

Generation Y and the most Attractive Benefit

Jiří Duda

Abstract: *The article presents the partial results of research on the requirements of students, members of the Generation Y, in providing employee benefits. The research was conducted in the period between 1998-2014 among master students of the Faculty of Agronomy and the Faculty of Business and Economics of Mendel University in Brno. The paper compares the frequency of the most preferred benefits (top ten) for the entire period of research and the last 5 years. The results show that the top ten are benefits are basically the same, with the exception of the flexible working hours, which got to the top 10 in the last 5 years. Another benefit that has been more demanded in the last 5 years, are the sick days (a few extra days off). The most desired benefits regardless of the faculty studied include contribution to corporate catering, additional salary (extra wage), and the possibility to use the office car for private purposes. Throughout the whole research period these three benefits held a top-three place in the popularity of benefits. Compared with the results of the last 16 years, the benefit of an additional week of vacation becomes more frequently demanded in the last 5 years. The paper also compared the resulting requirements of students with the benefits provided by employers presented in the surveys of the company Profesia and company NN.*

Key words: Employee benefits · Generation Y · student

JEL Classification: J32 · D22

1 Introduction

The notion of Generation Y first appeared in 1993 in the journal Advertising Age and marked a generation of children born in 1985-1995 (Constantine, 2010). However, we also meet with the resource that gives birth to the years 2000 to 2004 (eg. Clark, 2007; Beekman, 2011, and others). Strauss and Howe (2010) define the border born in the years 1982 - 2004. Alexander & Sysko (2012) even state border born in 1982 - 2009. For Generation Y we can also arise with different names of this generation. These include the Internet and the digital generation, the click generation, echo boomers (Balda, 2011; Kopecký, 2013). Mainly in the USA (eg. Evans, 2011; Jayson, 2006), the Millennials (Children of the millennium) is often used the name of Generation Y. Most of Generation Y is entering to the labor market right now and if the employers want to attract the best talent workers, they have to adapt to their requirements not only for its recruitment policy but also its approach to these young workers. According Kociánová (2012) the people of Generation Y should form the bulk of the working age population till 2025. Young people see modern technology as a normal part of their lives and they want to use them. In addition, they are also flexible and eager to be judged by the results of their work, regardless of when, where and how they execute it. Also Bannon (2011) and Kubatová & Kukelková (2013) are considering Generation Y workers more flexible than previous of workers Generation X.

The authors Stojanová (2015), Hershatter (2010) and Tulgan (2009) point out that the requirements of Generation Y at work the market is very specific, the future employers must take into account potential for it. According to them, this generation values most long-term education, followed by gaining experience in the areas covered by their company. Generation Y emphasizes to the long-term effect, not only at work but also in his personal life, education, investments, prefers the efficiency of time and resources. By Kopecký (2013) the companies should concentrate on the formation of incentive programs, attractive working environment and a comprehensive system of human resource management. Acquisition, motivating and retaining of the best workers it will be important to deal with Generation Y employees alike, as the company treats its customers. The company Hays (2013) conducted a survey, which examined the factors influencing generation Y when choosing their future employer. The results showed that most affect the ability of training and development programs, employee benefits and time flexibility in employment. Important factors are also the possibility of rapid progress in their career and well-defined career path. The opposite opinion has Vysekalová (2011), according her, this generation does not seem to know exactly how their career should look like, but they are much more demanding in their requirements for employers.

Benefits are by many authors (DeCenzo, 1999; Dulebohn, 2009; Dvořáková, 2007) an essential part of a functioning program, employee motivation, because they have a significant impact on whether the employee will remain in the company. Except the benefits, for attracting of new employees there are the important characteristics of the company - eg. a good working atmosphere, career advancement (Backes-Gellner & Tuor 2010). Benefits also become possible reason to accept a job offer contender. Horská (2009) contends that the benefits considered as hygiene factors Herzberg et al. (2004). According to the author, if the benefit is withdrawn, there leads to demotivation of employee. This view is supported by research Vnoučková (2014). Benefits are also less demanding than the economic exploitation of wages, because many benefits are tax-supported (eg. Hammermann, 2014; Macháček, 2013; Duda, 2011; Grubb and Oyer 2008).

The article presents the partial results of research on the requirements of students, members of the Generation Y, in providing employee benefits. The research was conducted in the period between 1998-2014 among master students of the Faculty of Agronomy and the Faculty of Business and Economics of Mendel University in Brno. The aim of this work is identify and compare the frequency of the most preferred benefits (top ten) for the entire period of research and the last 5 years. The aim is paper also compared the resulting requirements of students with the benefits provided by employers presented mainly in the surveys of the company Profesia and company NN.

2 Methods

Over the years participated in the survey a total of 1,442 students of Faculty of Agronomy and 2,274 students of the Faculty of Business and Economics. Numbers of students in respective years of research were ranged from 175 to 321 students. This corresponds to approx. 70-90% of all students studying the 5th grade of the faculty. Survey was carried in seminars on the subject Management (students of AF) and Human Resource Management (students of FBE). For detecting information was used questionnaire. The students had spontaneously identify up to 5 most important advantages that they requested by their potential employers. These benefits should also indicate the order of importance (1-5 place) provided benefits. During the monitored period, students identified a total of 51 employee benefits. It was selected the ten most preferred benefits for each year of research. In Tables 1 and Tables 2 can be seen in the order of top ten benefits, which was compiled on the basis of the frequency of placement in the top 10, respectively 5 most desirable benefits for each year of the survey. In case of equal number of counts with 10 benefits decided on the order of placement benefit in the five most preferred benefits.

For comparison, the order of preference of employee benefits has been used Spearman's rank correlation coefficient given in Stávková (2004). Coefficients characterized by the value of the Spearman correlation coefficient with the response of students indicate the order of answers of ten most desirable employee benefits. The more the two respectively match the more this ratio approaches 1, the more the two opposite order the more closer to -1. Research is carried out continuously, in the paper are used data from the years 1998 to 2014.

$$r_s = 1 - \frac{6 \cdot \sum_i (a_i - b_i)^2}{n \cdot (n^2 - 1)} \quad (1)$$

where:

r_s

a_i are the serial numbers of students of the Faculty of Business and Economics,

b_i are the serial numbers of students of the Faculty of Agronomy

n the number of benefits

3 Research results

As can be seen on Table 1, students regardless of the faculty studied, usually requiring a trio of identical employee benefits - contribution to corporate catering, additional salary (extra wage), use of company car for private reasons. These three benefits are considered by students of both faculties as are very important, indispensable. Students prefer throughout the whole research almost identical benefits. The top ten ranking benefits differ by only one benefit. Students of FBE to top the assigned benefit "employee professional development," students of FA prefer benefit "share of profits". Among the students preferred the same benefits of both faculties in the top ten include employer cover language courses, extra holiday week, contribution to pension insurance, cellular phone for private use, contribution to recreation, contribution to life insurance. Students assign to benefits almost similar importance. Spearman rank correlation coefficient of benefits throughout the research is among the top ten benefits $r_s = 0.95$.

If we compare the students' demands, representatives of Generation Y, throughout the survey and the last 5 years, we can see that the top ten demands too much does not change, there is only a slight change. In the Table 2 we can see that among the very attractive benefits in the last 5 years there have been included benefits again - contribution to corporate catering, additional salary (extra wage) and use of company car for private reasons. In the forefront, compared with the results of the past 16 years, gets the benefit of the extra week of holiday. In the last 5 years the survey can observed, that the students started to prefer flexible working hours, which are generally getting into the top ten ranking, closely followed of benefit sick days. From the top ten benefits for students FBE dropped out benefit contribution to life insurance, the students FA in the top ten desist from contribution to recreation. Ranking individual benefits was little changed, students of both faculties agreed on eight benefits. Spearman correlation coefficient ranking benefits for the period 2009 - 2014 is $r_s = 0.667$. This number is lower than the observed value of the all research ($r_s=0.95$), but we can say that students of both faculties have similar views.

Table 1 The order of the frequency of the most desirable employee benefits – 1998 - 2014

Employees benefit	Rank FBE	Rank AF
Contribution to corporate catering	1	1 - 2
Additional salary (extra wage)	2	1 - 2
Use of company car for private reasons	3	3
Extra week holiday	4	6
Employer cover language courses	5	4
Contribution to pension insurance	6	5
Cellular phone for private use	7	7
Contribution to recreation	8	9
Contribution to life insurance	9 - 10	10
Employee professional development	9 - 10	*
Share of profits	*	8

Source: Own processing; * benefit is not in the top ten ranking

The importance of extra week holiday and flexible working hours confirms Kollerová (2014), which compared the development employee benefits provided in Czech Republic processed by Profesia 2007-2012. These benefits are ranked in the top five rankings provided benefits - were in second and third place. These two benefits according to this survey was available to 25% of the respondents. This research was attended by 66 374 respondents. The most provided employee benefit was contribution to corporate catering which has 44 % of respondents. In the top five were still contribution to pension insurance and cellular phone for private use. The use of benefits, that were available to more than 10 % of respondents, include the free drinks at the workplace, employee professional development and notebook for private reasons. Relatively high number of respondents (23%) hasn't any benefit.

Table 2 The order of the frequency of the most desirable employee benefits – 2009 - 2014

Employees benefit	Rank FBE	Rank AF
Contribution to corporate catering	1 - 4	1 - 3
Additional salary (extra wage)	1 - 4	1 - 3
Use of company car for private reasons	1 - 4	4
Extra week holiday	1 - 4	1 - 3
Cellular phone for private use	5	7 - 8
Contribution to pension insurance	6	5
Employer cover language courses	7	6
Contribution to recreation	8 - 9	*
Employee professional development	8 - 9	*
Flexible working hours	10	10
Share of profits	*	7 - 8
Contribution to life insurance	*	9

Source: Own processing; * benefit is not in the top ten ranking

In the Czech Republic the research requirements in the field of employee benefits are not too much. In long time company NN in collaboration with the Confederation of Industry of the Czech Republic (2015) are dealing with this problem. Results are shown in Table 3. Among the most commonly provided benefits include cellular phone for private use, employee's professional development, medical checks, drinking regime and contribution to corporate catering. Results also showed the following key findings: 99% of companies providing employee benefits and in the average they are providing 12 employee's benefits. Menu is raising less traditional benefits e.g. medical checks, sick days too.

Table 3 Employee benefits – 2010 - 2015

Employees benefit	2010	2011	2012	2013	2014	2015
Cellular phone	80%	84%	75%	87%	89%	88%
Employee professional development	70%	78%	82%	85%	81%	83%
Medical checks	-	-	-	75%	78%	77%
Drinking regime	71%	79%	71%	82%	75%	81%
Contribution to corporate catering	75%	68%	81%	82%	74%	72%
Use of company car for private reasons	75%	80%	75%	76%	74%	73%
Material donations / one-off rewards	57%	64%	64%	71%	71%	66%
Contribution to pension insurance	60%	71%	74%	68%	68%	77%
Contribution to life insurance	39%	54%	43%	53%	49%	60%
Contribution to sport	33%	32%	39%	40%	42%	35%
Additional salary (extra wage)	32%	37%	37%	39%	39%	47%
Contribution to health (vitamins etc.)	24%	31%	35%	36%	39%	36%
Contribution to culture	29%	28%	33%	41%	35%	42%
Employee loans	31%	32%	36%	38%	34%	40%
Vaccination against flu	24%	28%	25%	35%	27%	31%
Contribution to recreation	20%	24%	28%	32%	27%	30%
Sick day	-	-	-	30%	25%	33%

Source: NN (2015)

As can be seen from the foregoing, offer of companies in the provision of benefits is diverse and substantially conform to the requirements of students. Many employers offer contribution to corporate catering, which are among the most popular benefit for students. In a survey conducted by company NN there are not reported employee benefit an extra week of holiday, which is considered to be one of the most important employee benefit for the students. Probably this benefit is not collected by company NN. Significance of employee benefit an extra week holiday confirms the above exploration by company Profesia (Kolerová, 2014). In the offer from the companies there also were other benefits that are required by the students - employee professional development, use of company car for private reasons, contribution to pension insurance. Providing benefits contribution to corporate catering and contribution to pension insurance were confirmed by the survey Sodexo (2005). Contribution to corporate catering provided by this survey 70% of firms, contribution to pension insurance provides 36 % of companies. Employers also respond to new demands of Generation Y in working time flexibility and the benefit to be classified in its range of benefits. Also benefit sick days is more likely to appear in the menu of companies. According to Achieve Global (Lunsford, 2009), which dealt with motivational aspects of Generation Y, among the most important motivational aspects of Generation Y there are included employees' professional growth, allowing self-realization, personal stake in the success of the company and the flexibility of working time.

4 Conclusions

Generation Y is currently increasingly being applied in the labour market. The paper, based on long-term research, identifies the top ten most desired employee benefits. Respondents were students from Mendel University in Brno. Among the most attractive benefits included by students - Contribution to corporate catering; additional salary (extra wage); use of company car for private reasons; extra week holiday; cellular phone for private use; contribution to pension insurance; employer cover language courses; contribution to recreation; employee professional development; flexible working hours; share of profits; contribution to life insurance.

In the Czech Republic research requirements in the field of employee benefits are not too much. In the long term with this problem there are engaged the studies of the company NN and the company Profesia. From the results we can

say that employers provides the more employee benefits required generation Y. The most commonly provided benefits include contribution to corporate catering; cellular phone for private use; contribution to pension insurance; employee professional development. On the benefits provided by employers are beginning to discover the benefits that Generation Y is increasingly prefer - flexible working hours, employee professional development, and sick days. Generation Y is trying to strike a balance between their personal life and work life. Generation Y emphasizes the long-term effect, long-term training. Employers must remember that Generation Y has a little more different requirement in employee benefits than Generation X.

Acknowledgement

This paper was done within the project of Internal grant agency of Faculty of Business Economics and Management at the Mendel University in Brno for year 2015 (ID of project IGA PEF_TP_2015_010).

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