

# Traits of the millennial generation: Motivation and leadership

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## **Traits of the millennial generation: Motivation and leadership**

### **Objective of the study:**

The objective of the study was to examine the motivation drivers of millennial generation workers. A new generation referred to as millennials, is entering the work market. Academic literature has identified traits that millennials seem to possess stronger than their earlier generations. At the same time, the nature of the work market is changing. The present study aims to identify millennials' motivation drivers and give advice for leaders on how leadership can be adapted to these needs in order to maximize organizational commitment and performance.

### **Research method:**

The research method was qualitative. Ten semi-structured research interviews were conducted with people who represented the target group. The data was collected in May 2015.

### **Findings and conclusions:**

It seems that the millennial generation workers value and require different traits from their work than the earlier generation. Personal and professional growth is important for them. Their motivation drivers for organizational commitment consists of, for example, high level of feedback, personalized attention, empowerment and need for freedom and flexibility. Meaningfulness seems to be the dominant motivation driver millennials are looking for of their work.

### **Managerial implications:**

Leaders in organizations need to, first, acknowledge the importance of follower motivation, in order to tempt and keep the most talented and suitable work force. Second, they need to be aware of the motivation drivers of millennial generation, and adapt their leadership to meet these needs and desires.

### **Keywords:**

Leadership, extrinsic motivation, intrinsic motivation, millennial generation

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## **REFERENCES**

# 1 INTRODUCTION

## 1.1. The next generation

Millennials, a definition used for people born between 1979 and 1994 (Smola and Sutton 2002), are entering the work market and eventually occupying leadership positions. Like earlier generations, also millennials are offering their own unique set of qualities to the job market (Noble and Schewe 2003; Wade-Benzoni 2002). McCann and Giles (2006) have noted that more research is needed on what millennials have to offer to team and organizational performance, and how these qualities affect workplace communication, behaviors, and relationships. Myers and Sadaghiani (2010, p. 235) have suggested that millennials are likely to be affected by globalization, communication and information technologies, economics, and how they were raised by highly involved parents. They have different, often broader, perspectives about the world marketplace, leader–follower relationships, cultural diversity, performance of tasks, and ways on how communication can be used to enhance organizational performance and maximize productivity than the earlier generations. (Myers & Sadaghiani, 2010, p. 235)

Mackey and Sisodia (2013) note that we are in the middle of a historic transition. People’s minds are open to new possibilities, exciting opportunities and great challenges – especially among the millennial generation. This calls for visionary thought and bold action by organizations and their leadership. Existing mental models, assumptions, and theories need to be critically rethought of and their accuracy and relevance questioned. Mackey and Sisodia (2013, p. 256) further state that we have an invaluable opportunity today to fundamentally change the course for future, as the resistance to change in society at the moment appears to be lower than it has been for a long time. Many aspects of this movement are not new. Craig Neal noted already in 1999 that a dramatic change in priorities is beginning to occur among companies that are becoming aware of the contrast between personal values and professional life. As

more and more individuals are seeking change, and some choose not to join the ‘rat race’, companies are struggling with how to retain their most talented and motivated people and improve productivity.

Mackey and Sisodia (2013, p. 26) argue that people are tired of living compartmentalized, disconnected lives and want to bring their personal, professional, social and spiritual sides into one whole human being. Businesses increasingly recognize that in order to succeed they must create workplaces that are hospitable, healing and motivating. Meister & Willyerd (2010), among several other scholars, believe that the millennial generation will be the primary creators of change. They state that millennials view work as a key part of life, not a separate activity that needs to be balanced by it.

Motivation is a mental construct that puts human resources into action. Utilizing the resources of an organization the best possible way requires building willingness of the human resources to work. This leads into increased productivity, reduced cost of operations and improved overall efficiency. Good leaders acknowledge this and put effort into building motivation among their followers. (Hackman & Oldham, 1976)

The topics of the present study – motivation, leadership and traits of the millennial generation business professionals - stems from the researcher’s personal experience, in addition to the academic grounds. Having worked for large international corporations, I had come to the conclusion that corporations’ prior goal was (short-term) profit maximization for investors, sacrificing value for the other stakeholders. Decisions were made based on short-term goals. Leadership style was transactional: managers were purely seeking for ways to increase efficiency and productivity. The downside of this, however, was decreased job satisfaction, motivation and leashed creativity. For me, business should be about creating value for all stakeholders. I wanted to work for a company with a higher purpose beyond profit maximization; aiming to make a lasting,

positive impact on the world. This took me to work for a healthy food start-up in New York City. Not only the company I worked for, but also another company, Whole Foods Market, an organic grocery store, changed my mind about corporations' agendas. I studied the business model behind this company to find out if they were financially sustainable, besides creating simultaneously value for all stakeholders. My research led me to find John Mackey – a co-founder of Whole Foods Market and the author of *Conscious Capitalism*. A strong believer in free-market principles, he aims to encourage a way of doing business that is grounded in ethical consciousness. Whole Foods Market indeed returned great profits for its long-term investors as well. Their stock price has outpaced the Standard & Poor's 500 index for the fifth consecutive year by approximately 20%. The S&P 500 index is the most commonly used benchmark for the U.S. stock market. The mission of Whole Foods is inspiring:

*“Our motto—Whole Foods, Whole People, Whole Planet — emphasizes that our vision reaches beyond food retailing. In fact, our deepest purpose as an organization is helping support the health, well-being, and healing of both people — customers, team members, and business organizations in general — and the planet.”*

The business philosophies of Whole Foods made me realize that it might be possible to simultaneously create value for all stakeholders, including employees; I wanted to identify more specifically their motivation drivers. As will be showed in the literature review of this study, it seems that the millennial generation workers are looking for working and creating these kinds of businesses.

Inspired by the research discussed above and the personal experience and motivation of the researcher, the present study aims to identify work motivation drivers of the millennial generation. First, the literature review will present earlier research about the theory of motivation, as well as identified behavioral traits of the millennial generation. The methodology section will then explain the data collection process of the present study, which will be opened up and discussed in the following sections. Based on the discussion, implications for leaders of millennials will be suggested based in the

conclusion section. Finally, limitations and suggestions for further research will be presented.

## **1.2. Research questions**

In the scope of present study, the term *leader* is used to describe either a specific superior, or any other character that can be considered a higher-level organizational member, who possess more authority. The word *follower* is equivalent to a subordinate. The interviewees of the empirical study are referred to as followers, as they are interviewed about the relationship between them as sub-ordinates and their leader. The generation referred to as *millennials* is in focus in the present study. Existing research and business cases have argued about the relationship between employee motivation and organizational performance. However, scholars also widely agree that the new generation, millennials, bring a different skillset as well as requirements to their work. Thus, their motivation sources vary from the earlier generation as well. (Myers & Sadaghiani, 2010).

The present study makes an attempt to identify the motivation drivers of the millennial generation. The analysis of the findings aims to give practical implications for leaders on how they can adjust leadership accordingly to maximize the organizational motivation. The research questions of this study are:

Q1: What are the main professional motivation drivers for millennials?

Q2: How can leaders adapt their leadership approach to best motivate millenials?

### **1.3. Relevance for the field of corporate communications research**

As has been argued (e.g. Mastrangelo, Eddy, Lorenzet, 2004), leadership is fundamental to successful performance in organizations. For instance, Levi (2006) argues that leadership can provide a learning environment that enables followers to transform or revise their beliefs. Allert and Chatterjee (1997) note that leadership is the cornerstone of a modern business organization, and thus, the leader must accept the responsibility for building an organizational culture based on trust. This initially comes through the leaders' ability to communicate in such a manner that enhances trust in interpersonal relationships, team building and organizational culture. As will be later explained, leadership and management are two different concepts, both crucially needed in any organization. Leadership is about transformation of some sort, and transformation happens from the root level of the organization. Naturally, the success of any change depends on effective communication. Cornelissen (2014) argues that organizational change requires leadership of managers who clearly articulate why change is needed and knows how to communicate it in a way that makes followers willing to accept and implement the change. In the present study, the phenomenon of millennials entering the work market and leaders' ability to ensure maximized motivation of this generation is under investigation, which can be considered as transformational in an organization. For this reason, the present study investigating leadership of millannials also contributes to scholarship in corporate communication.

## **2 LITERATURE REVIEW**

This chapter examines earlier research related to the following topics: motivation, millennial traits and leadership. The concept of human motivation will be explained through the framework of Self-Determination Theory by Deci and Ryan (1985). Then, a brief literature review about identified traits of the millennial generation as workers will be presented. Next, the importance of leadership in an organization is argued through earlier research. As the aim of the study is to identify and analyze motivation drivers of millennials from the leadership perspective, the synergy between the three themes of motivation, millennial traits and importance of leadership will be concluded in the final part of this chapter.

### **2.1. Motivation**

Motivation is a mental construct that makes people move to do something. It is the drive that causes us to behave in a specific way and has been described as consisting of energy, direction, and sustainability (Kroth, 2007). Deci and Ryan (2000) note that motivation is highly valued because of its consequences; wherever motivation is channeled, it produces. Therefore, it should occupy a high concern to organizational leaders. Motivation varies not only in the *level* - how much motivation, but also in the *type* - what kind of motivation. In an organization, a leader's ability to persuade and influence others to work towards a mutual direction reflects his/her talent to motivate. It has been shown that drivers of motivation include job satisfaction and organizational commitment (Schnake, 2007).

Deci and Ryan (1987) have done profound research about human motivation. They note that human beings can be proactive and engaged with the activities they are performing, or passive and alienated. This is largely dependent of the social conditions in which they function. The most basic classification of different types of motivation distinguishes intrinsic motivation from extrinsic motivation. Self-Determination Theory (SDT; Deci

and Ryan, 1987), characterizes intrinsic motivation as individuals doing something because they find it genially interesting or enjoyable. Extrinsic motivation then, is about doing something because it leads to an outcome that is apart from the work itself. The theory has specifically examined factors that enhance versus undermine intrinsic motivation and well-being. Deci and Ryan (2000) have found three psychological needs: competence, autonomy and relatedness, which, when satisfied are likely to lead to increased human motivation and well-being. The scholars further argue that at their best, the nature of a human being is to be curious, vital and self-motivated. Yet, they note, that it is also clear that human motivation can be even crushed in certain circumstances, and individuals might reject growth and responsibility. Research on conditions that foster versus undermine human potential and motivation has practical significance as it can provide knowledge on how to design social environments that optimize people's development, performance and well-being (Deci and Ryan, 2000).

Results from earlier studies show, that if intrinsic motivation is weakened, it may lead to decreased quality of work, higher turnover and less committed employees (Umstot et al., 1978). Amabile (1993) notes that employee motivation has always been a central problem for leaders and managers. Unmotivated employees are likely to not put much effort in their work, produce low quality work, avoid the workplace, and even exit the organization if given the opportunity. In contrast, motivated employees are likely to be persistent, creative and productive and producing high quality work. Amabile notes that as managers and leaders play a crucial role in shaping the factors that have been shown to influence motivation, they have to learn to understand human motivation if they wish to sustainably lead their organizations. Maccoby (2000), among several other scholars, argues that a combination of intrinsic motivation and extrinsic rewards result in highly motivated people. Amabile (2001) argues that although both extrinsic and intrinsic drivers can both motivate people to do their work, these two can have very different effects on subjective feelings about the work, willingness to do the work, and the quality of performance. She further argues that given the right combination of personality traits and work environment contexts, synergistically combined intrinsic and extrinsic motivation can produce performance levels and personal satisfaction. It is

likely that both intrinsic and extrinsic motivators are present for most tasks that people do in their work (Amabile, 2001). The interconnection of extrinsic and intrinsic motivators will be further discussed after presenting the concepts separately in the following sub-chapters.

### **2.1.1. Intrinsic motivation**

Intrinsic motivation is defined as performing an activity for its innate satisfaction rather than a separable outcome that comes from doing it; an intrinsically motivated person acts for the challenge instead of external pressure or rewards (Ryan and Deci, 2000). Deci and Ryan (2000) argue that perhaps no single phenomenon reflects the positive human potential as much as intrinsic motivation. It can be defined as tendency to seek out for challenges, try one's limits and capacities, to explore and to learn. Harter (1978) illustrates intrinsic motivation through children; in their healthiest states, from the time of birth, children are active, curious and playful, even in the absence of specific rewards. The construct of intrinsic motivation describes this natural state of spontaneous interest and exploration as essential to cognitive and social development, which represents a primary source of enjoyment and vitality throughout life (Csikszentmihalyi & Rathunde, 1993).

Amabile (2001) defines intrinsic motivation as follows: "Individuals are intrinsically motivated when they seek enjoyment, interest, satisfaction of curiosity, self-expression, or personal challenge in the work." In other words, according to the Self Determination Theory (1985), when people act because they find the activity interesting and they get spontaneous satisfaction from doing the activity itself, they are defined to be *intrinsically* motivated. This means that impulsive behaviors are conducted in order to benefit from a genuine satisfaction instead of achieving an assigned goal (SDT; Deci and Ryan, 1985). Intrinsic motivators arise from the person's feelings about and genuine engagement to the activity (Amabile, 2001). According to the SDT, the needs of competence, autonomy and relatedness should be satisfied to be intrinsically motivated. The need of competence requires that the person understands the goal of the

task assigned, and that she or he feels effective while performing the task. The feeling of *competence* might be negatively influenced by factors such as negative feedback or tasks that are either too simple to provide stimulation and challenge, or too challenging. The feeling of autonomy is equally crucial, as people who perceive that their behaviors are controlled might experience a decrease in the level of their intrinsic motivation (Lepper & Greene, 1975). Also, the feeling of *autonomy* may be harmed when tangible rewards, deadlines, threats or directives (Koestner et al., 1984) are present, which consequently harm intrinsic motivation. Need of *relatedness* is about being connected to other people in the organization.

### **2.1.2 Extrinsic motivation**

Although intrinsic motivation is an important source of motivation, according to the Self-Determination Theory, it is not the only type. Deci and Ryan (1985) note that much of what people do is not intrinsically motivated. After early childhood, the freedom to be intrinsically motivated is to some extent taken away by social pressure to do activities that might not be considered as interesting. Amabile (2001) defines extrinsic motivation as follows: “Individuals are extrinsically motivated when they engage in the work in order to obtain some goal that is apart from the work itself.” Deci and Ryan (1985) define *extrinsic* motivation as performance of an activity in order to achieve a separable outcome, rather than doing the activity for the inherent satisfaction of the activity itself (intrinsic motivation). Extrinsic motivators include anything coming from an outside source that is intended to control the performance of the work (Amabile, 2001). Examples consist of promised reward, praise, critical feedback, deadlines or regulations regarding the work. According to the SDT, extrinsic motivation varies in the degree to which it is autonomous. For example, students who do their homework because they feel that it is valuable for their chosen career are extrinsically motivated. Similarly are those students who do the work only because they feel pressured through their parents. Yet the former students entail personal endorsement feeling of choice,

whereas the latter involves compliance with an external regulation (Heider, 1958). Leaders of organizations should naturally look for ways to motivate their followers in the manner of the former case (Deci and Ryan, 2000).

Extrinsic motivation can be classified into four types of motivations, which are presented next. *Controlled motivation* includes low autonomy and external rules - followers act with the aim of achieving a certain goal or to avoid a certain consequence. An example would be followers working only when their leader is watching them. *Moderately controlled motivation* occurs when the followers have adapted external regulations to the extent that they act even in absence of the external monitoring; employees keep working even when the boss is not watching them. *Moderately autonomous motivation* characterizes individuals that identify their task and behavior with their own values and goals. Finally, the most *autonomous extrinsic motivation* implies that individuals perceive and consider their behavior as an integral part of who they are. This, however, is still different from intrinsic motivation because the person is not interested in the activity itself but rather in the activity as a means to achieve a personal goal. (SDT; Deci and Ryan, 1985)

### **2.1.3. Synergy of extrinsic and intrinsic motivation**

One of the most central questions facing motivation theorists is the nature of the relationship between intrinsic and extrinsic motivation, and the interaction of these two. Amabile (1993) notes that some theorists suggests that one can build in the other, whereas others propose that they are incompatible. Empirical research conducted by Amabile (1993) suggests a conceptual model of *motivational synergy*, suggesting a positive combination of intrinsic and extrinsic motivation. Their findings suggest that intrinsic and extrinsic motivators are completely separate systems where one (the extrinsic) must be taken care of before the other (the intrinsic) can become operative.

Additionally, extrinsic motivation is most likely to combine synergistically with intrinsic motivation when the initial level of intrinsic motivation is high. Further, the findings suggest that certain types of extrinsic motivators will not add positively to intrinsic motivation – these non-synergistic extrinsic motivators are those that lead individuals to feel controlled or constrained by external forces. Amabile (1993) concludes that for individuals whose work involves complex, ongoing projects, a combination of intrinsic motivation and appropriately-timed synergistic extrinsic motivation may lead to the highest levels of creative, productive work. Understanding the synergy between intrinsic and extrinsic motivation drivers becomes an essential task for leaders (Amabile, 2000).

As Amabile (2001) argues, successful leaders of the next century must understand the synergy of motivational systems of individuals and teams. Critical leadership skills include employee selection to ensure high levels on intrinsic motivation on target tasks, matching employees to tasks on the basis of both skill and interest, and designing work to maximize intrinsically motivating elements such as optimal challenge (McCauley, 1993). Also, effectively combining diverse individuals to create high-performing teams (Cogner, 1993) is essential, as well as utilizing synergistic extrinsic motivators such as highly informational feedback (Kaplan, 1993). Amabile (2001) further notes that organizational leaders must begin to think of human motivation at work as a complex system where it is possible to achieve synergy between people and their work environments, and between different types of motivation. Amabile (2001) argues, successful leaders of the next century must understand the synergy of motivational systems of individuals and teams. Critical leadership skills include employee selection to ensure high levels on intrinsic motivation on target tasks, matching employees to tasks on the basis of both skill and interest, and designing work to maximize intrinsically motivating elements such as optimal challenge (McCauley, 1993). Also, effectively combining diverse individuals to create high-performing teams (Cogner, 1993) is essential, as well as utilizing synergistic extrinsic motivators such as highly informational feedback (Kaplan, 1993). Amabile (2001) further notes that organizational leaders must begin to think of human motivation at work as a complex system where it is possible to achieve synergy between people and their work

environments, and between different types of motivation.

To summarize, this subchapter presented a theoretical framework to look at human motivation. Motivation can be viewed by distinguishing it into intrinsic and extrinsic motivation. The importance and interrelation of these two were discussed in the last paragraph.

## **2.2. Millennial traits**

As the above discussion shows, it is evident that motivation is a significant factor for organizational performance. Therefore, questions have been raised on how management and leadership can best motivate millennials, as well as on how their qualities, described as unique, will translate into organizational commitment. Myers & Sagadhiani (2010), for example, have investigated and identified workplace characteristics of the millennial generation. Although not all traits possessed by stereotypical millennials are traditionally considered as favorable, Myers & Sagadhiani's research found several clearly positive traits of this generation. First, millennials seem to be more accepting of diversity than past generations. They also have the ability to see problems and opportunities from fresh perspectives (Howe and Strauss 2000). On the other hand, millennials seem to possess a desire for more flexible working conditions and hours than traditionally have been considered acceptable; for example, they wish to work from remote locations with non-traditional hours during the day (Simmons 2008). They are also likely to pursue flexible career paths as they prioritize work-life balance higher than their previous generations (Carless and Wintle 2007; Smola and Sutton 2002). Ott et al. (2008) found that millennials desire a work-life balance that will allow them to balance 'play' with work. Cara (2009) found that millennial-written blogs and popular press articles indicate that they also openly admit that they prioritize close personal relationships over career. Furthermore, millennials seem to be highly confident of their abilities (George 2008; Greenfield 1998). Empirical research conducted by Myers and

Sadaghiani (2010) further indicates that millennials seem to expect close relationships and frequent feedback from their leaders. Millennials, unlike employees of previous generations, view strong relationships with supervisors to be foundational for negotiating their roles already in the early phases of their position. These relationships also have an impact on their long-term satisfaction in the organization (Jokisaari and Nurmi 2009; Martin 2005). Millennials expect communication with leaders to be more frequent, positive and more affirming than earlier generations have considered reasonable (Deloitte 2009). Myers and Sadaghiani (2010) state that literature and academic sources have argued that this need for affirmation derives from the constant flow of supportive messages millennials have received from their parents, teachers, and coaches throughout their childhood (Alsop 2008; Hill 2002).

Millennials seem to require a higher amount of open and transparent communication than the earlier generation (Gursoy et al. 2008; Martin 2005; Remo 2006). Followers' job satisfaction is higher when leaders share information, including bad news, evaluate their job performance regularly, create a supportive climate and expect input (Jablin 1987). Millennials seem to expect open communication from their leaders and managers, even about matters that have traditionally been considered for more senior employees (Gursoy et al. 2008; Martin 2005; Remo 2006). In other words, even in a low-level position, millennial workers require to be kept in the loop of information (George 2008). Maccoby (2000) states that millennials' leaders should increase trust by promoting transparency and involvement. Transparency refers to be clear of reasons behind decisions and being open about policies, results and information of the market. This is because millennials, in particular, want to know about what is coming down the road and also have a say in decisions of which they are expected to implement. It is important for followers that their views are being heard and taken into account. Myers and Sadaghiani (2010) note that millennials may not fully understand that increased communication and knowledge are linked with increased responsibility. They further state that increased organizational openness provides opportunities for direct communication and problem solving.

Another important finding that scholars have identified through empirical research is that millennial workers seem to not develop as deep a commitment to the organization as more senior workers traditionally have done (Pasieka 2009; Patalano 2008). Thus, enhanced interaction is likely to lead to closer leader-follower working relationships, which may be important for millennials' long-term relationship with the organization. Instead of committing themselves to organizations, millennials develop commitment to individuals, especially leaders with whom they develop meaningful relationships (Marston 2007). These strong commitments to leaders may change millennials' tendency to switch jobs and careers when appealing opportunities rise (e.g., Gursoy et al. 2008; Remo 2006). Sessa et al. (2007) found through empirical studies that millennials are looking for a dedicated and creative leader who cares about them personally and shows this through encouragement, listening and being supportive. Establishing a relationship of frequent and open communication is likely to have a positive influence on their organizational commitment.

Myers and Sadaghiani (2010) note that millennials' beliefs about time also are worth acknowledging; empirical studies and polls have found that millennials are impatient about becoming recognized as valuable contributors (Gursoy et al. 2008; Pew Research Center 2007). They view time as a valuable resource that should not be wasted (Deloitte 2009). They expect evaluation of their work to be based on the outcomes they produce and not based on age, experience, or position as perhaps earlier have been most crucial determinants of success (Alsop 2008; Hill 2002). Also, Martin (2005) and several other researchers have noted that, while money is important, millennials do not see money as their only source of happiness. Rather, they feel rewarded by work arrangements that offer them more flexibility. Pyrz (2011) has found that millennials strongly feel that they want to address issues that the society is facing; they want to have meaning in their lives through work and they want to be able to connect with the purpose and mission of the organization they are part of. Research has found that millennials seek to, soon after their entry, become involved in key projects of the organization (Bosco and Bianco

2005; Gursoy et al. 2008). They want to be part of meaningful projects and feel like they are doing a positive impact through their work.

Myers and Sadaghiani (2010) suggest that millennials are likely to be affected by globalization, information technologies, easy distant communication, economics, and socialization. They are likely to have different, often broader, perspectives about the world marketplace, leader–follower relationships, cultural diversity, performance of tasks, and ways that communication and information technologies can be used to enhance company performance and productivity. (Albrecht et al. 1995; Peterson and Albrecht 1996). Myers and Sadaghiani (2010) note that some millennials view their early adulthood as a time to make a difference in the world and in their community. They pursue this through internships, volunteering and traveling. They argue that as a result of these experiences, millennials develop perhaps a greater awareness of the world around them, than their earlier generations who have not undergone similar experiences. During this time, they are likely to be exposed to cultural diversity, to develop empathy for lower socioeconomic populations and to become passionate on addressing societal issues (Pew Research Center 2007). As a result, when they eventually enter organizations, they are likely to arrive with a variety of experiences that can be beneficial in their roles. They are likely to be highly accepting of people from diverse ethnicities and backgrounds and also comfortable and skilled in interacting with them. Howe and Strauss 2003 suggest that despite their demand for flexibility and willingness to volunteer and do internships, a characteristic commonly attributed to millennials is a strong achievement orientation. Millennials want to be valued in their work, despite the nature of the work. Millennials are focused on personal achievement and success, however they choose to define success in a unique way (Pew Research Center 2007).

To conclude this sub-chapter, millennials are likely to have broad perspectives through their life experiences, embracing diversity. They also seem to possess high desire to

achieve and be successful, though their definition of success might differ from their earlier generations. The workers of this generation seem to share several traits:

- Millennials seem to be more people-oriented in their working style, establishing close relationships at the workplace.
- Millennials expect personal and frequent feedback from their leaders.
- They expect communication to be highly frequent and transparent.
- This generation appreciates flexibility and freedom over stable, lengthy relationships with the same organization

The traits presented in the present subchapter represent findings of millennials' traits that researchers have identified as a result of empirical research. Several researchers, however, note that millennial traits cannot be generalized, as individuals possess their individual characters as human beings. The present research, however, concentrates on examining whether the traits identified by research presented in the previous paragraph and aims to understand the motivation of millennials from the leadership perspective.

### **2.3. Organizational Leadership**

Hämäläinen and Saarinen (2007) note that leadership is about creating an impact. Stogdill (1990) defines leadership as the process of influencing the activities of an organized group in its efforts towards goal setting and achieving the goals. The main goal of a leader is to see the big picture, understand how it functions as a whole, and have a clear vision of where it is going (Hämäläinen & Saarinen, 2007). Mackey and Sisodia (2013) focus on conscious leadership. They note that conscious leaders are driven primarily by a desire to serve the organization's purpose while simultaneously delivering value to all stakeholders. Mackey and Sisodia (2014) argue that leaders need to recognize that human creativity is unlimited and foster a corporate culture where employees can maximize their potential; a great leader has the ability to inspire and motivate their team members. This thesis aims at explaining the importance of

motivation for organizational performance, and identifying motivation drivers of millennial generation workers.

### **2.3.1. Leadership versus management**

As has been earlier explained, motivation can be distinguished into intrinsic and extrinsic motivation. Maccoby (2000), among several other scholars, argues that a combination of intrinsic motivation and extrinsic rewards results in highly motivated people. Thus, leaders need to design responsibilities that engage followers' competence and values. Maccoby (2000) further notes that responsibilities are motivating when they stretch people and are considered meaningful - when the follower feels that their effort contributes to the organization's vision. Organizations managed with bureaucracy are often managed too heavily and lack relationship based leadership, resulting in bored and unmotivated employees. Start-ups, on the other hand, are often intensely led but undermanaged, in which case enthusiasm leads to under planned problems, overspending and missed deadlines. Maccoby (2000) notes that companies need good management and great leaders, including energizing relationships. In the effort of increasing follower motivation, it is important for companies to acknowledge that leadership and management are not synonymous. Literature extensively agrees that businesses need both leadership and management but in right measure.

Maccoby (2000) presents that management involves planning, budgeting, evaluating and facilitating, whereas leadership is creating relationships and involving talent management, motivating, coaching and building trust. Mackey and Sisodia (2013) view leadership as mostly about *change* and *transformation*, whereas management is about *efficiency* and *implementation*. Where leaders are "high-level architects, builders and remodelers of the system", managers ensure that the system works smoothly and take corrective actions when it doesn't. Thus, Maccoby (2000) presents that a good leader strengthens motivation and develops competence through coaching; in particular,

knowing how to keep people focused. Nicholls (1987) states that management can get things done through others by traditional activities of planning, organizing, monitoring and controlling – at the cost of not thinking what people think or how they feel. Leadership, by contrast, is vitally concerned with people’s thoughts and feelings, as well as how these thoughts and feelings fit into the work environment and tasks.

### **2.3.2. Leadership and communication**

Allert and Chatterjee (1997) note that leadership is the cornerstone of an organization. They argue that leaders must build organizational cultures based on trust, which can take place through the leader’s ability to communicate in a way that enhances trust in interpersonal relationships and organizational culture. As organizations move from vertical and hierarchical culture to more horizontal and empowered relationships, the need for trust becomes crucial (Allert and Chatterjee, 1997). The scholars further note that culture of trust is built and maintained through a positive climate of corporate communication.

Rogers (1994) notes that a leader’s competence is demonstrated through his ability to communicate a shared vision. Pincus and DeBonis, 1994 argue that leadership and communication share the common purpose of forming meaningful relationships. However, communication and leadership have different processes. The communication process aims to create relationships of followers’ understanding the organizational purpose and the expected outcome. The leadership process, on the other hand, seeks to construct relationships of commitment towards the leader and the organization. Allert and Chatterjee (1997) agree with this by noting that a leader’s most important role is to take responsibility for making sure the overall vision of the organization is understood. Further, the leader needs to create circumstances for the organizational members to make the vision a reality. This can happen through the leader’s communication skills in building a vision of trust and enthusiasm of the organization’s future. Therefore, a good leader must have good business sense and a broad understanding of how things fit

together – the relationships among individuals and groups inside and outside the company and how to keep the communications between all parties open and flowing (Allert and Chatterjee, 1997). A leader needs to take the role of a leader, communicator and educator – an emotionally expressive and inspiring person who creates the right atmosphere for business to be done, and who is oriented towards results more than power or social relations (Carlzon, 1989)

This chapter presented the literature review to the topics of the present study. First, motivation was explained by illustrating it through Self Determination Theory by Deci and Ryan (1985). SDT distinguishes motivation into extrinsic and intrinsic sources. The interrelation and synergy between these two was further discussed by presenting empirical research findings conducted by Amabile (1993). Next, the traits of millennial generation workers were examined. It seems that this generation is entering into work market with slightly different priority of motivation sources than the earlier generations. Their contribution, expectations and requirements are likely to be different as well. Thus, the importance of leadership was discussed in the last sub-chapter. Literature widely agrees that leadership is the cornerstone of successful performance of any organization. The present study aims to identify the motivation drivers of the millennial generation workers. Based on the findings, the analysis aims to provide insight for leaders on how they can acknowledge and adapt their leadership style to meet the expectations of millennials, in order to maximize organizational motivation. The research method will be presented in the next chapter.

### **3.0 METHODOLOGY**

This chapter introduces the chosen research method of the study. First, the selected research methods are introduced and justified. The data collection and data analysis process is then described. Finally, the trustworthiness, validity and reliability of this thesis are discussed.

#### **3.1. Data collection and research methods**

Qualitative research is often appropriate when the aim is to understand social behavior (Hirsjärvi and Hurme, 2011, p. 28). Qualitative method is used in this research as the aim is to understand how leaders can adapt their approach to leadership when leading the new generation of workers - millennials. Bryman and Bell (2007) state that it is important to provide a description of the research process in qualitative research. This section elaborates in detail the data collection process of the present study.

Qualitative data refers to data that is not based on numbers but rather interpreting meanings expressed by words (Saunders et al., 2007). Hirsjärvi and Hurme (2011, p.35) note that interviews can be used to find deep and potentially unconscious meanings; the aim is to discover interviewees' thoughts, perceptions, experiences and feelings (p.41). Also, interviews are useful when open answers are desired and unexpected matters might arise. Interviews were used in this study to identify individual millennials' thoughts, experiences and feelings of their motivation and how leadership contributes to it. Ten interviews were conducted. The interviews were semi-structured; pre-determined questions were set but further questions were asked to deepen the understanding of the respondent. In addition, follow-up questions were asked if elaboration was needed. The atmosphere of the interviews was relaxed and open. Interviewees were picked through personal connections; the criteria are elaborated in the following chapter. The researcher wished to gather views from different kinds of organizations in terms of size, hierarchy

level and industry to get a comprehensive view on leadership-follower experiences.

Data collection, analysis and the development of conclusions are interrelated processes; they can take place at the same time (Saunders et al., 2007). This was the case as well in this research; data analysis took place already while collecting the data as well as developing conclusions while analyzing the data. Also, the conversations and specifying questions between researcher and interviewee led to finding new ways to look at certain attribute of a leader. In some cases, the interviewee realized something from a new perspective while talking about the issue. This indicates the importance of specifying questions for the researcher as well as not settling for the first, possibly superficial answer.

Data-related processes are interactive; the theoretical and empirical data might need to be re-aligned and re-categorized. This was the case in the present study as well; new meanings and themes were discovered as the interviews proceeded. Categorization of qualitative data allows the researcher to analyze it more systematically. Key themes can usually be identified of the empirical data and conclusions drawn. In practice, categorization refers to dividing the data into meaningful categories. The categories arise from the research questions and the objectives of the study. (Saunders et al., 2007) In the present study, categories formed during the interviews, and the research went back to research existing literature on the topics not considered before.

Semi-structured interviews consist of several key questions that help to define the areas to be explored, but also allows the interviewer or interviewee to diverge in order to pursue an idea or response in more detail. In semi-structured interviews the respondent has the freedom to respond to the questions in the ways that seem sensible to them (Fisher, 2004, 133), which was the aim of the present study.

The aim of the study was to examine and identify the main sources of work motivation of the millennial generation. The findings serve as implications for leaders of this generation. The profile of the interview candidates was homogenous in terms of age and education, to provide enough data of this profile. All candidates represented an international company, though the size varied a lot. The sample size was kept rather small in order to make more detailed observations. The profile of the interviewees were the following:

<b>Interview Code</b>	<b>Year of birth</b>	<b>Type of company</b>	<b>Type of position</b>	<b>Level of position</b>	<b>Education</b>
I1	1990	Large energy corporation	Marketing Coordinator	Entry level	M.Sc.
I2	1991	Mid size digital marketing agency	Junior Project Manager	Entry level	M.Sc.
I3	1989	International Luxury Fashion Corporation	Client Advisor	Entry level	M.Sc.
I4	1990	Food start up	Finance & Marketing trainee	Trainee	M.Sc.
I5	1990	Small event production agency	Account Manager	Entry level	M.Sc.
I6	1987	International Insurance Corporation	Sales & Customer Advisor	Entry level	M.Sc.
I7	1988	Audit consulting corporation	Junior Auditor	Trainee	M.Sc.
I8	1987	Mid size marketing agency	Account Manager	Entry level	M.Sc.
I9	1988	Mid size communication agency	Producer	Trainee	M.Sc.
I10	1990	Start up accelerator event	CMO	Reporting to CEO	B.Sc.

In the interviews, each question led to more specifying questions. The researcher found it important to ask and analyze how each answer reflected to motivation in each issue

discussed. All interviewees felt comfortable about talking about the issue and their experiences with the researcher. The interviews were conducted within two weeks, in June 2015. The interview process developed from an interview to another; often, the researcher got ideas of questions to add for the next interview to dive in deeper to a certain interesting angle, but the themes remained the same. The interviews took place in Finnish, and they were then translated freely into English by the researcher. The themes discussed to facilitate the identification process of interviewees' motivation drivers were the following:

1. Intrinsic motivators, such as meaningfulness of work, satisfaction of completing tasks
2. Extrinsic motivators, such as salary and rewards
3. Factors of professional and personal well-being
4. Importance and attributes of a motivating leader

### **3.2. Trustworthiness of the study**

Lincoln and Guba (1985) have developed a common framework to evaluate the trustworthiness of a qualitative study: credibility, transferability and dependability (derived from Eriksson & Kovalainen, 2008, p.294).

*Credibility* of a study refers to issues such as familiarity of the topic of the researcher, to extent that the data supports the claims made and whether a clear link between observations and categories exists. It is also important to address whether another researcher could come to similar interpretations based on the data (Eriksson & Kovalainen, 2008, p. 294). It can be said that the topic is familiar to the researcher, as she falls into the interviewee profile as well by being a millennial and having held several intern and entry-level positions in the past years. She has studied the topic of leadership in the past years as well as for the present study by conducting the literature review. However, the researcher did not discuss her experiences or thoughts nor did she

make leading questions based on her own experiences during the interviews, to avoid biased answers. It can be argued that specifying questions are always subjective by their nature. However, as the researcher is aware of this, she consciously formed the questions as objectively as possible. The researcher stated no assumptions or opinions during interviews. The validity of the formed categories can be justified as they were reformed based on interview answers throughout the interviewing process. The researcher noted patterns and got support to arising themes as the interviews proceeded as several interviewees lead to talk about themes that the researcher had not initially thought of. This made her go back to literature to see what existing research indicated on the topics discussed.

*Transferability* refers to the extent that the present research is similar with previous research (Eriksson and Kovalainen, 2008, p. 294). The themes of this topic are large – motivation, millennials and leadership, all of which have been widely researched. Thus, it is impossible to thoroughly cover all research conducted. However, the researcher covers thoroughly the literature made of the intersection of these three large themes in Chapter 2. As meaningful categories could be derived during the interview process, the researcher went back to existing literature to find meaningful insights from past research, in order to see whether they hold true in the present study. The findings are presented and discussed in Chapter 4. Practical implications for millennials’ leaders are then suggested based on the findings in the conclusion chapter. The limitations of the study are also discussed then.

*Dependability* refers to the extent that the researcher provides information on how logical, traceable and documented the research process has been. (Eriksson & Kovalainen, 2008) The process of the present research is elaborated in detail throughout the report to ensure that the reader has a transparent image of it.

## **4 FINDINGS AND DISCUSSION**

This section will present the findings of the study. The study is aimed at finding answers to the following questions:

Q1: What are the main professional motivation drivers for millennials?

Q2: How can leaders adapt their leadership approach to best motivate millennials?

As explained, data collection and analysis became partly overlapping process, and the researcher formed categories based on the answers of the interviewees. Six categories of motivation drivers as a result of the data analysis were formed:

1. Providing feedback and personalized attention
2. Mentoring and empowerment
3. Open and transparent communication
4. Goal setting and communicating vision
5. Appreciation for personal well-being and free time
6. Importance of extrinsic drivers

The basis to form the categories is not unambiguous; they do not exclude each other but are rather formed to roughly illustrate the scope of the findings. Content of several categories overlap; for example, personalized attention and mentoring are closely related to each other. However, in this case mentoring is discussed together with empowerment, as these concepts seemed to be tied together most closely. Next, these four categories of motivation drivers will be discussed separately.

#### **4.1. Providing feedback and personalized attention**

Based on the interviews, it is clear that feedback is the single most important motivation driver for millennials. As the interviewees reported to constantly be motivated to develop themselves, they find receiving both positive and constructive feedback crucial. Research has shown that high level of feedback has a positive correlation to performance and increased motivation. Hackman and Oldham (1976) found that feedback and individual level information about work performance is likely to truly increase job satisfaction. The findings of the present study clearly are in line with this – most interviewees were not satisfied with the level of feedback they currently receive. On the other hand, the few who reported to receive high level of feedback, also reported that this is an attribute in their leader that they value perhaps the most. Myers and Sadaghiani (2010) note that providing constant feedback increases awareness of one's performance and outcomes. According to the findings of empirical research conducted by Society for Human Resource Management (SHRM, 2009) about millennial traits, behavior and expectations, millennials expect close relationships and frequent feedback from supervisors; it is clear that the formal annual job development conversations are not enough to satisfy the needs of feedback for millennials. It seems that they desire to receive frequent, positive and constructive feedback constantly about their work, more than the previous generations. This came up in the interviews of this study as well. A common trait that was clearly unmotivating for the followers was when they felt like they were not receiving direct, consistent feedback.

According to the findings of SHRM (2009), millennials want to develop themselves continually personally and professionally, which they also seem to consider to go hand in hand. They seem to be open-minded and receptive for any kind of feedback, as long as it is provided in a respectful manner. It is not enough that feedback is given only when change is necessary – it is important for millennials to know how well they are performing at any given moment and task, in order to improve. (SHRM, 2009) The

answers of the present study reflected this, one interviewee reporting that if she would never ask for feedback, she would not know whether she is doing something well, or not that well. She reported that she might even hear from a third source if she should have done something better – she felt that this kind on leadership does not show respect nor does it motivate her to perform better.

An interesting observation could be made regarding the hierarchical level of the organization and amount of feedback. While most interviewees working for a large international corporation reported that they were happy with the amount and quality of feedback they received, the leaders in less hierarchical companies seemed to provide considerably less feedback. It seems that leaders in corporations take seriously the regulations regarding providing feedback on a regular basis. Often, these regulations come straight from the protocol of the Human Resources department. Of course, this is highly dependent of the specific leader – naturally, leaders in ‘flat’ companies can also be great at providing high level of feedback for their followers. However, the present data indicated that corporations give more feedback than smaller, less hierarchical and bureaucratic organizations.

One interviewee (I5) reported that her leader could have highly increased her motivation and thus effort to perform better, if only she would have received more feedback. The ‘boss’ did thank the team for a good job after finished projects, but that was as deep and personal as it got. She reported that only after quitting her job and being away for 1.5 years, the boss had written her to ask if she would like to come and work for them again, adding a long paragraph with detailed description of what she liked about her personal working style, and why he appreciated her as an employee. She reported:

*“I wish I had received this back then! It would’ve not only make me happy but also increased my motivation and made me want to work even harder.”*

The data clearly showed that the type of work also affects feedback practices. One interviewee (I6) reported that a sales team of an international corporation had a “brutal” way of giving feedback. She received feedback weekly in the form of individual sales numbers shown at screen for the team on Monday mornings. The feedback was a ‘cold’ ranking based on sales numbers. However, the interviewee felt that this had its perks – it was definitely a motivating way to make an effort to sell more, but at the same time, it created an atmosphere of competition, often stress and internal ranking among team members. A conclusion can be drawn that such ‘brutal’ system might be beneficial in the short-term for sales figures and even boost human motivation, yet an associated risk might well be increased stress. In this case, leaders need to consider the morality and sustainability of such a motivation system.

Although, as explained, the frequency of receiving feedback in corporations seemed not to be a problem for any of the interviewees, the quality of it was. An interviewee (I7) reported that she often sat down for a development discussion. However, she was not happy with the analysis of feedback – the company used metric tools, but failed to explain how these metrics are formed:

*“For example, I can get a 7 out of 10 in customer service skills, but it is not broken down in any way. I don’t know why it is a 7, and not better.”*

To conclude the findings regarding feedback, it seems that the interviewees wish for more in-depth feedback regarding their performance. This applies to both positive and

negative feedback. First, the followers wish to know when they are doing their tasks specifically well, in order to continue and perhaps do more. In case of negative feedback, millennials seem to consider receiving constructive feedback crucial, in order to reconsider their ways of doing things and improve. Several early studies have shown that positive performance feedback enhanced intrinsic motivation (e.g., Deci, 1971) whereas negative performance feedback diminished it (e.g., Deci and Cascio, 1972). The findings of the present study indicate that millennial workers put high emphasis on this particular intrinsic motivation driver.

#### **4.2. Mentoring and empowerment**

A mentor provides both career development and psychological support (Kram, 1985). Psychological support is about showing acceptance, acting as a role model, coaching, inspiring and counseling. Bass (1990) further states that leader's task is to communicate a vision that motivates employees to push an extra effort. They should also give personalized attention to their followers that ties individual and mutual interests, which then result in commitment to the company vision (Hambrick, 1989). Bass (1985) suggests that superior leader-follower relationships are likely to naturally lead to mentoring. Mentoring relationships provide access to career support that is more personalized and intense than traditional supervisory-subordinate relationships.

Empowering leadership is closely related to mentoring; it refers to leader's tendency to actively encourage followers to lead themselves (Manz and Sims, 1987). Empowering leaders attempt to provide their followers with power of autonomy and control. Other features include encouragement to participative decision-making, leading by example, sharing information, coaching and demonstrating (Pearce and Sims, 2002). Albrecht and Andreetta (2010) suggest that as a result of empowerment, followers have stronger feelings of contribution, control, competence, connectedness and meaningfulness. They

further argue that based on empirical study results (2010), empowerment has a direct influence on follower engagement. Followers feel motivated, engaged as well as strong connection and belongingness to their organization. A great benefit of these strong feelings is heightened want to stay with the organization. The evidence of present study supports the positive connection between motivation and empowerment; one interviewee reported that she enjoyed the responsibility given by her leader and the opportunity to test different ideas relatively freely, as this made her quickly learn her strengths. Also, she enjoyed the autonomy she received from her leader, who advised her to delegate tasks further if she as follower did not find them purposeful or more suitable for someone else. The following description of what the interviewee called as ideal relationship between follower and leader was defined as following:

*“We both know that we can learn a lot from each other. We often share our vision on things, but have different ideas on how to get there. It is valuable to share our thoughts. Our relationship is very friend-like, which we both like. At the same time, she knows how to hold authority.”*

Some empirical research indicates that millennials do not develop organizational commitment as more senior workers have (Myers & Sadaghiani, 2010; Pasioka 2009; Patalano 2008). Instead, millennials seem to develop commitment to individuals, especially to leaders with whom they can form a meaningful relationship with (Marston, 2007). Myers and Sadaghiani (2010) suggest that thus enhanced interaction and deeper relationships between leader and follower is likely to be important for millennials' long-term relationship with the organization. Bass (1990) noted, that mentors play a critical role in developing junior organizational members; leaders' role is to act as mentors for their followers. According to Bass (1985), the mentor, as a trusted counselor, uses advanced knowledge and experience to develop the follower as a competent professional. Several scholars have found that mentoring has a positive influence in outcomes such as career mobility, performance, commitment and satisfaction (Bass,

1990; Dreher & Ash, 1990). Based on the interviews, it seems clear that millennials are looking for leaders that they can look up to and be able to learn from them. For example, I2 reported:

*“I enjoy a relationship with my leader in which I feel like I can try to challenge their views and learn what they’ve learned during their careers. I will choose my future positions strongly based on how much I believe I can learn from my leader.”*

Evidence from the interviews support the suggested connection between organizational commitment and empowering leadership. An interviewee (I1) reported that though she enjoyed every other aspect of her work, team and organization, poor leadership makes her to think about staying in the organization for only a certain period that allows her to take full advantage and learning experience from the organization, and then exit the organization. She reported that better leadership would definitely make her more motivated to stay years in this company and give her best effort for the organizational performance.

Another interviewee (I3) stated that his motivation decreased as soon as she got a new leader and realized that he knew more than she did, becoming aware and grateful for everything she had learned from her previous leader. She noted:

*“The purpose of a leader is to develop me.”*

Leader’s open mindedness and willingness to listen to followers’ ideas and development suggestions emerged from the interviews. An interviewee (I2) was happy with how she and her leader tend to have discussions on topics of the field they work in. She reported that the leader knows that she has good insights of preferences of her generation and what is happening in the field, these discussions being stimulating for

both of them and leading them to often come up with fresh ideas. Another interviewee reported that he was happy by the fact that his leader gladly listens to any improvement suggestions he might have, and always asks whether something could be done better.

### **4.3. Open and transparent communication**

Myers and Sagadhiani (2010) suggest that increased organizational openness might provide additional and important opportunities for frank communication and problem solving between millennial followers and their leaders. The insights provided by the interviewees support this claim - lack of open communication seems to be an demotivating driver for most. Several candidates reported that they wish communication were more transparent, for example, regarding their roles as well as organizational issues. For instance, an interviewee (I2) reported that the views and leadership styles were not aligned between main leaders of the company; there were internal mixed messages towards the followers from different leaders, causing confusion among followers. This naturally led to decreased job motivation. The interviewee concluded that the managers clearly had not aligned their vision, which caused inefficiencies, anxiety and confusion across the organization. She added that this situation put the followers to a situation where they had to take sides, which led into cliques, and consequently decreased motivation. She noted that lack of open communication resulted in mixed messages among the followers, which consequently decreased her job motivation.

A topic that emerged in the interviews was the lack of cross-disciplinary communication. An interviewee reported that though there were no internal conflicts in information flow, the organization would benefit of more communication across functions. She noted that if the organizational communication was more integrated, this

could avoid two departments doing the same work, and also enable more innovation and creating new best practices.

#### **4.4. Goal setting and communicating vision**

One of the most established theories of motivation relates to goal setting (Latham & Locke, 2007; Mitchell & Daniels, 2003), by showing that goals can have a major impact on individual and team performance (Kleingeld, van Mierlo, & Arends, 2011; Locke & Latham, 1990; O’Leary-Kelly, Martocchio, & Frink, 1994). Goals are important because they create a sense of achievement and accomplishment, which increases work motivation (O’Leary-Kelly, Martocchio, & Frink, 1994). Majority of interviewees reported that they were not happy with the level of clarity of communicating goals and expectations by their leaders. This was the case especially in less hierarchical companies, however, the issue was present in corporations as well. I1, working for an energy producer corporation stated:

*“I never had a training to my job. Since day one, I was expected to know what to do and how to do it. My leader was not aware of the scope of my job description, nor how things should be done. I like the freedom and proactivity that my job requires, but clear goals and knowing expectations towards my job would increase my motivation a lot.”*

Based on the interviews, it is clear that though interviewees did report to enjoy freedom and flexibility in their work, they also appreciate accountability and clearly assigned roles. Most interviewees reported that their goals were not communicated clearly enough, causing stress confusion and anxiety in them. One interviewee stated that she would feel more motivated if she had specific goals to meet and responsibility to report to their follower. She further noted that this might have been the case because of being an intern – however, how can she learn the corporate culture if the orientation and entry into to company is such? Another interviewee (I10) told that since day one, she was not assigned with goals, nevertheless tools and guidelines on how to do her job:

*“When I started, I had no one to train me or help, I had to learn everything by myself. And when I asked my leader about my tasks, he did not know, not to mention that he could provide assistance.”*

Judge (2000, p. 107) notes that the most effective way an organization can increase job satisfaction of its employees is to enhance the mental challenge in their work. Similarly, most people can improve their own satisfaction by seeking out mentally challenging work. Therefore, goals are an important determinant of followers’ satisfaction as they further help to develop a sense of achievement (Gomez-Minambres, 2012). Research suggests that goals given on individual level should be specific and demanding (Seijts & Latham, 2005; Seijts et al., 2004).

Judge (2007), among other scholars, have found, that when workers are committed to challenging but realistic goals, their performance increases even when goals are not directly tied to extrinsic motivations, such as salary. Judge (2007) argues that the more demanding the goal is, the greater the outcome will be, as long as the individual is committed to the goal. The evidence of the present study supports this, an interviewee (I10) reporting:

*“Goals are motivating, but mine were not realistic. I worked for a start-up where I got way too large responsibilities to handle without guidelines or support. This was not motivating but rather stressful.”*

This comment indicates that when the assigned goals are highly demanding, this might be a demotivating factor, if the follower considers them to be unrealistic and thus not reachable. This is a likely to lead to frustration and distress. Another interviewee reported:

*“Too much of my work is routines. I feel like my potential is not fully utilized. I’m not given any goals. Having clear and challenging goals would make me work harder.” (I1)*

This indicated that both intrinsic and extrinsic motivation sources are lacking from the interviewee’s work. Finding a combination of appropriate extrinsic and intrinsic motivation sources such as setting clear goals and utilizing the person’s strengths and interests would lead to increased motivation and thus organizational performance, as explained in the literature review (Amabile, 1993).

#### **4.5. Appreciation for personal well-being and free time**

Collinson and Hearn (1994) present that career plays a significant role in the former generations’ lives and is an essential component of their identities; consequently, they might advise young coworkers to work hard, demonstrate their dedication, and patiently ‘wait their turn’ for promotions. However, it seems like in addition to different beliefs of career development, Marston (2007) suggests that building a career is not a primary motivator for most millennials. Instead, work is a less significant part of their personal identities; rather it is there to support the lifestyle they desire (Marston 2007). Instead of focusing on climbing the organizational ranks, millennial workers are likely to pursue flexible career paths because their priority is work-life balance (Carless and Wintle 2007; Smola and Sutton 2002). The evidence of the present study seems to partly support the literature. An interviewee (I1) showed clear dissatisfaction due to her leader’s disrespect for work-life balance:

*“He thinks there’s too much of free time. Weekends are boring because we are not at work. Holidays are unnecessary. If I take Friday free and travel, he thinks its weird because I’m traveling so much.”*

However, no evidence supported the claim that building a career is not a priority to the interviewees. In contrast, all the interviewees reported that building a career was the top priority for them ‘in their 20’s’. However, the majority of interviewees talked about the challenge of finding a *meaningful* career path. Meaningful seems to be the key difference in work-related requirements. Whereas the earlier generation might have placed more emphasis on ‘waiting their turn’ for promotions and worked hard for years for bonuses and salary increases, the millennial generation seems to put higher emphasis on finding meaningful work.

#### **4.6. Importance of extrinsic motivation drivers**

During the data collection process, it became evident that the interviewees put high emphasis on intrinsic motivation drivers for their work; they want to be able to find their tasks genuinely interesting and stimulating. However, as noted by scholars (i.e. Amabile, 2001), it is likely that both intrinsic and extrinsic motivators are present for most tasks that people do in their work. Some motivation drivers that have already been discussed, such as feedback, are considered as intrinsic motivators. However, there are other motivators such as salary, recognition, bonuses etc. that are purely extrinsic, and were discussed separately during the interviews. The researcher aimed to identify such important motivators, as well as evaluate their importance for the millennial workers.

It became evident that in some cases, salary is an important extrinsic motivation driver. The findings indicate that a millennial who might otherwise try entrepreneurship, but as the temptation of steady income is stronger, they choose to work for an organization. An interviewee (I4) summed up his thoughts as follows:

*“The main reason I work for a corporation is safe income. If I knew I didn’t have to worry about money, I’d not work for them. I will work here until my own business is on safe basis.”*

Recognition and opportunities that working in an organization offers is another extrinsic motivation driver that the interviewees seem to be looking for in the early phases of their careers. An interviewee (I8) reported:

*“I will work here to gain network and get experience of projects, and when I believe I have learned enough, I will found my own company.”*

This type of thinking seems to represent most of the interviewees’ mindset. It is important for organizational leaders to be aware about the strong desire of millennial workers to do something for themselves, make an impact or at the very least find their work meaningful in wherever they work at. When this condition is not met, they are likely to consider about alternative options in the work market, or potential business ideas. In conclusion, the final theme discussed indicated that extrinsic motivators take place for millennial workers as well. This is in particular evident in cases where the millennial does not necessarily have sufficient about of intrinsic motivators, yet the extrinsic motivators compensate the lack of intrinsic. In other words, a millennial worker might decide to stay in an organization if the extrinsic motivators, such as salary, is high enough to compensate the lack of finding the tasks on hand genuinely interesting.

## 5 CONCLUSION

The objective of the study was to examine motivation drivers and sources of job satisfaction of millennial generation workers. As it has been argued in literature and in this study, leadership is closely linked to the level of motivation of a follower. The level of motivation has an impact on one's well-being, job satisfaction, level of commitment and task performance.

Utilizing interview data, the present study found that millennial generation workers do put high priority on certain aspects of their work that traditionally might not have been considered important. First, millennials have a high need for personalized attention and frequent feedback regarding their work performance. They wish to constantly improve and thus wish to get frequent feedback both in a positive and constructive manner. Second, millennial workers prefer mentoring-like relationships with their leaders, in which they feel like they can constantly learn and evolve. They are not afraid of responsibility, thus requiring a certain level of empowerment already early on in their careers. The third finding regarded communication; millennials require organizational communication to be open and transparent. They expect to be on the loop of any kind of information – also of the kind that traditionally might have been regarded as information only meant for the top level. Fourth, millennials want the vision of the company to be clear to them, as well as their individual role and tasks and their contribution towards this vision. Fifth, millennials seem to place high emphasis on their personal lives. Whenever their leaders do not appreciate their need for free time and taking care of their personal well-being, this is likely to lead to significant decreasing of motivation. Finally, extrinsic motivation drivers seem to be an important motivation driver for millennials. Many interviewees reported that if money was not an issue, they would not continue working for the organization they were now working in.

The findings of the present study aim to serve as guidance for today's leaders who are

likely to benefit of adapting their leadership by taking into account the traits of the millennial generation as they continue to enter t the work market. The research questions of this study are:

Q1: What are main sources of motivation and job satisfaction for millennials?

Q2: How can leadership motivate millennials to ensure organizational performance?

### **5.1. Implications for millennials' leaders**

This subchapter will use the findings and analysis presented in the previous chapter to draw practical implications for organizational leaders. As presented, millennials are entering the work market. As was argued in the literature review, motivation and organizational performance are closely interrelated – the higher the organizational motivation, the higher the organizational performance will be. The link between leadership and increasing motivation was presented in the literature review section as well. The findings of the present study suggest that insufficient leadership easily makes the millennial generation workers to consider changing the organization they are working for. Even when they do stay, they will not put their best effort to the tasks on hand, which consequently negatively affects organizational performance. Because the two motivational types of intrinsic and extrinsic motivators so often co-occur, it is especially important for leaders to consider how they might combine and interact (Amabile, 2001).

The present study suggests that millennials require a high amount of feedback – the more the better. It seems that their leaders are not used to providing feedback to the extent millennials prefer, suggesting that the earlier generation has been satisfied – or remained in silence – regarding the level of feedback they wish to receive. It is not enough that feedback is given only when change is necessary – it is important for millennials to know how well they are performing at any given moment and task, in

order to improve. It is clear that annual job development discussions are not enough to satisfy the need of feedback for millennials. Leaders need to realize that millennials do not consider constructive feedback as criticism but simply a form to develop to be even better. An implication is that it is important for leaders to collect any feedback provided by team members and other leaders and deliver it to the follower in question it concerns. External feedback is important as well; for example, feedback by customers, clients or suppliers can greatly increase the motivation of employees. Naturally, leaders are often the most important source of feedback themselves. They need to be conscious about observing and analyzing their followers' performance and continually provide both positive and constructive feedback. This sort of communication is also an important, constant indicator of trust, respect and feelings between the giver and receiver of feedback. (Myers & Sadaghiani, 2010)

The second finding indicated that millennials are looking for mentor-like relationships with their leaders. Having an inspiring leader who they can learn from and evolve with, seems to be an even higher priority to the millennial than the organization itself. This finding provides important insight for organizational leaders. First, it should be made sure that the leader is present already in the very first interview in the recruitment phase. This ensures that the candidate knows with whom he/she would be working with – it is beneficial for both parties to make sure that the chemistry is there. Second, once the recruitment is done, it is up to the leader to ensure that the follower feels trusted and empowered. Knowing each other beyond an impersonal and distant leadership approach is important. Furthermore, millennials are looking for opportunities of two-way learning and challenging traditional assumptions, beliefs and ways of doing things; they demand their leader to obtain great listening skills as well. Millennials love to challenge their views; it is highly non-motivating from them if the leader is not willing to hear ideas for alternative approaches to replace existing models. Leaders need to let their follower express their views. Followers do not expect that their views are necessarily right – they simply want to get their voice heard and be engaged with fresh views and great argumentation. In conclusion, social skills and emotional intelligence in the modern organizations are more important than ever – for all organizational members, but leaders in particular.

The third finding of the present study highlights the importance of open communication and transparency in information flow. Millennials also wish for organization-wide communication, viewing organizations as integrated systems, with no boundaries between departments. Leaders need to think about way to enable integrated communication across functions to enhance innovation thinking and networking possibilities. This could consist of anything from communication platforms to changes office design and establishing organizational events to transform the corporate culture to be more transparent, open and increase the communication flow overall.

The fourth finding emphasized the importance of goal setting and clear communication of the company vision for millennials. Millennials do care about the company vision – they see themselves as executors towards this vision, and thus want it to be motivating and meaningful for them. Consequently, they want to see how their individual work effort contributes to this vision. This calls for implications for organizational leaders. First, it is important for any organization to frequently revise their vision, and make sure that all actions executed are contributing towards this vision. When the vision is reached, it needs to be renewed. Organization-wide communication is important – vision is not simply up to the leadership team to decide. Second, it is, again, important to make sure already in the recruitment process that the follower candidate does find the company vision meaningful and motivating. It is up to the recruiter to ask appropriate questions and lead the conversation until he/she can be sure that the candidate does see the vision inspiring and motivating. This, again, calls for skills of emotional intelligence. Also, leaders need to align their vision to ensure coherent messages to their followers, to maximize efficiency and motivation, as mixed messages cause anxiety, confusion and inefficiency. The findings of the present study suggested that start-ups in particular might have trouble communicating the vision clearly. This indicates that leaders of small companies need to pay special attention in making the organizational vision explicit for all members, as well as aligning tasks accordingly.

The fifth finding calls the leaders to make sure that they give space and time for the millennial workers to embrace their other interests than work. Millennials, especially in corporations, do not seem to consider work as the most important aspect of their life, but rather an enabler to do more meaningful things. Many are constantly thinking about ways to turn their hobbies into business and eventually perhaps exit the organization. Rather than fighting for this, a more constructive approach for the leaders to deal with this would be to appreciate and openly communicate about these interests and passions. Often, there are talents that, when revealed and utilized, would bring added value for organizational performance as well. For example, a developer's background and knowledge of music can benefit him in executing client work. A worker with a certification of yoga teaching could give a class after work at the office facilities, to enhance employee well-being and foster feeling of connectedness. The findings of the present study found that health is highly important for this generation. Appreciating and encouraging followers to take care of themselves is likely to positively affect the organizational culture and employee well-being, which consequently positively affects the organizational performance. Leaders need to understand that millennials' desire to take time off or work less hours does not mean that they are not committed to work – rather, they believe in results rather than time.

The final finding highlighted the importance of extrinsic motivation drivers. Followers working for organizations do appreciate rewards such as recognition, status and salary. Millennials put a lot of effort in finding work that combines working towards a meaningful vision, and receiving external rewards such as the ones mentioned. Especially in the early phase of their career, they might settle for a less meaningful work, in the condition of higher external rewards. A practical implication for leaders can be drawn – if the justification of the meaningfulness, in other words, no high intrinsic motivation drivers exist, it is especially important for leaders to ensure high external rewards. This could be high salary, opportunity for bonuses or promotions and so on. Important, as has been highlighted throughout the study, is frequent, open and transparent communication with the millennial itself.

Drawing from all the findings, a clear conclusion can be drawn. The millennial seem to

have realized that when they discover the things that they truly enjoy to do - their calling - they perform better. This can be described as finding the work *meaningful*. In other words, they want to find performing the task enjoyable for the activity itself, rather than out of an external reward; they put high emphasis on being *intrinsically* motivated by their work. Many interviewees reported that meaningfulness is more important for them than salary – they would rather settle with lower salary than sacrifice the enjoyment of whatever they do for work. Because intrinsic motivation results in high-quality learning and creativity, it is especially important to detail the factors and forces that foster versus undermine it.

It can be concluded, that all of the findings regarding millennial workers' motivation indicate the same: leadership and motivation are closely connected. This calls for action for leaders: they need to develop their leadership skills, in particular emotional intelligence. Leaders need to get to know their followers personally, and give them the attention they require in order to grow and constantly evolve at work. This personalized attention and challenging yet realistic and meaningful tasks is likely to result in highly motivated followers.

## 5.2. Limitations and suggestions for further research

This study naturally has its limitations. As the millennial generation is defined as people born between 1979 and 1994, people who fall under this group worldwide naturally form a mass population. Taking into account socio-economical factors as well as individual differences, it is impossible, as is the case in any qualitative research, to generalize the findings for the entire target group. However, the research group in this particular study consisted of semi-homogenous group, living in the same geographical area. Furthermore, they were all academically educated and aimed at making an impact through leadership later on in their career. A consequence might be that people in similar surroundings and background might possess similar thinking in contrast to people physically far away, or who possess a, in this case, non-academic background. Thus, rather than aiming to identify traits of all millennials in the world, the findings of

this study are considered to be applicable for this particular profile. The author sees that the findings give insights of an interesting, rising group of future leaders.

## **6.2. Suggestions for further research**

The three themes covered and examined in the present study – motivation, millennial traits and leadership – are all wide and ever-relevant topics.

As the millennials are increasingly entering the work market, and eventually taking over leadership positions, identifying traits of this generation is important. As discussed in the findings chapter of this study, entrepreneurship seems to increasingly become a tempting option for the millennials with academic education as well. Researching the phenomenon and in particular the reasons and motivation behind such a choice would make an interesting field of further research.

As has been explained in this study and in earlier research, organizational leadership is a cornerstone of human motivation and thus organizational performance. Further research about leadership in different contexts is thus naturally relevant. By context I refer to, for example, organizations with different hierarchical levels and different phases such as organizational transformation. Leadership is always an important success factor in any organizational situation and thus should not be undermined in the field of research either.

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