



**Examining How Generation Y's Career Anchors Influence their  
Compensation Preferences**

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**Abstract**

**Purpose** ó This study investigated the relationships between Generation Y (born in or after 1980) career anchors and their compensation preferences, priorities, and expectations. Specifically, the dependent variables were salary, benefits, and raises. Differences pertaining to demographics and year of study in this cohort were also examined.

**Design/Methodology/Approach** ó This study consisted of individuals in Generation Y from university students all across Canada ( $N=101$ ). Data was analyzed using Pearson co-relational tools, and t-tests to the  $p<.05$ .

**Findings** ó Generation Y placed relatively high importance on all of the compensation factors examined. The majority of relationships were found in gender differences and career anchors.

**Implications** ó The changing demographics within today's workforce has created a lot of concern among employers. Understanding Generation Y's career anchors and the preferences associated with them will enable managers to create and personalize compensation packages relative to individual needs.

**Originality/Value** ó There has been copious amounts of research about Generation Y and the implications of their prevalent stereotypes. This study takes a step further and identifies the implications of the relationships between Millennials' career anchor and their individual compensation preferences. This will allow for a more thorough understanding of the workforce and provide managers with the tools to effectively attract, retain, and motivate Generation Y.

**Introduction**

As a large portion of the workforce begins to retire, Generation Y will play an increasingly important role in filling the void left by older generations. It is important for managers and organizations to develop a thorough understanding of this generational cohort as they will soon be the driving force of the labor market. Generation Y consists of individuals born between 1980 and 1995 (Ng, Schweitzer, Lyons, 2010). This cohort makes up approximately 15% of the global labor force (Hill, 2004), and is the largest generation in history (Robert Half International, 2008). For the simplicity of this paper we will refer to this generation as either Generation Y or Millennials. Millennials are known to possess quite different qualities and attitudes than the generations that preceded them and include selfishness, narcissism, the need for social approval, maintaining high expectations, lack of motivation, and disloyalty (Twenge &

Campbell, 2008; Myers & Sadaghiani, 2010). This has created concern amongst managers as they are worried about creating functional work relationships between Millennials and other generations within their organization (Zemke, Raines & Filipczak, 2000; Myers & Sadaghiani, 2010). This barrier will impact the competitive advantage of the organization which will create a ripple effect of inefficiencies across the entire organization. On a more positive note, they are known to work well in teams, and are motivated to make a consistent and lasting impact on organization. They also possess strong social skills which will allow them to thrive in group settings and engage in active and open communication (Myers & Sadaghiani, 2010).

This research will be useful for Millennials and employers to learn about general career trends amongst their peers, as well as in the development of plans to attract, motivate and retain this cohort. It has become apparent that organizations need to restructure in order to appeal and provide for this group's needs (Martin, 2005). Without these changes, companies may fail to benefit from the valuable talent that would otherwise increase their organizational strength. Furthermore, failure to adjust to these needs may produce issues with cohesion between coworkers's work-related values and role expectations in the form of conflict, mistrust and lower productivity (Hill, 2002). In order to address these issues, companies will need to alter rules and policies that will ensure the proper utilization of Millennials's unique abilities (Gursoy, Maier & Chi, 2008). Aside from instituting these changes, organizations must advertise their willingness to conform to this generation's needs. A technique referred to as graduate recruitment will assist in this task. The graduate recruitment process begins with the organization communicating values and image through publicity and advertising. Potential graduate applicants then evaluate their understanding of the organization and make a decision to apply or not to apply (Terjesen, S., Vinnicombe, S., & Freeman, C., 2007). This process is extremely important and necessary because organizational attributes are a key factor in applicant attraction (Powell & Goulet, 1996).

Being able to attract and retain the best and brightest of a generation can make or break an organization (Milkovich, Newman & Cole, 2010). Our world has become increasingly integrated with advancements in technology, and as a result this opens up the job market to intense competition. On top of this, companies are striving to create the image of being the top employer who is offering the best opportunities to the workforce. This can be a daunting task and

therefore it is important that they need to use their resources effectively. Utilizing the information that will be produced from this study can help employers overcome this hurdle and help attract up and coming talent.

Although the amount of literature on Generation Y's compensation preferences is growing, there is minimal research examining Millennials' career anchors and their influence on these preferences. This study's objective is to help close this gap and generate further understanding of this generation.

### Dependent Variables

For our dependent variables we want to find out what parts of compensation were important specifically to Generation Y. During our literature review we discovered that three components of compensation were of the most importance to our target population. They are salary, benefits and wages (Heneman & Schwab, 1985). When these three components are combined we termed them *compensation preferences* or *compensation satisfaction* and used them interchangeably. More specifically compensation satisfaction is defined as the overall positive or negative feelings that an individual has towards their pay in regards to wages, benefits and raises (Miceli & Lane, 1991).

Now we will look further into what is encompassed under each of these components. Salary focuses on the future wages that Generation Y wishes to achieve as they enter the workforce (Scarpello, Huber & Vandenberg, 1988). This will include base salary (excluding any add-ons such as bonuses). The second component is benefits, which will encompass items such as sick leave, vacation, insurance, pension, etc. (Scarpello et al., 1988). Finally, raises are considered as any positive change in pay level that an individual may acquire (Scarpello et al., 1988). Each of these compensation components will be addressed in many ways within the report.

## Career Anchors

Career anchors are a list of eight themes that differ between people and help predict individual career decisions and pathways. They seek to outline specific traits seen in people with the same career focuses. A person's career anchor is his or her self-concept, consisting of 1) self-perceived talents and abilities, 2) basic values, and, most important, 3) the evolved sense of motives and needs as they pertain to the career. Career anchors evolve only as individuals gain occupational and life experience. However, once the self-concept has been formed, it functions as a stabilizing force, an anchor, and can be thought of as the values and motives that the person will not give up if forced to make a choice. Most of us are not aware of our career anchors until we are forced to make choices pertaining to self-development, family, or career. Yet it is important to become aware of them so that we can choose wisely when choices have to be made (Schein 1996). The eight anchors are described in detail below and the definitions were derived from Marshall & Bonner's (2003) article.

*Autonomy:* People who identify to this career anchor exhibit traits of strong independence in the workplace. They seek to operate under their own set of rules and work free of organizational constraints.

*Job Security:* People who associate with this anchor seek a sense of assurance that their position and job are secure and stable. They tend to remain in the same job for a long period of time.

*Managerial Competence:* Those that relate to this anchor are individuals that enjoy being leaders and the responsible that come from management positions. They enjoy problem solving and seek promotions in order to feel successful.

*Technical/Functional Competence:* People relating to this anchor usually specialize in a specific skill and work to become experts in that area. They value the intrinsic aspects of the job and work to be better than others in their specialty.

*Entrepreneurship/Creativity:* This anchor includes traits of individuality and the interest of developing a unique product of service. These individuals also thrive in being business owners and value ownership and wealth.

*Service/Dedication to a Cause:* Those relating to this anchor are service oriented and value the reward of what they can do for a cause of interest. They input their time and dedication to a particular cause and do not value money as a reward. They seek to help people in the ways they can.

*Pure Challenge:* These individuals seek constant challenge in their work and thrive by tackling unsolvable problems. They tend to move around jobs once they feel they are not being challenged enough.

*Lifestyle:* People relating to this anchor are very much driven by their need to keep up with their desired lifestyle. They assimilate their life and work schedules/concerns, and are concerned with self-development as their priority.

When considering these career anchors and their individual meanings, we came up with three hypotheses for each anchor. The hypotheses are based on our perceptions of how career anchors are associated to the three aspects of compensation preferences examined (salary, benefits, and raises).

#### Pure Challenge

*H1: Individuals with the Pure Challenge career anchor will show/have a positive correlation to Salary.*

*H2. Individuals with the Pure Challenge career anchor will show/have a positive correlation to Benefits.*

*H3. Individuals with the Pure Challenge career anchor will show/have a positive correlation to Raises.*

#### Autonomy

*H4. Individuals with the Autonomy career anchor will show/have a positive correlation to Salary.*

*H5. Individuals with the Autonomy career anchor will show/have a positive correlation to Benefits.*

*H6. Individuals with the Autonomy career anchor will show/have a positive correlation to Raises.*

#### Managerial Competence

*H7. Individuals with the Managerial Competence career anchor will show/have a positive correlation to Salary.*

*H8. Individuals with the Managerial Competence career anchor will show/have a positive correlation to Benefits.*

*H9. Individuals with the Managerial Competence career anchor will show/have a positive correlation to Raises.*

#### Job Security

*H10. Individuals with the Security career anchor will show/have a positive correlation to Salary.*

*H11. Individuals with the Security career anchor will show/have a positive correlation to Benefits.*

*H12. Individuals with the Security career anchor will show/have a negative correlation to Raises.*

#### Technical/Functional Competence

*H13. Individuals with the Technical Competence career anchor will show/have a positive correlation to Salary.*

*H14. Individuals with the Technical Competence career anchor will show/have a positive correlation to Benefits.*

*H15. Individuals with the Technical Competence career anchor will show/have a negative correlation to Raises.*

#### Entrepreneurship/Creativity

*H16. Individuals with the Entrepreneurship career anchor will show/have a positive correlation to Salary.*

*H17. Individuals with the Entrepreneurship career anchor will show/have a negative correlation to Benefits.*

*H18. Individuals with the Entrepreneurship career anchor will show/have a negative correlation to Raises.*

#### Service/Dedication to a Cause

*H19. Individuals with the Dedicated to Cause career anchor will show/have a negative correlation to Salary.*

*H20. Individuals with the Dedicated to Cause career anchor will show/have a negative correlation to Benefits.*

*H21. Individuals with the Dedicated to Cause career anchor will show/have a negative correlation to Raises.*

Lifestyle

*H22. Individuals with the Lifestyle career anchor will show/have a negative correlation to Salary.*

*H23. Individuals with the Lifestyle career anchor will show/have a positive correlation to Benefits.*

*H24. Individuals with the Lifestyle career anchor will show/have a negative correlation to Raise*

**Methodology**

The data for this study was collected through a convenience sampling technique. Its purpose was to gain insight on the compensation satisfaction (salary, benefits & raises) expected in the

| <b>Demographic</b>      | <b>Valid N</b> | <b>Percentage of Study</b> |
|-------------------------|----------------|----------------------------|
| <i>Gender</i>           |                |                            |
| Female                  | 52             | 53.1%                      |
| Male                    | 46             | 46.9%                      |
| <i>Year of Study</i>    |                |                            |
| 1 <sup>st</sup>         | 3*             | 3.1%                       |
| 2 <sup>nd</sup>         | 10*            | 9.9%                       |
| 3 <sup>rd</sup>         | 20             | 19.8%                      |
| 4 <sup>th</sup>         | 64             | 63.3%                      |
| 5 <sup>th</sup> or more | 4*             | 3.9%                       |

Table 1

\* Demographic group did not have a valid N, and therefore statistically speaking is insignificant.

workplace based on varying positive and negative relationships amongst our eight career anchors for Generation Y.

Better understanding compensation preferences and individual values provides a competitive advantage for employers in their efforts to attract, retain and motivate their staff. Each group member was responsible for contacting all of their personal connections through means of social networks, email and personal

messaging to encourage participation in our survey. Collectively we managed to gain a Nation-wide university-based sample including

geographical areas such as British Columbia, Quebec, Nova Scotia and Southern Ontario. From approximately 265 survey requests we achieved a participation rate of 34% by the end of our four-day window. The majority of our original data was comprised of fourth year university students (N=64), with an almost even split of males versus female participants (female N=46, male N=52). Our age range covered Generation Yøers from 17-25 years of age. We also examined ten different university majors as well as individuals aiming to pursue post-secondary



education. In addition to these categorical references, the study also looked to further distinguish our sample based on job availability or opportunity once an undergraduate degree is complete and the time frame of expected entrance into the labour market.

## Measures

The aim of this study is determining which of the three major elements of compensation satisfaction relates to changes within our independent variables. The dependent variables are salary, raises and benefits; each variable was measured based on a slight modification to the Pay Satisfaction Questionnaire (PSQ) (Heneman & Schwab, 1985) which measures current satisfaction within a job status, while our survey needed to focus on future expectation. The original PSQ was based on a four dimensional construct, however, recent literature suggests that there is a universal consensus which agrees on the fact that salary, benefits and raises are the most valued types of compensation (Williams, Brower, Ford, Williams, & Carragher, 2008) and therefore most significant for our study objective. The scale used was a five-point Likert scale based on importance ranging from "not at all important" to "extremely important", for each of the two questions per dependent variable. Supplemental sets of multiple-choice questions were created to gather data on specific expectations in terms of our dependent variables. As a group, we agreed on the answer options as well as ranges of quantitative answers including pay bracket expectation, benefit package dollar value expectation and raise opportunities per year. These answers were made fully exhaustive as best to our ability.

Each of our eight independent variables was derived from the studies conducted by Igbaria and Baroudi (1993) and Marshal and Bonner (2003) that looked at internal values, preferences, and traits of personality. Rather than focusing our entire study on a specific career anchor, our sample was measured based on correlation and the strength or weakness of variations amongst all eight anchors for each respondent. In order to accomplish this, the triangulation method of relationships (Lyons, 2012) was used which suggests that a true relationship can be demonstrated through three observations – in this case, three questions for each anchor for a total of twenty-four questions measuring our independent variables and their statistical significance.

## Analytic Procedure

Professor Lyons ran our data using Pearson co-relational tools based on our twenty-four hypotheses related to direct positive or negative relationships of the independent variables, career anchors, and our three dependent variables salary, benefits and raises. We were hoping to see variations in the level of statistical significance based on the strongest and weakest career anchors associated with each respondent.

In addition to our strict independent ó dependent variable relationships, Professor Lyons also ran our survey results to exploit relationships between our dependent variables and age, degree program, gender and intentions based on post undergraduate completion using T-test at the p-value level of 0.05.

Reviewing our data, some intriguing results were revealed including significant gender differences and career anchor implications. Although each of our statistically significant correlations were moderate in strength ( $r = .490$  or less), due to our sample size being lower than usual r-value inferences, we can gather that the relationships present are moderately stronger than it would be otherwise.

## Results

### Career Anchors and Compensation Preferences

Individuals who possessed tendencies of the *Pure Challenge* anchor showed a significant positive correlation to one of the dependant variables, raises. The positive relationship between this anchor and the item, how my raises are determined, was significant at ( $r=.244$ ,  $p < .05$ ) and the positive relationship between this anchor and the item, the number of ways by which I can obtain a raise was significant at ( $r=.347$ ,  $p < .01$ ). *Pure Challenge* individuals showed no significant correlations between any of the other dependent variables.

Respondents who scored high on the *Autonomy* career anchor showed no significant relationships to any of the three dependant variables.

Respondents who indicated having tendencies of the *Managerial Competence* anchor had the strongest relationships between all three of the dependent variables. These individuals had

significant positive relationships to all items that predicted individual compensation preferences. Both items that predicted salary preferences were positively and significantly correlated to this anchor. The positive relationship between this anchor and the item, the size of my annual salary was significant at ( $r=.490, p <.01$ ) and the positive relationship between this anchor and the item, that my salary is at or above industry average was significant at ( $r=.420, p <.01$ ). These respondents possessing *Managerial Competence* traits showed positive significant relationships to both items that predicted benefits preferences. The positive relationship between these individuals and the item, value of benefits I receive was significant at ( $r=.404, p <.01$ ) and the positive relationship between this anchor and the item, number of benefits I receive was significant at ( $r=.429, p <.01$ ). These respondents showing tendencies of the *Managerial Competence* anchors showed significant positive relationships for both items that predicted raises preferences. The positive relationship between this anchor and the item, how my raises are determined was significant at ( $r=.409, p <.01$ ) and this anchor's positive relationship to the item, the number of ways by which I can obtain a raise was significant at ( $r=.429, p <.01$ ).

Individuals who were identified as having tendencies of the *Job Security* career anchor showed significant positive relationships with two of the dependent variables; salary preferences and raise preferences. These respondents had a significant positive relationship with only one of the items that predicted salary preferences. It was the item, the size of my annual salary and its relationship to this anchor was significant at ( $r=.267, p <.01$ ). Furthermore, these respondents showed significant positive relationships to both items that predicted benefits preferences. This anchor and the item, value of benefits I receive had a significant relationship at ( $r=.479, p <.01$ ) and this anchor and the item, number of benefits I receive was significant at ( $r=.369, p <.01$ ). The *Job Security* anchor was not significantly correlated to the raise preferences variable.

Respondents who were identified as possessing the *Technical/Functional Competence* career anchors showed no significant relationships to any of the three dependant variables.

Respondents that possessed tendencies of the *Entrepreneurship/Creativity* career anchor showed a positive significant relationship with two of the dependant variables; salary preferences and raise preferences. These individuals had a significant positive relationship with only one of the items that predicted salary preferences. This career anchor and the item, the size of my annual salary was significant at ( $r=.285, p <.01$ ). These individuals that possess tendencies of the *Entrepreneurship/Creativity* anchor have a significant positive relationship with one of the items

that predicted Benefits preferences. This anchor and the item, number of benefits I receive was significant at ( $r=.298$ ,  $p < .01$ ). This anchor was not significantly related to Benefits preferences.

Respondents who possess qualities of the *Service/Dedication to a Cause* career anchor had one unexpected significant positive relationship between one of the items that predicted raise preferences. This anchor and the item, the number of ways by which I can obtain a raise were significant at ( $r=.249$ ,  $p < .05$ ). This anchor and the other two dependant variables were not significantly correlated.

Respondents who possessed tendencies of the *Lifestyle* career anchor showed no significant relationship to any of the three dependant variables.

### Career Anchors and Gender

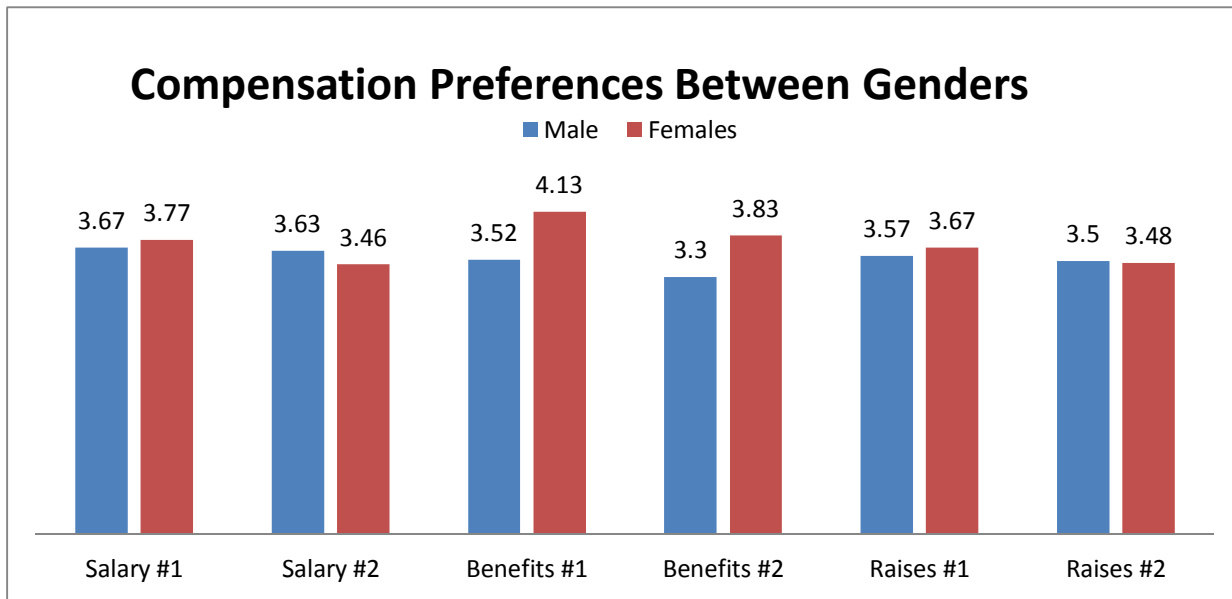
There were significant gender differences present within four career anchors. Males ( $N=46$ ) were more likely to possess the tendencies of the *Pure Challenge* career anchor ( $M= 3.25$ ,  $SD= .68$ ) than their female counterparts ( $N= 53$ ,  $M= 2.95$ ,  $SD= .63$ ). Females ( $N= 52$ ) were statistically more likely to have the traits consistent with the *Job Security* career anchor ( $M= 4.00$ ,  $SD= .58$ ), whereas males scored ( $N= 46$ ,  $M= 3.69$ ,  $SD= .64$ ) on this anchor. Males ( $N= 46$ ) had a greater statistical likelihood of possessing the *Entrepreneurship/Creativity* career anchor ( $M= 3.11$ ,  $SD= 1.02$ ) compared to females ( $N= 52$ ,  $M= 2.67$ ,  $SD= 1.08$ ). Females were more likely to have tendencies that reflected the *Service/Dedication to a Cause* anchor ( $N=52$ ,  $M= 4.20$ ,  $SD= .82$ ) relative to males ( $N= 46$ ,  $M= 3.78$ ,  $SD= .78$ ). Males ( $N=46$ ) and females ( $N=52$ ) were not significantly different on the following career anchors: *Autonomy*, *Managerial Competence*, *Technical/Functional Competence* and *Lifestyle*.

### Compensation Preferences and Gender

As seen below in Table 2, females placed a higher emphasis on their value of benefits when compared to males. On both items which predicted benefit preferences, females scored significantly higher than males (refer to Figure 1). On the item, the value of benefits I receive, females showed a significant difference ( $N= 52$ ,  $M= 4.13$ ,  $SD= .0$ ) compared to males ( $N=46$ ,  $M= 3.53$ ,  $SD= .8$ ). On the second item, the number of benefits I receive females showed a

significant difference (N= 52, M= 3.83, SD= 1.0) compared to males (N= 46, M= 3.30, SD=.70). Gender did not have a significant impact on salary preferences or raises preferences.

**Figure 1**



| Compensation Item  | Gender            |                    |         |                   |                    |         |
|--|-------------------|--------------------|---------|-------------------|--------------------|---------|
|  | Male              |                    |         | Female            |                    |         |
|  | Mean              | Standard Deviation | Valid N | Mean              | Standard Deviation | Valid N |
| <b>Salary</b>  |                   |                    |         |                   |                    |         |
| The size of my annual salary is...                         | 3.67 <sub>a</sub> | .8                 | 46      | 3.77 <sub>a</sub> | .9                 | 52      |
| That my salary level is at or above industry average is... | 3.63 <sub>a</sub> | .8                 | 46      | 3.46 <sub>a</sub> | 1.1                | 52      |
| <b>Benefits</b>  |                   |                    |         |                   |                    |         |
| The value of the benefits I receive is...                  | 3.52 <sub>a</sub> | .8                 | 46      | 4.13 <sub>b</sub> | .9                 | 52      |
| The number of benefits I receive is...                     | 3.30 <sub>a</sub> | .7                 | 46      | 3.83 <sub>b</sub> | 1.0                | 52      |
| <b>Raises</b>  |                   |                    |         |                   |                    |         |
| How my raises are determined is...                         | 3.57 <sub>a</sub> | .7                 | 46      | 3.67 <sub>a</sub> | 1.0                | 52      |
| The number of ways by which I can obtain a raise is...     | 3.50 <sub>a</sub> | .8                 | 46      | 3.48 <sub>a</sub> | 1.1                | 52      |

**Table 2**

**Year of Study's Influence on Career Anchors and Compensation Preferences**

Year of study's influence on respondent's career anchors and compensation preferences was minimal. Due to the small number of participants for first, second, and fifth year students,

conclusions were not able to be drawn from the data. *N* sizes were too small that findings could not be generalized over the entire population, thus they were irrelevant. Both third year students ( $N=20$ ) and fourth year students ( $N=64$ ) placed the highest emphasis on the lifestyle career anchor ( $M=4.02$ ,  $SD=.60$ ) and ( $M=4.16$ ,  $SD=.60$ ) respectively. Coincidentally, third and fourth year students agreed once again, placing their lowest emphasis on the technical/functional career anchor ( $M=2.88$ ,  $SD=.80$ ) and ( $M=2.8$ ,  $SD=.80$ ). In regards to year of study's influence on compensation, it was again minimal. Scores were relatively the same for all years of study examined, and thus no statistical inferences were drawn.

### Degree Program and Career Anchors

Our results regarding degree program and its relationship to individual career anchors were for the most part unusable. The *N* values for most of the degree programs were too small to produce valid and reliable statistical inferences. The only degree programs that had large enough *N* values to draw useable data from were Bachelor of Commerce ( $N= 43$ ) and Bachelor of Arts ( $N= 22$ ). These two degree programs had little significant differences. The only significant difference predicted by these degree programs was that Bachelor of Art students were more likely to have a Service/Dedication to a Cause career anchor ( $M= 4.45$ ,  $SD=.7$ ) compared to their Bachelor of Commerce counterparts ( $M= 3.66$ ,  $SD= .8$ ).

### Discussion

What are Generation Y's preferences towards compensation, and how does their career anchor dictate these preferences? Well, the findings of our study coincide with the majority of literature written on Generation Y's preferences towards compensation. They maintained a universal attitude as to compensation preferences in terms of salary, benefits and raises being the undisputed leader in expectations (Williams et al, 2008) from an employee's point of view, which is seen to remain as a perpetual set of workplace values. As eluded to previously, the stereotypes surrounding Generation Y are, for the most part negative in nature (Myers & Sadaghiani, 2010, Twenge & Campbell, 2008). The traits produce an impression that has caused much concern in the workforce (Zemke et al., 2000; Myers & Sadaghiani, 2010), however, as

any evolutionary element suggests, with time, change should be expected. This study has developed insight into the up and coming market of workers that can now be analyzed from practitioners' perspective to improve the utilization of their skills and competencies.

### *Career Anchors and Compensation Preferences*

Respondents that identified with the *Pure Challenge* anchor were predominately concerned with the raise component of compensation. Individuals that associate with challenging work are required to put in lots of time and effort as a result of this attitude. As our research found, their main priority is pay advancement. Their focus on raises supports the stereotype that Millennials need constant gratification (Martin, 2005). As they complete these challenging tasks they expect to know how their raises are determined and ways by which they can obtain them. It is important for employers to understand the correlation between Generation Yers with this anchor and the value that they place on this component of compensation. Understanding this group's values will enable employers to meet employee needs and thus improving their retention abilities (Martin, 2005). As suggested by the Corporate Leadership Council (2005), a method to increase job satisfaction would be to provide three smaller raises throughout the year as opposed to one larger raise at the year's end. This would also hinder the *Pure Challenge* anchor's tendency to change jobs frequently (Marshall & Bonner, 2003).

Our findings regarding the *Autonomy* career anchor show no significant relationships to any of the aspects of compensation. This could be attributed to the fact that these individuals value working under their own set of rules and are free from constraints more so than the main compensations components examined (Martin, 2005). It is important for practitioners to be aware that individuals possessing this anchor have a unique need that can be met without using conventional compensation techniques (i.e. salary, benefits, and raises).

Our results indicate that Millennials that had tendencies of the *Managerial Competence* career anchor identified all three components of compensation to be of high priority. This could be caused by the fact that these individuals tend to be leaders and relish the opportunity for responsibility (Marshall & Bonner, 2003), therefore they establish a strong value for these

components of compensation. This is important for employers because if they want to retain Generation Yers with the *Managerial Competence* career anchor they must recognize and cater to this group's values for salary, benefits, and raises. By fulfilling their needs, employers will increase their job satisfaction which will translate into increased motivation, production, and overall performance (Martin, 2005).

Millennials that identified with the *Job Security* career anchor demonstrated a significant correlation with salary and benefits. The focus on these aspects as a priority in their future career suggests that they covet career stability and longevity. Furthermore, this hints at their desire to achieve financial security. These desires may be attributed to young workers witnessing their parents become dismissed from jobs too easily and frequently in the 1980s and 1990s (Zemke, et al., 2000). It is critical for practitioners to understand that these individuals are assured through the size of their annual salary, and both the value and variety in their benefit packages. By implementing this knowledge into job offers, an employer can increase the likelihood of long-term retention (Martin, 2005).

Contrary to our hypotheses the *Technical/Function* career anchor demonstrated no significant relationships to any of the compensation factors. The intrinsic rewards that these individuals gain from their work could be responsible for the lack of value placed on compensation satisfaction. For employers, this information is useful because it shows that individuals relating to this career anchor do not highly value salary, benefits, and raises. Therefore, the use of other methods such as keeping these people in their area of expertise should be implemented to ensure this group's satisfaction.

Millennials that encompass the *Entrepreneurship/Creativity* career anchor place emphasis on both salary and benefits (one item for each). These individuals value wealth, which sufficiently explains the importance placed on the size of their salary (Marshall & Bonner, 2003). Surprisingly, respondents associated with this anchor conveyed emphasis on benefits. This finding contradicted our hypothesis, as we expected wealth to be the only compensation preference of significant worth to these individuals. Employers should facilitate these workers' ability to earn a respective salary and be creative in the workplace.



For those who drew a parallel to the *Service/Dedication to a Cause* career anchor placed no importance on any of the compensations components, except for one item that predicted raise preferences. This particular finding was unanticipated as it contradicted our proposed hypothesis regarding this component. This finding does not support prior knowledge presented in literature nor does it agree with our own knowledge. This result was irregular and further research is needed to confirm the validity and reliability of this premise. With this being said, employers should provide these individuals with opportunities that allow them to participate in meaningful work that provides intrinsic rewards.

Individuals that related to the *Lifestyle* career anchor produced no significant findings. Their attributes and values deterred them from placing any significant importance on the compensation components outlined in our study. Their inherent need to preserve their way of living provides the basis for what they seek in a career. In addition to this, they may be less likely to sacrifice for their work in terms of their work-life balance as a result of viewing their parents making the same sacrifices with no apparent or immediate benefit (Maccoby, 1995; Zemke et al., 2000). Employers need to be conscious of this when designing the job structure for these employees. Employers can institute other techniques that will bring satisfaction to these individuals that are not in a monetary form. Techniques such as structuring flexible work hours, optional overtime, and sufficient time off are just a few suggestions that would appeal to this group's needs as they tend to work to live, instead of living to work (Maccoby, 1995; Zemke et al.).

#### Gender Differences: Career Anchors and Compensation Preferences

Aside from our hypotheses, we found interesting relationships pertaining to how gender influences career anchors and compensation preferences. First of all, males were more likely to possess traits consistent with the *Pure Challenge* career anchor. This is could be caused because males are typically more competitive than females (Booth, 2009). This notion is important to practitioners because it means men prefer more challenging tasks in their jobs. This information could be used to delegate work projects relative to one's preferences. Alternatively, females had

a stronger relationship to the *Job Security* career anchor when compared to males. This finding suggests that females are interested in finding a career that provides long-term stability. Prior research has shown that gender differences do not typically exist regarding the *Job Security* anchor. Our finding could suggest that males are becoming more risky as it pertains to their career decisions. Less emphasis may be being placed on career longevity and focus is turning towards undefined career path. Contrary to males, females are placing increasing importance on their career stability. This could be caused by the fact they have suffered from workplace discrimination in the past (Perman & Stevens, 1989). Their struggles through this adversity could have fostered a more reserved mindset regarding career decisions. It is necessary for employers to recognize these differences, as it will help in the retention of this generation. Another gender difference that exists in our study for career anchors was that males were more likely to possess tendencies that related to the *Entrepreneurship/Creativity* career anchor. This could again be attributed to males' propensity to take more risks in their career decisions (Byrnes, Miller & Schafer, 1999). Furthermore, females had a distinct relationship to the *Service/Dedication to a Cause* career anchor. This could be due the fact that women consistently score higher on measures of caring, measures of empathy, and motivation to help others (Einolf, 2011). These traits are consistent with the overall qualities of this anchor.

In addition, gender caused only one difference on compensation preferences. Females measured significantly higher on both items that predicted the perceived value of benefits. This may again be due to the historical pay discrepancies that have existed between males and females (Perman & Stevens, 1989). As this gap begins to close, it is possible that females are finally getting the opportunity to express what is really important to them in terms of compensation. This finding suggests that benefits are an important component of compensation for females. It is critical for practitioners and employers to consider this when developing pay structures. It should be noted that no significant variations on the remaining items of compensation (salary and benefits) differed between the two sexes.

**Year of Study: Career Anchors and Compensation Preferences**

Our data regarding year of study as it correlated to compensation preferences predicted no significant differences. This is unusual as we were hoping that our data would support previous literature in their findings that as students mature they gain more realistic compensation expectations (Ng et al., 2010). However, year of study did predict career anchor prevalence in third and fourth year students. Our sample for years of study one, two, and five were too small to produce valid and reliable inferences, and therefore were excluded from this discussion. Third and fourth year students showed the strongest relationship to the *Lifestyle* career anchor. This confirms the general stereotype that surrounds Generation Y as they choose work that allows them to make their personal lives a priority (Ng et al., 2010). Moreover, third and fourth year students showed the weakest relationship to the *Technical/Functional* career anchor. This supports previous notions that Generation Y possesses flexibility, adaptability, and low commitment. All of the characteristics just mentioned contradict the foundation of this anchor and this is why Generation Y does not associate strongly with this anchor.

**Conclusions and Directions for Future Research**

Our study looked at the strength of associations between career anchors, and based on those relationships, how compensation satisfaction was impacted. Generation Y is the next era of labour market members and thus, providing further information and inferences on this cohort can be helpful for the overall utilization of this group. With that said, it was believed that all three aspects of compensation will be highly scored amongst our sample, however, we were more interested in how the variations in relationship strength of independent variable, varied amongst our dependent variable, even by the smallest of proportions for our analysis.

Gender differences were not as significant as initially believed, but some intriguing findings including job security and service dedicated to a cause from the female population, and entrepreneurial creativity as well as pure challenge from the males. These differences are interesting to see the transition of priorities as females and males of our generation enter the market simultaneously.

In terms of individual compensation elements, differences between genders were lacking significance with the exception of benefits being highly prioritized in the female sample. This information is another piece to a perpetual puzzle reflecting the needs and values of the Millennial population, and more specifically, how those priorities and preferences are rated between genders.

Although these findings were significant and interesting for our study, an area for improvement can be the analysis of reasons why these differences exist. The respective mediating and moderating variables that would have played a crucial role in furthering the explanation of our findings were not examined. Reasons such as debt, use of monetary resources and personal endeavors are just a few external variables that can be taken into account when conducting future research. This will provide further breadth and depth to our findings.

As our research was being conducted and progress was made, it became clear that honing in on a specific set of career anchors may have provided a more thorough explanation as to why relationships existed, how they impacted our dependent variables, and the core internal values that Generation Y possesses. Although our study was extensive as it examined twenty-four potential hypotheses, it may act as a stepping stone to eliminate the anchors within Generation Y that do not have any real statistical merit which can be taken into consideration with researchers in the future.

A major limitation to our study was the lack of variation between our dependent variables; this could be attributed to our respondents scoring each compensation preference high, regardless of career anchor.

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