

# From Millennials to Zoomers: Crafting Employee Retention Policies

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## Abstract

Employee retention policies are often deployed by institutions with the intent to retain such employees in an organisation whose departure may be detrimental to the institution. Voluntary attrition of skilled and well-trained resources from a firm is a loss for the latter as with the employee the firm loses not only a talented individual but also the opportunity to recover the investments that were made on such individuals during the hiring, onboarding, training and other such processes. In general, an individual enters an employment to achieve a position wherein they can satisfy their own needs and desires. For a retention intervention to be successful, the same must be framed taking into consideration such relevant needs of the employees. The contemporary ITES sector is dominated by employees belonging to generation Y and Z. Generation Y and Z individuals are also known as Millennials and Zoomers respectively. In our research we have tried to understand and compare the significant needs harbored by employees of the generation Y (millennials) and Z (zoomers), working in different ITES organisations of the city of Kolkata, the same. The findings will help policy makers frame better and more relevant employee retention policies.

**Keywords:** Generation Y, Generation Z, Employee Needs, Retention Intervention, Kolkata

## 1. Introduction

India is the most populated nation in the world. As of 2022, NASSCOM reported that a large part of India's population, roughly 52%, comprises of members of generations Y and Z. The same report also mentioned that about 90 % of the ITES employee pool also is comprised of the same pool of population. The ITES sector has been a boon for such young individuals who has the ability to absorb latest technical knowledge and put the same to use for the benefit of business and own self. In contemporary reports published in various dailies like The New India Express (2025) amongst others, it has been highlighted that the voluntary attrition rates across major IT firms in India have spiked. Such spikes not only damage the image of a firm but also their bottom line by impacting public confidence. Exit of a talented employee from any firm is a major setback for the latter since along with such individuals, the firm often loses access to many unique skills and qualities which were associated with such individuals along with the chance to reap the benefits of all the investments that the firm had made on the hiring, onboarding and training of such individuals. To avoid such situations, organisation policymakers often design retention interventions through which they expect to retain such valuable talent. But without having proper understandings of the demands that such individuals have in general, the source of which is often influenced by the nature and

characteristics of the concerned generations, the interventions fail to achieve desired results. Through this study we have tried to understand and analyse the specific needs of the employees belonging to the different generations under consideration and the impact of such needs upon the intention to attrite in such individuals.

**2. Literature Review**

At the initiation of the study, we referred to multiple literature to gather an understanding regarding the attributes and characteristics associated with the members of the generation Y & Z individuals.

Roughly individual’s born in the 1980s till mid 1990’s are known as generation Y or millennials (Dimock, M. 2019. Pew Research Center). Table:1 captures some of the observation of erstwhile researchers regarding the Millennials.

**Table:1 – Characteristics of Generation Y (Millennials)**

<b>Characteristics / Traits of Generation Y (Millennials)</b>	<b>Researcher Details</b>
Strong preference for <i>meaningful work and engagement</i>	Adkins, A. (2016)
Desires <i>autonomy and empowerment in career decisions</i> , reflecting self-directed career attitudes	Aydogmus, C. (2018)
Emphasises <i>teamwork, collaboration, and participative communication</i>	Au-Yong-Oliveira, M., et al. (2018)
Expectation of <i>transparency, authentic leadership, and open communication</i> in the workplace	Akmalaputri, R., et al. (2018)

Similar study was undertaken to gather an understanding of the characteristics of Generation Z individuals who are those individuals who are born between the mid-1990s till about 2010 (Dimock, M. 2019. Pew Research Center). Table:2 displays the observation of researchers regarding characteristics displayed by gen Zs.

**Table:2 – Characteristics of Generation Z**

<b>Generation Z Characteristic Trait</b>	<b>Researcher Details</b>
Deep integration with technology	Alruthaya, A. Nguyen, T.T. & Lokuge, S. (2021)
Preference for <i>work-life balance</i> and meaningful work values	Gabrielova, K.& Buchko, A. A. (2021)
<i>Entrepreneurial</i> and innovative mindset	Carter, T. (2018)
<i>Short attention span</i> and preference for <i>quick information processing</i>	Bejtkovský, J. (2016)

**3. Research Methodology**

The research was conducted upon the primary data that was collected through a survey conducted utilizing google forms shared with respondents chosen via simple random sampling from the ITES employees of Kolkata which constituted the target population.

The questionnaire had around 40 questions to capture the opinions of the respondents over a Likert scale. Out of the 345 respondents, 144 were zoomers and the rest were millennials.

The main employee needs were identified through principal component factor analysis whereas the significance of the impact of such factors over attrition intentions of such employees was tested through ANOVA.

Software like SPSS was utilised for the analysis.

#### 4. Data Analysis

Table: 3 shows the factors that were in demand among the Millennial employees of Kolkata’s ITES sector, that if not provided may lead to their eventual voluntary attrition; identified through principal component factor analysis.

**Table: 3 – Needs of Millennial Employees**

Factor Count	Factor	Contribution
1	Compensation	4.854 of 19.414%
2	Clarity & well-being	4.500 of 18.000%
3	Employee Health & Transportation	2.998 of 11.992%
4	Employee Engagement	2.946 of 11.902%
5	Work Location	2.799 of 11.195%
6	Career Growth	2.562 of 10.247%

The KMO value for this PCA was at .817 with a significance of .000.

Table: 4 shows the factors that were in demand among the Gen Z employees of Kolkata’s ITES sector, that if not provided may lead to their eventual voluntary attrition; identified through principal component factor analysis.

**Table: 4 – Needs of Gen Z Employees**

Factor Count	Factor	Contribution
1	Compensation	5.958 of 17.022%
2	Clarity	3.695 of 10.588%
3	Personal Wellbeing	3.403 of 9.722%
4	Uncertainty	3.148 of 8.995%
5	Leadership Connect	3.070 of 8.771%
6	Feedback	2.876 of 8.218%
7	Empowerment	2.055 of 5.872%
8	Career Growth	1.917 of 5.478%
9	Freedom	1.906 of 5.446%

The KMO value for this PCA was at .773 with a significance of .000.

To understand whether each of the factors have significant impact on the *Intention to Attrite* (IoA) amongst the respective groups of responders ANOVA was performed.

Table: 5 till table Table:13 captures the ANOVA results comparing the identified needs and the dependent variable ‘*Intent to Attrite*’ (IoA) amongst the *Gen Y employees* surveyed during my research.

**Table: 5 - ANOVA (Compensation vs Intent to Attrite)**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	100.638	11	9.149	13.250	0.000
Within Groups	191.267	277	0.690		
Total	291.905	288			

**Table: 6 - ANOVA (Clarity & Well-being vs Intent to Attrite)**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	78.069	17	4.592	5.820	0.000
Within Groups	213.836	271	0.789		
Total	291.905	288			

**Table: 7- ANOVA (Uncertainty vs Intent to Attrite)**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	69.530	23	3.023	3.602	0.000
Within Groups	222.375	265	0.839		
Total	291.905	288			

**Table: 8 - ANOVA (Leadership Connect vs Intent to Attrite)**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	48.232	11	4.385	4.984	0.000
Within Groups	243.673	277	0.880		
Total	291.905	288			

**Table: 9 - ANOVA (Freedom vs Intent to Attrite)**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	54.164	6	9.027	10.708	0.000
Within Groups	237.741	282	0.843		
Total	291.905	288			

**Table: 10 - ANOVA (Ambition vs Intent to Attrite)**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	88.861	10	8.886	12.166	0.000
Within Groups	203.044	278	0.730		
Total	291.905	288			

Table: 11 till Table:19 captures the ANOVA results comparing the identified needs and the dependent variable '*Intent to Attrite*' (*ITA*) amongst the *Gen Z employees* surveyed during my research.

**Table: 11 - ANOVA (Compensation vs Intent to Attrite)**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	33.178	9	3.686	3.757	0.000

Within Groups	131.482	134	0.981		
Total	164.660	143			

**Table: 12 - ANOVA (Clarity vs Intent to Attrite)**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9.470	6	1.578	3.934	0.001
Within Groups	54.967	137	0.401		
Total	64.438	143			

**Table: 13 - ANOVA (Personal Wellbeing vs Intent to Attrite)**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	26.113	8	3.264	3.181	0.002
Within Groups	138.547	135	1.026		
Total	164.660	143			

**Table: 14 - ANOVA (Uncertainty vs Intent to Attrite)**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	51.795	25	2.072	2.166	0.003
Within Groups	112.865	118	0.956		
Total	164.660	143			

**Table: 15 - ANOVA (Leadership Connect vs Intent to Attrite)**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	31.056	7	4.437	4.516	0.000
Within Groups	133.604	136	0.982		
Total	164.660	143			

**Table: 16 - ANOVA (Feedback vs Intent to Attrite)**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.732	6	1.289	1.125	0.351
Within Groups	156.927	137	1.145		
Total	164.660	143			

**Table: 17 - ANOVA (Empowerment vs Intent to Attrite)**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	25.971	13	1.998	1.873	0.039
Within Groups	138.689	130	1.067		
Total	164.660	143			

<b>Table: 18 - ANOVA (Career Growth vs Intent to Attrite)</b>					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	43.152	7	6.165	6.900	0.000
Within Groups	121.508	136	0.893		
Total	164.660	143			

<b>Table: 19 - ANOVA (Freedom vs Intent to Attrite)</b>					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	23.265	5	4.653	4.541	0.001
Within Groups	141.395	138	1.025		
Total	164.660	143			

### 5. Data Interpretation

The ANOVA results in Tables 5 to 10 reveals that all the 6 sets of factors that were discovered by PCA test and are mentioned in Table: 3 have a significant impact on the attrition intentions of the millennials working in the ITES sector of Kolkata.

Again, the ANOVA results in Tables 11 to 19 reveals that out of the 8 sets of factors that were discovered by PCA test and are mentioned in Table: 4 have a significant impact on the attrition intentions of the zoomers working in the ITES sector of Kolkata. However, Factor 6 (Feedback) of the table, have failed to register any significant impact on ITA amongst this pool.

A details analysis of the contributions of each factor, mentioned in Table: 3 reveals that compensation has the most significant amongst all the factors. This is common for responders from both the generations surveyed. This highlights the strong emphasis attached by employees across generation on the receipt of appropriate value for their work and talent. The ITES firms are recommended to ensure that they always keep their payments in parity with the prevailing markets rates for the concerned talent and to ensure that regular HR audits is a must.

Factors 2 and 3 for the zoomers are very similar to the Factor 2 in case of the millennials. Clarity at workplace and well-being are very important aspects in the lives of the pools of employees concerned. Both these generations are health conscious, and they are not willing to compromise regarding the same; this is evident from these data. In case of the younger generation the correlation between Clarity at work and personal wellbeing is lower than that in case of the millennials, thus they appear together as a single factor for them. This is an indication of the fact that for the millennials, clarity at work impacts their personal wellbeing unlike the gen Zers.

Factor 3 of Table: 3 highlights the importance the millennials, who slowly are becoming the senior employees both in age and in tenure, associates with employers' contributions related to employee health and safety by attaching significance with the factor concerning Employee Health insurance and transportation facilities. Such importance is not attached with these factors by the zoomers who are young and focuses more on today than the millennials.

For the millennials, who are slowly adapting to the ways of the new gen Zers as well as the new technologies that are getting introduced in the ITES sector, meaningful engagements in workplace is a major way of coping with the same. The significance associated with Factor 4 in Table:3 is an indication of the same.

The fourth factor that impacts ITA for the zoomers is a sense of uncertainty. According to the data, the zoomers need a clear understanding of every professional aspect, else they may contemplate separating from such work environment.

Most millennial employees today have their own families and thus they often prefer such organisations that allow them flexibility with regards to their place of work. Factor 5 in Table:3 is an indication of the same.

For the zoomers, the fifth significant factor that influences their ITA is the frequency and opportunity to have meaningful and positive connect(interactions) with their leaders, whom they like to look up to. The zoomers desire leaders who will connect with them freely and will guide them to realise their potentials. Last significant factor that influences ITA in case of the millennials is the career growth (Factor 6, Table:3) prospectives that an organisation offers. Most millennials who are now transitioning into mid to senior levels of management often face stagnancy in their careers because of lack of availability of senior managerial(leadership) roles in respective organisations and thus they often are attracted to attrite from existing organisations and join such new organisations that offer them their desired roles.

The zoomers have been observed to seek authority and the freedom to make choices in their workplace regarding their actions. It is also observed that they expect quick career growth based on their capabilities. The zoomers also hate red tapes, they are interested more in careers where progress happens based on skills and not tenures. The desire of the zoomers to be empowered and freedom and achieve higher positions in workplace based on skill and not tenure (as is the norm in many erstwhile organisations) are reflected in Factors 7, 9 and 8 of Table: 4 respectively.

## 6. Conclusion

India's economic success and her desire to be a developed nation by 2045 can only be achieved if her organisations perform to the best of their potentials and that can only happen if the organisations can ensure a workplace where the different generations of employees can come together to collectively function and deliver quality results. Outflow of talent from amongst the millennials working in the ITES organisations will negatively affect the institutes since it is these millennials who often laid the foundation of the present technological frameworks that exist in the ITES sector. Without ensuring a smooth transfer of knowledge and skills from the millennials to the new generation of Gen Z employees, organisations will never be able to secure their desired future success. Thus, it is imperative for ITES organisations to ensure they create a work environment where not only the experienced millennials are comfortable to work but that environment also attracts and retains the new generation of Generation Z employees. The findings of this study will help the organisations with the latter and there lies the utility and significance of the study.

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