. 90 f.).

All in all, there are a large number of factors which both HR and leadership can use to influence the retention of employees to the company. But do all the factors really work for every employee?

The research results already show indications that the individual generations are attracted by different incentives. Both Rump et al. and Zemke et al. confirm this and point out different value conceptions, attitudes and expectations of the individual generations towards the world of work. (cf. Rump et al., 2012, p. 20; Zemke et al., 2013, p. 19) Due to these indications, the generations will be analysed in the following paragraph. In addition, the characteristics of the currently working generations will be explained in the next section (cf. Rump et al., 2012; Towers Watson, 2014).

**The diversity of generations in a company**

In sociology, a generation is described as "the totality of people of approximately the same age with similar social organization and a view of life that has its roots in the defining years of a person" (Mangelsdorf, 2015, p. 12). The period between the 11th and 15th year of a person's life is called the defining years in sociology (cf. Mangelsdorf, 2015, p. 12). As defining occurrences, Zemke et al. name e.g. major wars, an economic boom or rapid technological achievements (cf. Zemke et al., 2013, p. 18). These cultural and political occurrences lead to the development of certain values and attitudes (cf. Zemke et al., 2013, p. 18). A large number of clusters can be found in the literature. However, it can be stated that the transitions of scientific results are usually fluid and show only minor differences. (cf. Rump and Eilers, 2013, p. 53)

In general, it should be noted that only the majority is represented. The settings and values cannot be attributed to all persons of these birth years. (cf. Rump and Eilers, 2013, p. 48 f.) The socialisation of each individual, especially during the most influential years, plays a major role. Influencing factors include the social environment, the family's financial circumstances or even the upbringing of the parents and strokes of fate. (cf. Rump and Eilers, 2013, p. 49)

Nevertheless, similarities within a generation are recognisable, particularly due to cultural and political developments (cf. Rump and Eilers, 2013, p. 49). The
following table shows the generation clusters based on Mangelsdorf (2015, p. 13):

<table>
<thead>
<tr>
<th>Generations in Germany</th>
<th>Years of birth</th>
<th>Age groups (as of 2019)</th>
<th>Defining years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditionalists</td>
<td>1922-1945</td>
<td>74-97 Years</td>
<td>1933-1960</td>
</tr>
<tr>
<td>Babyboomer</td>
<td>1946-1964</td>
<td>55-73 Years</td>
<td>1957-1979</td>
</tr>
<tr>
<td>Generation X</td>
<td>1965-1979</td>
<td>40-54 Years</td>
<td>1976-1994</td>
</tr>
<tr>
<td>Generation Z</td>
<td>1996-?</td>
<td>23 Years and younger</td>
<td>2007-?</td>
</tr>
</tbody>
</table>

Illustration 2: Cluster of generations (Own Illustration based on Mangelsdorf, 2015, p. 13)

Beginning with the Traditionalists with the years of birth from 1922 to 1945, a generation emerge, which was marked by the world economic crisis and the Second World War (cf. Zemke et al., 2013, p. 4). The group is no longer active on the job market and is therefore not of interest in connection with employee retention (cf. Mangelsdorf, 2015, p. 13).

The Baby Boomer generation was born after the Second World War, in the period from 1946 to 1964, and grew up in a time of many opportunities and optimism (cf. Zemke et al., 2013, p. 4). The age group is therefore also called the economic miracle generation or post-war generation (cf. Rump and Eilers, 2013, p. 57). This is followed by Generation X with the birth years from 1965 to 1979, which are overshadowed by the baby boomers and play only a subordinate role in generation research (cf. Rump and Eilers, 2013, p. 55 f.; Zemke et al., 2013, p. 4). The fall of the Berlin Wall, the oil crisis and high divorce rates among parents have had a significant impact on the generation. In contrast to its predecessors, the generation is rather sceptical and pragmatic. (cf. Mangelsdorf, 2015, p. 22)

Generation Y, with the birth years 1980 to 1995 or, according to Zemke et al., to 2000, is also referred to as Digital Natives or Millennials (cf. Rump and Eilers, 2013, p. 57; Zemke et al., 2013, S. 120). The defining years are characterised in particular by an appreciative and protective education (cf. Zemke et al., 2013, p. 4). All age groups from 1996 onwards, or according to Zemke et al. from 2000 onwards, are named Generation Z. An explicit description of this generation is hardly possible at the moment, since only a few studies exist. (cf. Mangelsdorf, 2015, p. 20; Zemke et al., 2013, p. 120) Initial approaches show that freedom of information, networking, integrity and realism play an essential role (cf. Mangelsdorf, 2015, p. 23; Scholz, 2014, p. 38). According to Mangelsdorf, Generation Z is still "in search of its own drive for professional life" and "wants a secure job [...] that is fulfilling and fun" (Mangelsdorf, 2015, p. 23).

The main focus of research is currently on the generations Baby Boomer and Y. One reason for this is the small number of representative studies on Generation Z. Moreover, the Baby Boomer generation currently represents the largest share of employees in the job market. Zemke et al. further explain that almost 25 percent of the world population consists of Generation Y. (cf. Mangelsdorf, 2015, p. 15; Zemke et al., 2013, S. 122). It is essential both for leaders and HR to develop an understanding for the generations and their needs, especially due to current and future demographic changes. Therefore, the characteristics of the younger generation (Y) and the older generation (Baby Boomer) will be examined in detail below (cf. Mangelsdorf, 2015; Rump and Eilers, 2013; Scholz, 2014; Zemke et al., 2013).
Characteristics of the generation Baby Boomer

The characteristics of the Baby Boomer are shaped by the education of their predecessors, the traditionalists. This is characterized by conformity, respect for authority and altruism and is reflected in diligence, discipline and obedience. (cf. Mangelsdorf, 2015, p. 14) The Baby Boomers grew up in the post-war period. This is attributed to prosperity, optimism, growing stability and unexpected perspectives. (cf. Mangelsdorf, 2015, p. 14) School or university degrees and high career goals gained in importance in order to meet parents' expectations (cf. Mangelsdorf, 2015, p. 14). The generation grew up with traditional role distributions and clear hierarchical structures (cf. Mangelsdorf, 2015, p. 14; Rump and Eilers, 2013, p. 79).

More than three million of the Baby Boomers were born in the second decade, i.e. approximately between 1950 and 1960 (cf. Zemke et al., 2013, p. 72). Differences between the younger and older Baby Boomer can be seen in both education and the world of work. In particular, the classic distribution of roles declined in the 1950s. (cf. Zemke et al., 2013, p. 72 ff.) In addition, a clear change is visible in the world of work. According to Mangelsdorf, a development away from a "homogeneous, patriarchal environment" and towards "an environment characterized by more diversity" can be observed. (Mangelsdorf, 2015, p. 15) Women increasingly decided in favour of higher educational qualifications and less in favour of the classical distribution of roles. In addition, an increasing number of guest workers from other countries came to Germany. These aspects show the first signs of more diversity in the world of work. (cf. Mangelsdorf, 2015, p. 15)

The current age of the Baby Boomer generation is between 55 and 73 years (cf. Mangelsdorf, 2015, p. 13). This age group is thus increasingly leaving the job market. The transition to retirement is particularly important for those still in employment. (cf. Rump and Eilers, 2013, p. 77) The post-war generation has a great deal of experience and expertise in its field and has strongly influenced organisations and their structures (cf. Rump and Eilers, 2013, p. 77). The difficulty for companies is to pass on the knowledge gained by the older generation to the younger generation (cf. Angeli, 2018, p. 349).

Characteristics of the Generation Y

Generation Y, also called Digital Natives or Millennials, is the first age group which grew up with digital media. This includes tablets and smartphones as well as social networks and blogs. (cf. Zemke et al., 2013, p. 120) Due to their multimedia presence, Generation Y questions their future (cf. Rump and Eilers, 2013, p. 18). Global warming and natural catastrophes as well as terrorism are part of this and have had a lasting impact on the generation (cf. Rump and Eilers, 2013, p. 18). Generation X reacted to these events with frustration and resignation. In contrast, Generation Y is countering this development with a positive attitude towards life. Their top priority is to have fun and enjoy life. (cf. Rump and Eilers, 2013, p. 18)

The parents of Generation Y received limited attention in education. In order to do better themselves, the children were brought up in the opposite way. (cf. Mangelsdorf, 2015, p. 18) According to this, Generation Y received the best possible support from its parents, both in terms of education and material resources. They learned to express their opinions early on and were brought up to have a voice in decision making. (cf. Mangelsdorf, 2015, p. 18) A consequence is the high expectations and demands that the generation places on the world of work (cf. Mangelsdorf, 2015, p. 18). In comparison to the Baby Boomer, this age group does not sacrifice itself completely for the job. Rather, the personal goals and the search for meaning are in the focus. Work is seen as part of self-realization. If the personal goals are not compatible with the work, they will leave. (cf. Mangelsdorf, 2015, p. 23) However, the increased possibilities for shaping one's life also lead to a certain pragmatism among the younger generation. The pressure to maintain the social level of the parental home is high. (cf. Rump and Eilers, 2013, p. 73 f.) Conspicuous characteristics of the age group are self-confidence, collaborative learning and communication as well as goal and result orientation
The preceding overview of the two generations serves as a foundation for understanding their nature, characteristics and needs. As the comparison shows, the gap between the generation Baby Boomer and Generation Y is large. Generations have different views on both professional and social issues. In order to retain both age groups in the company, generation-specific measures are necessary. The following section shows some hands-on measures which address the respective generation and can be included into the practices of HR as well as leadership.

**Generation-specific tools to improve employee retention**

In order to balance the different views of the generations, generation-specific tools, that can improve employee retention are shown below. The research results of the Hays Study and the Global Workforce Study as well as important results from relevant literature are included. The tools are limited to work situation-related factors, because according to Westphal and Gmür the organisation-related factors have less influence on the feeling of commitment. Consequently, the following central fields of action arise:

**Leadership.** Starting with the leadership factor, it can be stated that the Baby Boomer attaches importance to personal communication. Rump and Eilers recommend a communication that takes a holistic view and e.g. also considers private matters. The cooperation and interaction between manager and employee is in the focus. For Baby Boomers, individual consideration and personal communication are just as much a part of a good management style as clear structures and a certain seriousness. Personal communication means communication "face to face" so non-verbal gestures can also be perceived. According to Mangelsdorf, virtual leadership is "unusual and difficult to imagine for the Baby Boomer generation".

**Work-life balance.** With regard to the work-life balance, Baby Boomers would particularly like to see measures related to health care, social care and models for a flexible transition to retirement. In the context of health promotion, on the one hand, ergonomic and age-appropriate workplace design and the individual design of free space and support in difficult life situations are mentioned. On the other hand, health programmes are desired. A workplace programme can e.g. serve to sensitize employees to health issues. Rimser mentions "impulse presentations" as a way of providing information on nutrition, drinking behaviour or break times.
Voelpel et al. explain the health programme of the Coors brewery as a "Best Practice" example (cf. Voelpel et al., 2007, p. 185). To promote the physical health of its employees, the company offers, for example, fitness programmes, a health coach and a medical centre with therapy facilities on the company campus (cf. Voelpel et al., 2007, p. 185).

In order to be able to combine social care, such as caring for family members, with work, the Baby Boomers would like to reduce their workload (cf. Rump and Eilers, 2013, p. 239). Possible measures include arranging individualised working hours (cf. Voelpel et al., 2007, p. 218). In addition, a gradual transition to retirement is of major importance for the generation (cf. Mangelsdorf, 2015, p. 160). A possible instrument for making retirement flexible is partial retirement (cf. Rimser, 2014, p. 146). Employees over the age of 55 can reduce their previous working hours to up to 50 percent with a wage adjustment of at least 70 percent. This enables employees to gradually enter retirement. (cf. Rimser, 2014, p. 146)

**Career and development opportunities.** Rump and Eilers pick up on the fact that Baby Boomers are less likely to seek professional changes or career goals (cf. Rump and Eilers, 2013, p. 239). According to a survey conducted by the "Deutschen Universität für Weiterbildung", only 17 percent of respondents aged between 56 and 65 consider career and development opportunities to be "very important" (Rump and Eilers, 2013, p. 236). The learning behavior of the Baby Boomers differs significantly from that of the Digital Natives (cf. Rimser, 2014, p. 157 f.). It is recommended that the following aspects be taken into account in continuing education measures: slow learning, self-explanatory teaching materials, "on-the-job" offerings and self-directed forms of learning (cf. Rimser, 2014, p. 158).

**Material incentives.** In the context of material incentives, Rump and Eilers exclusively address the "performance-related remuneration" (Rump and Eilers, 2013, p. 236). Since the older generation is usually in a financially secure position, there are hardly any opportunities for motivation through pay.

As a result, the age group prefers compensatory time off and recognition rather than material incentives. (cf. Rump and Eilers, 2013, p. 237) Mangelsdorf similarly mentions status and titles as preferred "recognition mechanisms" (Mangelsdorf, 2015, p. 128). In addition, Baby Boomers argue that pay should be classified according to the criteria of diligence and length of employment (cf. Mangelsdorf, 2015, p. 136).

In summary, based on the literature analysis carried out, the following hands-on tools can be proposed which concern factors related to the work situation:

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**Illustration 4: Practical tools for the generation Baby Boomer (Own Illustration based on Mangelsdorf, 2015; Rump and Eilers, 2013; Voelpel et al., 2007)**

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**Tools for the Generation Y**

*Leadership.* Generation Y prefers a leadership style that expresses appreciation. This can be achieved e.g. in the form of a periodical feedback system. It is important to ensure that managers express feedback honestly, individually and proactively. (cf. Rump and Eilers, 2013, p. 187 ff.) The age group wants to be rewarded for commitment and performance and prefers a manager who acts as a coach and mentor rather than giving instructions. (cf. Mangelsdorf, 2015, p. 85; Rump and Eilers, 2013, p. 187 ff.) Rump and Eilers assume that room for flexibility, trust and freedom of decision in the context of leadership strengthen the commitment effect. Other aspects described in dealing with digital natives are communication at an equal level as well as respect for one another and less hierarchical thinking (cf. Mangelsdorf, 2015, p. 189 f.). The generation has grown up with digital media and social networks. For them, virtual leadership is the norm. (cf. Mangelsdorf, 2015, p. 84).

*Work-life balance.* Rump and Eilers point out that Digital Natives are aware that they live in a performance-oriented society and that goals can be achieved through motivation and commitment (cf. Rump and Eilers, 2013, p. 190). But surveys also show that status and career are less important to the age group than a good work-life balance (cf. Rump and Eilers, 2013, p. 191). In the literature, a number of approaches and instruments for balancing one’s work and private life can be found. Thiele suggests flexible working time models as well as teleworking and family-oriented measures. (cf. Thiele, 2009) In addition to common options such as flexitime and working time accounts, studies show that there is a great demand for sabbaticals or job sharing (cf. Towers Watson, 2014, p. 2).

A sabbatical is a longer period of time off work and should be understood as a kind of long-term leave. This can take a period of up to twelve months. Remuneration is agreed individually. For example, an employee may accumulate overtime which is then reduced in one piece, or companies may grant unpaid leave for several months. Thiele emphasizes the high retention effects of this instrument. (cf. Thiele, 2009, p. 78)

The expression job sharing refers to the sharing of a full-time job between two employees. The split does not have to be in the ratio 50:50, but can also be in the ratio 70:30, for example. The advantage compared to classic part-time models is that employees can adjust their working times at any time according to their individual needs. This makes it easier and more flexible to combine work and private life. Further benefits of job sharing include more effective compensation in the case of illness and the opportunity to have two employees sharing a job whose competencies complement each other. (cf. Thiele, 2009, p. 80)

Other instruments that contribute to balancing work and family life include company childcare and employee-friendly re-entry schemes after parental leave (cf. Thiele, 2009, p. 87 ff.).

*Career and development opportunities.* In order to support Generation Y in its development and on its career path, Mangelsdorf recommends "offering various options from which they [the employees] can make their own choice instead of deciding for them which measure is most suitable. (Mangelsdorf, 2015, p. 102). The measures with regard to career and development opportunities can range from project tasks, assignments abroad, mentoring, coaching to workshops, seminars, job enlargement, job enrichment and job rotation (cf. Mangelsdorf, 2015, p. 102 ff.). Compared to other generations, the Generation Y shows particular interest in international assignments, e-learning and job rotation. For this reason, the three measures are explained in detail. (cf. Mangelsdorf, 2015, p. 111)

An international assignment is an expensive and time-consuming measure. Therefore, it should only be used in selected cases. Whether or not an employee is eligible for an assignment depends on the phase of his or her life. If the employee has no responsibility for children or other family members, this step is easier. For this reason, the measure is attractive for young people, such as Generation Y. (cf. Mangelsdorf, 2015, p. 103 f.) According to Mangelsdorf, e-learning describes "all forms of electronically supported learning" and represents a comparatively cost-effective measure for companies (Mangelsdorf, 2015, p. 105). Advantages are the individual adaptability of the learning pace as well as a flexible time and location for learning. Generation Y prefers learning by using animated videos, simulations, etc. (cf. Mangelsdorf, 2015, p. 105).

Job rotation describes the "systematic change of jobs or tasks within the company" (Mangelsdorf, 2015, p. 108).
This supports the development of competencies and offers a varied range of tasks (cf. Mangelsdorf, 2015, p. 108). The intervals of the rotation can be adjusted individually. Especially for younger employees, this measure is particularly suitable for improving competencies such as logical thinking or problem-solving skills through varied tasks. (cf. Mangelsdorf, 2015, p. 108 f.)

Basically, according to Rump and Eilers, it must be taken into account that Generation Y attaches particular importance to "lifelong learning", challenging tasks, professional career opportunities and "work that is fun" (Rump and Eilers, 2013, p. 182).

**Material incentives.** With regard to material incentives, like remuneration, Rump and Eilers note "that compared to many older workers who [...] experienced an increase in their pay as they became older", the younger generation takes a high starting salary for granted (Rump and Eilers, 2013, p. 185). Mangelsdorf also points out that annual target agreements and reward incentives have no effect on the younger generation. Instead, digital natives in the networked world prefer regular and timely evaluations. (cf. Mangelsdorf, 2015, p. 132)

For Generation Y, the following hands-on tools can be presented in an overview based on the previous analysis:

![Illustration 5: Practical tools for the Generation Y (Own Illustration based on Mangelsdorf, 2015; Rump and Eilers, 2013; Thiele, 2009)]

All in all, there are a range of hands-on tools, especially in the area of work-related factors, which can strengthen the retention of employee to the company in a generation-specific way.

However, the company must always be considered individually, as not all measures can be implemented in every organisation. Based on this, suitable measures can be selected, which are in harmony with the corporate culture and other aspects.
Conclusion

Both the Gallup study as well as Thiele take up the current challenges facing companies: The shortage of skilled workers, demographic changes and the cost of high employee turnover or internal redundancies (cf. Nink, 2018; Thiele, 2009). In order to counteract the negative developments, it is essential to bond top performers and talents within the company (cf. Wolf, 2016, p. 46 f.). In the context of demographic change, Rump et al. describe the "increasing value diversity of the generations" (Rump et al., 2012, p. 3). The analysis of the characteristics of the individual generations confirms this (cf. Mangelsdorf, 2015; Rump and Eilers, 2013). Based on strongly differentiated views of the generations, the necessity of generation-specific ERM can be deduced (cf. Mangelsdorf, 2015; Zemke et al., 2013). It should be added that the generation clusters reflect an overall picture. The analysed expectations cannot be transferred to every person. Rather, managers need a feel for the needs of each individual employee. The generation clusters provide initial pointers, but do not replace personal discussions. (cf. Rump and Eilers, 2013) The retention of an employee can be influenced not only at the organisational level but also, in particular, at the work situation-related level. Therefore, the following factors can be used to strengthen the bond: Leadership, work-life balance, career and development opportunities and material incentives. (cf. Rimser, 2014; Westphal and Gmür, 2009) Within the framework of the four fields of action, a number of generation-specific tools are up for discussion. Finally, the approaches in the area of work-life balance as well as career and development opportunities are particularly worth highlighting. (cf. Mangelsdorf, 2015; Rump and Eilers, 2013; Thiele, 2009; Voelpel et al., 2007) While career and development opportunities play a considerable role for Generation Y, the interest of the Baby Boomer generation in this area is rather low. Instead, the older generation is more interested in reducing their workload. (cf. Rump and Eilers, 2013, p. 236) Incentives in the area of work-life balance are therefore essential to secure the knowledge and expertise of the generation Baby Boomer. Among other things, the older generation would like to have health promotion measures such as fitness programmes. (cf. Rimser, 2014, p. 119 f.; Rump and Eilers, 2013, p. 248) Nevertheless, Generation Y is also interested in instruments in the area of work-life balance. However, these differ from the older age group. The generation expects, for example, measures to combine work and family life through flexible working hours. (cf. Rump and Eilers, 2013, p. 190 ff.)

It is still questionable whether such a differentiated consideration of individual expectations can be implemented in practice. In order to answer this aspect clearly, further research is needed. In the years ahead Generation Z will also become more and more present on the job market (cf. Mangelsdorf, 2015; Scholz, 2014). To what extent the expectations, attitudes and values towards Generation Y differ and what developments this entails in the context of employee calls for further analysis.
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