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**THE ROLE OF TALENT MANAGEMENT PRACTICES ON THE  
RETENTION OF HIGHLY SKILLED LABOR MILLENNIALS**

**Valeria Shtefany Osorio Sotelo**

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**Carlos Cabral Cardoso**

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Valeria Osorio Sotelo



## **Abstract**

The purpose of this study is to explore the role of talent management (TM) practices on the retention of high-skilled millennial employees. In other words, how talent management can be used as a tool for retention of employees belonging to this generation. The study will identify and analyse the TM practices adopted by organisations and their effectiveness in promoting employee retention. Additionally, the study aims to identify the key factors that may foster the turnover and retention of millennials.

Using a qualitative approach, semi-structured interviews were conducted with eight employees working in engineering in Portugal. The research findings suggest that talent management practices may have an impact on employee retention, however the extent of their effectiveness will vary depending on the type of practice. It was identified factors such as training, feedback, and career growth as primary factors that promote retention by the interviewees. Therefore, it seems that implementing performance evaluation and career development is the most efficient approach to increase employee retention rates. Additionally, compensation systems are also crucial.

The findings may contribute to the people management field by enhancing understanding of the millennials' work environment interests, their reactions to talent management practices, and the impact on employee intention to stay after implementing such practices. This research is relevant as it addresses a current concern of many organisations and contributes to the existing knowledge and literature on the topic.

***Keywords: Millennial generation, retention, talent management practices, performance evaluation and career development.***



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# 1. Introduction

“Modern workplace consists of a multigenerational workforce” (Ivanovic & Ivancevic, 2018, p.53), with people of all ages working together to accomplish companies’ goals and making efforts to lead the company to success.

Currently, organisations have difficulty approaching and dealing with the different generations that make up the workforce. To head off employee dissatisfaction, and subsequent turnover, managers must match the aspirations and values of the workforce with those of the firm (Ivanovic & Ivancevic, 2018). According to the literature, unlike the other generations, companies of different sectors seem to be particularly challenged concerning retaining millennials (Ng et al., 2010). As a matter of concern, the literature indicates that “the millennial generation has the greatest employee turnover rates in businesses, and it is anticipated that this trend will continue to grow annually.” (Siahaan & Gatari, 2020, p. 16) . Therefore, companies need to address this challenging issue.

As some authors claim, “Millennials not only are the growing force in the workplace to be reckoned with, but reducing their turnover is also sure to become a major focus in the years ahead”(Sujansky & Ferri-Reed, 2009, p. 4). In response to this managerial situation, and given that talent management specialists have overlooked research on generational differences while focusing ethnicity and gender (Latukha et al., 2022), and given the limited number of studies focused on the Portuguese context available in the literature, this dissertation aims to explore the role of talent management practices adopted by the employer and how they relate to the retention of highly skilled millennial employees. In particular, based on four types of talent management practices: recruitment and onboarding process, managerial and teamwork support, performance and career development and compensation systems. As a result, this study examines the factors that influence millennials’ intentions to leave or stay in a job from their perspective.

The research addresses a social and economic situation that is happening in the work environment and that it has become a challenge for companies (Sujansky, 2009; Younas & Waseem Bari, 2020). The retention of talented Generation Y’ employees is a struggle that organisations are experiencing and need to overcome (Siahaan & Gatari, 2020). The proportion of the workforce belonging to the millennial generation is growing, and one

aspect that differentiates them is the higher turnover rates. “They have a reputation of being job hoppers” (Ivanovic & Ivancevic, 2018, p.55). The consequences of “job hopping”, which is defined as the action to “move freely and frequently from company to company and not being attached to organizations and jobs” (Ivanovic & Ivancevic, 2018, p.55), are translated into high costs for the companies. The literature points out that organisations suffer a total loss when individuals leave their jobs, as processes such as hiring and training require resources such as time, money, and effort (Ramlall, 2004). Consequently, organisations should concentrate on considering the target generation’s point of view and mindset into company policies to promote or improve employee retention.

Social exchange theory argues that when firms show care for their employees, those employees will reciprocate (Fletcher et al., 2016). For instance, businesses may be able to maintain their competitive advantage through the performance of employees who feel heard and motivated (Patil, 2022). In line with the mutual gains perspective, this research will also try to address how beneficial the implementation of these policies in a company is for both sides. This research will build on the current knowledge, covering the talent management practices retaining millennial highly skilled employees and providing a deeper understanding of the problem. There is also a personal interest, as I belong to this generation, and have had a similar experience. Therefore, the purpose of this study is to explore the role of the talent management practices adopted by the employer and how they relate to the retention of highly skilled employees.

The main objective of this study is to contribute to a better understanding of millennials’ behaviour in the work environment, by focusing on their expectations. In addition, the study seeks to explore the effects of talent management practices on the retention of millennial employees and whether these talent management practices mitigate turnover. By doing so, it aims to contribute to the improvement of current talent management practices in people management by taking into consideration the perspective of the members of this generation.

Therefore, the research questions are the following:

1. What is the role of the perceived talent management practices on the retention of highly skilled labour millennials?

2. What talent management practices are adopted and how effective are they in promoting workforce retention?
3. What are the main factors that might foster the millennials' turnover intentions? In other words, following the millennials' perspective, what can management do to make them more likely to leave their current positions?
4. What are the main factors that might promote millennial retention? In other words, following the millennials' perspective, what can management do to convince them to stay in their current positions?

The structure of this dissertation will be as follows: Following the introduction of chapter (1), chapter two details a comprehensive review of the literature on three main topics. Beginning with an analysis of the different generations and then focusing on the millennial generation in the workforce. Secondly, it explores the concept of employee retention and the factors that may affect the decision to stay, and finally, it examines talent management practices as a strategic tool to retain the high-skilled employees of this generation.

Chapter three describes the empirical strategy and the methodology adopted in this study: a qualitative approach is used, with data collected through semi-structured interviews with individuals who have graduated in engineering, belonging to the millennial generation, and already have at least 1 year of work experience. The content of chapter four will be the findings and the analysis of the qualitative study. Finally, chapter five will present the study's main conclusions, including a discussion of the limitations of the dissertation and recommendations for further studies.

## 2. Literature Review

To grasp the issues involved in the retention of the highly skilled Millennial generation in the workplace, it is necessary to understand their mindset and specific characteristics related to the work environment. Then, the issues of employee turnover intentions, and finally, the talent management practices that enhance employee development and retention.

“The concept of generations has its roots in the field of sociology, the concept was introduced to explain broad societal changes in values and lifestyles” (Rauvola et al., 2019, p. 2). According to Kertzer (1983 as cited in Rudolph et al., 2018), at the beginning of the twentieth century, sociologists looked to clarify and explain the phenomenon of “large-scale social change”, by referring to the concept of generations.

Since then, the concept of “generation” or “generational groups” has been explored in various theories. These theories explain what factors determine the meaning of generation. For instance, some authors argue that this concept is basically determined by a “birth cohort”, this birth cohort brings its own experiences, and these experiences are temporal, which leads to a “shared consciousness” shaped for each group (Rudolph et al., 2018). Nevertheless, the meaning of “generation” or “generational groups” is primarily focused on people born within a certain birth year range and who share certain social experiences that could impact their behaviours, their attitudes, and values (Lyons & Kuron, 2013). In addition to the origin of the concept, the use of the generation concept in this type of study is far from being consensual. In fact, it is debatable whether these theories have an impact on matters related to the workplace (Rudolph et al., 2018).

Generational differences have become a topic of interest in human research over the past two decades (Smola & Sutton, 2022). However, some authors may not find it relevant to discuss generations in the workforce. “Generations exert a null influence on various work processes and outcomes” (Rudolph et al., 2018, p. 45). Even so, other authors stand out about the significance of understanding the generations and their diversity in the workplace. For example, Mencl and Lester (2014) advocate that studying and being educated about generational differences and similarities rather than making assumptions is an important matter for managers to address. The article “Motivating Across Generations” also supports this idea, by arguing that “is better for managers to understand the unique combination of



factors that motivates each generation, the better the managers could tap those motivators and gain the best-combined effort from their entire team” (Stauffer, 2003, p. 2). This makes sense since having these insights could help to understand the expectations of the employees as a group and the impact that they will have in the company.

It is well known that different generations are coexisting in the workforce nowadays (Kelly, 2023). And that the definitions from the authors could vary. For example, as explained by Chandler (2015), in his review of the literature, which focuses mainly on the Grail Report published in 2011, the defined generations are four: Baby Boomers, Generation X, Generation Y (Millennials), and Generation Z. Table 1 indicates for each generation, the features that characterise them.

*Table 1: Key characteristics of generations.*

| <b>Group</b>                  | Baby boomers                                                                                                                                                                                                             | Generation X                                                                                                                                            | Generation Y                                                                                                                                                       | Generation Z                                                                                                                  |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>Name</b>                   | Hippies and Yuppies                                                                                                                                                                                                      | Latchkey kids                                                                                                                                           | Millennial generation                                                                                                                                              | Digital natives                                                                                                               |
| <b>Birth year (approx.) *</b> | 1945 to early 1960s                                                                                                                                                                                                      | Early 1960s to early 1980s                                                                                                                              | Early 1980s to early 2000s                                                                                                                                         | Early 2000s to present day                                                                                                    |
| <b>Nurturing environment</b>  | Increasingly stable and optimistic. Post WWII, widespread government subsidies in postwar housing and education, increasing affluence. Rebuilding after WWII. Women's rights, civil rights movement, protest Vietnam war | Trends towards divorce, economic uncertainty. New technologies (e.g. cable TV, video games, home computing), Disco / hip-hop culture, punks and anarchy | Increasing interregional and intercommunity conflicts. New technologies moving at a rapid pace (internet, mobile phones, instant communication via email and sms). | Terrorism and environmental concerns. Economic slowdown. Rapid technological growth – social networking, hacking, programming |
| <b>Stereotype</b>             | huge consumers, idealistic, competitive                                                                                                                                                                                  | individualists, sceptical of authority                                                                                                                  | 'techcomfortable', brand loyal, style-conscious, optimistic                                                                                                        | tech savvy, globally connected, flexible and open / tolerant of diverse cultures                                              |

*Source: (Chandler, 2015)*

As the table exposes four generations, each generation presents features that characterise it. Table 1 shows the label these authors give to each group, the birth cohort to which they belong, the environment in which they grew up, and finally, the stereotype that is attributed to each group. It can be concluded that the generations vary not only in the year of birth but also in the environment in which they were born, grew up, and lived. The events that happened during this period shaped the “stereotype” of each group. These characteristics are more in a general lifestyle perspective. However, generational differences have also been examined with work-related variables by other researchers (Lyons & Kuron, 2013). According to the literature reviewed, each generation brings a different perspective to work. This perspective is based on their unique characteristics (Kapoor & Solomon, 2011). It is important to note that people are different and unique, so not all the qualities of each generation apply to everyone.

According to some studies, the different generations have diverse “work values and attitudes, motivations, expectations, leadership styles, and behaviours” (Savanevičienė et al., 2019, p. 364). Therefore, “managers need to familiarize themselves with these differences to avoid behaving in a similar way towards all employees and to create a comfortable working climate for all present generations” (Macovei & Martinescu-Bădălan, 2022, p. 191). Appendix 1 presents a number of papers explaining generational differences in the workplace. For instance, when it comes to the Baby Boomer generation, most papers agree that this generation is the most loyal and committed to companies. They “live to work”, and they prefer hierarchical structures. In terms of communication, they prefer to do it in person and are known as competitive people, since they are willing to make personal sacrifices to achieve success (Haynes, 2011; Kapoor & Solomon, 2011; Stark & Poppler, 2018)

In terms of “Generation X”, as different from their predecessors, they are more concerned about work-life balance (Macovei & Martinescu-Bădălan, 2022). They are characterised by being “autonomous, confident and independent in the workplace” (Macovei & Martinescu-Bădălan, 2022, p. 192). Unlike baby boomers, they prefer less direct forms of communication, such as telephone and email. They are also less loyal to companies (Macovei & Martinescu-Bădălan, 2022). They maintain a balance between their personal and professional lives, viewing their employment as a contractual obligation (Kapoor & Solomon, 2011).

Generation “Y”, is characterised in the literature as team workers (Macovei & Martinescu-Bădălan, 2022). They want to have an impact in their companies and in the world by doing a “meaningful job” (Becton et al., 2014; Kapoor & Solomon, 2011; Macovei & Martinescu-Bădălan, 2022). The communication in this case is open and frequent. However, their preference is for social media platforms as this generation has a tendency towards technology (Kapoor & Solomon, 2011). Work-life balance is also important, and diversity is not a problem for them (Haynes, 2011). And they have the capability of multi-tasking. Furthermore, they expect their managers to be their mentors. Millennials precise direction and constructive feedback from them (Macovei & Martinescu-Bădălan, 2022). Generation “Z” is the newest generation to enter the workforce. The literature says they will leave their jobs if they do not feel happy doing so. In terms of communication, they are similar to millennials, they prefer social media. Additionally, the relationship they are looking for with their managers is to be more horizontal (Macovei & Martinescu-Bădălan, 2022).

Therefore, to enhance recruitment efforts, maintain employee retention, facilitate managerial succession, foster strong commitment, promote effective communication, and resolve conflicts within organisations, it is essential to identify and comprehend the unique differences and challenges faced by these groups (Macovei & Martinescu-Bădălan, 2022). This understanding can help to create an inclusive and supportive workplace culture that promotes success and growth for all individuals involved.

## **2.1. Millennial generation**

Since the millennial generation will be the group under study, a thorough review is necessary for understanding and assessing the millennial generation’s professional and career explorations and aspirations. It was found in the literature many definitions of the “Millennial generation”. Most of the researchers use a range of birth year between the early 1980s to the early 2000s (Ivanovic & Ivancevic, 2018). Also, the authors provide several labels to this generation. These labels are shown in Table 2.

Table 2: Labels to the “Millennial generation” according to different authors and sources.

| Source                        | Labels                         |                                   |                              |                                                                                                    |
|-------------------------------|--------------------------------|-----------------------------------|------------------------------|----------------------------------------------------------------------------------------------------|
| Howe and Strauss (2000)       | Silent Generation (1925–1943)  | Boom Generation (1943 –1960)      | 13th Generation (1961 –1981) | <b>Millennial Generation (1982–2000)</b>                                                           |
| Lancaster and Stillman (2002) | Traditionalists (1900–1945)    | Baby Boomers (1946 –1964)         | Generation Xers (1965 –1980) | <b>Millennial Generation; Echo Boomer; Generation Y; Baby Busters; Generation Next (1981–1999)</b> |
| Martin and Tulgan (2002)      | Silent Generation (1925 –1942) | Baby Boomers (1946 –1960)         | Generation X (1965 –1977)    | <b>Millennials (1978–2000)</b>                                                                     |
| Oblinger and Oblinger (2005)  | Matures (<1946)                | Baby Boomers (1947–1964)          | Gen-Xers (1965 –1980)        | <b>Gen-Y; NetGen; Millennials (1981–1995)</b>                                                      |
| Tapscott (1998)               | --                             | Baby Boom Generation (1946 –1964) | Generation X (1965 –1975)    | <b>Digital Generation (1976 –2000)</b>                                                             |
| Zemke et al. (2000)           | Veterans (1922 –1943)          | Baby Boomers (1943–1960)          | Gen-Xers (1960–1980)         | <b>Nexters (1980 –1999)</b>                                                                        |

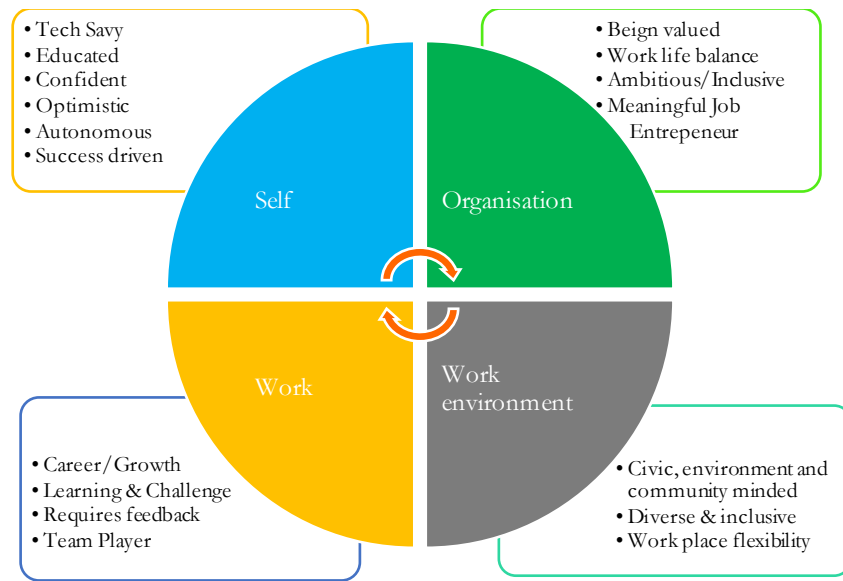
Source: (Chandler, 2015)

For instance, following table 2, Oblinger and Oblinger (2005) label it “Gen Y, Net Gen and it includes different years of birth, which are from 1981 to 1995. For Tapscott (1998) is “Digital Generation”, and the year of birth range is between 1976 and 2000. Zemke et al. (2000) label this generation as “Nexters” and it includes people born between the years of 1989 and 1999. And for Lancaster and Stillman (2002) besides the traditional name known for this generation, they classify them as “Echo Boomer; Baby Busters; Generation Next” and the years considered are 1981 to 1999 (Chandler, 2015).

### 2.1.1. Millennial generation in the work environment

Besides categorising the generations according to their years of birth, it was found in the literature that authors describe not only the characteristics of the generation Y's lifestyle but also the features they present in the work environment. Figure 1 outlines these characteristics both personally and professionally contexts.

*Figure 1: Characteristics of generation “Y”, attitudes and expectations from the organization, work environment and work.*



*Source (Udupa & Bhaskar, 2011)quoted from Sharma (2012)*

This diagram shows the characteristics and attitudes shared by individuals from this age group regarding the work environment. The “self” component, which represents their “personal” features is mostly related to what they believe they can contribute to the organization. For instance, the features are related to technology, educational level, and other favourable attitudes. The second quadrant refers to the expectations the millennials have from the organisation. They look forward to being valued for the work they do. Also, they are seeking a job that will have an impact both inside and outside the organisation. And for flexibility, which means that an organisation has to be inclusive and promote a good work-life balance for its employees. For the creation of the “appropriate” environment for this generation, it is expected flexibility from the company in relation to time and diversity inclusion. Also, that an organisation should have social responsibility practices. Finally, when it comes to work itself, millennials are looking to achieve career development and growth.

They also appreciate the opportunity for continuous learning and challenge themselves, and the feedback and guidance from their colleagues and superiors. The article “The world is stormed by Gen Y, are we ready to capitalize”, shows the characteristics of Generation Y both in life and in the work environment, and backs up what appears in the literature about this generation (Udupa & Bhaskar, 2011).

The literature supports the technological aspect of this generation, the notion is based on the idea that they have experienced the fast development of new technologies such as the internet, mobile phone, and email, among other forms of communication. Millennials are known as the “children of technology” (Sujansky, 2009, p. 9). Thus, the group is characterised by being familiar and comfortable with technology. “They are digitally, globally, and constantly connected” (Sharma, 2012, p. 74). Furthermore, thanks to technology, they are also known for their ability to multitask, completing activities in less time than previous generations (Macovei & Martinescu-Bădălan, 2022). According to the literature, millennials seem to be used to receive feedback and encouragement (Wood, 2019). This situation happens because the millennials in their childhood received encouragement from their parents during their childhood, so, they expect this to continue in their work environment (Sujansky, 2009). Receiving mentoring is something that they appreciate and expect from the organisations. They are willing to have straight and constant communication with their managers and colleagues in order to have continuous learning for professional development (Sharma, 2012). Therefore, “Managers must forget about the “boss” mentality, instead, they need to practice more coaching and mentoring for this generation” (Lowe et al., 2008, p. 47). Research supports the previous idea, with articles stating that Millennials look to be rewarded or recognized since they are also known as the “everybody gets a trophy generation” (Knapp, 2017, p. 19).

Also, this generation is team-oriented, collaborative and task-focused (Sujansky, 2009). Compared to Generation “X”, they prefer to work in teams rather than individually, by following directions with some flexibility in the projects they are involved in (Kapoor & Solomon, 2011).

Another characteristic is that they are known for valuing flexibility. Deloitte’s 2021 survey, “A call for accountability and action”, claims that one of the most critical aspects considered for the success of the organisations is their flexibility and adaptability (Deloitte,

2021). For instance, articles support the idea of millennials valuing work-life balance (work and family life) (Haynes, 2011; Kapoor & Solomon, 2011; Macovei & Martinescu-Bădălan, 2022) .

In terms of adaptability, they are used to diversity and are therefore more socially tolerant than previous generations; their adaptability to change is a feature that could positively impact organizational growth (Macovei & Martinescu-Bădălan, 2022; Sessoms-Penny et al., 2022)

Furthermore, accountability is another word that describes this generation. “They feel accountable for issues in the world” (Knapp, 2017, p. 19) , such as climate change, social equality, the direction of their country and the behaviours of the company. These topics seem important to them, and they are willing to do something about them. The literature suggests that having a “meaningful job” (Becton et al., 2014; Haynes, 2011; Kapoor & Solomon, 2011; Macovei & Martinescu-Bădălan, 2022; Stark & Poppler, 2018) that might have an impact on not only the organisations but also on the world to make it a better place, is an aspect they are seeking in their professional lives (Kapoor & Solomon, 2011). To support this idea, Atkison (2008 as cited in Kapoor & Solomon, 2011, p. 313) claims that millennials “place a high level of value on diversity, green issues, accountability, and corporate responsibility” (Kapoor & Solomon, 2011, p. 313).

The literature also reveals that this generation is referred to as “job hoppers” (Holtschlag et al., 2020, p. 1). As previously noted, if they do not feel identified with the company, they will not have a strong bond with it and will decide to move from one job to another in search of a job that brings new challenges and goes according to their beliefs and values. This scenario of moving from job to job frequently is a cause for concern because it might result in businesses losing employees who could potentially occupy critical positions in the future, as well as losing knowledge and expertise when employees leave the company. There are other costs associated with this, such as financial costs and productivity. When compared to other generations, millennials exhibit different attitudes, behaviours, thus keeping them on board requires a particular management approach (Yildiz et al., 2020).

Following the review of the literature, the main features that describe a millennial in the work environment sum up in the following words: digital people, teamwork players, work for a purpose, and are constantly looking for career development and challenges. They are

looking for constant feedback from their employers and they tend to move from one job to job.

## 2.2. Workforce turnover and employee retention

Issues of staff retention and turnover have become increasingly important in organisational management (Holtom et al., 2008). Turnover is defined in the literature as the end of an individual's employment with a firm (Tett & Meyer, 1993). Also, another meaning given to this concept is the rate of personnel replacements required by a firm (Ivanovic & Ivancevic, 2018).

The reasons why a person leaves a job could be related to work factors or not. Also, it could be related to specific events, which could be expected or unexpected, positive, or negative (Mitchell et al., 2001). Table 3 presents "The Unfolding model paths".

*Table 3: The Unfolding model paths.*

| Attribute                           | Paths                |                            |                                  |                             |                                   |
|-------------------------------------|----------------------|----------------------------|----------------------------------|-----------------------------|-----------------------------------|
|                                     | Following a plan (1) | Leaving without a plan (2) | Leaving for something better (3) | Leaving without a plan (4A) | Leaving for something better (4B) |
| <b>Initiating event</b>             | Shock                | Shock                      | Shock                            | Job dissatisfaction         | Job dissatisfaction               |
| <b>Script/Plan</b>                  | Yes                  | No                         | No                               | No                          | No                                |
| <b>Relative Job/dissatisfaction</b> | Yes                  | Yes                        | Yes                              | Yes                         | Yes                               |
| <b>Alternative search</b>           | No                   | No                         | Yes                              | No                          | Yes                               |
| <b>Time</b>                         | Very short           | Short                      | Long                             | Medium                      | Long                              |

*Source: (Mitchell et al., 2001)*

"The unfolding model paths", which are paths that people can choose when they leave their jobs, depending on what motivates them to leave their job. The origin of turnover according to this model, could be due to a specific event "shock" or "job dissatisfaction". According to the model, people who leave could follow a plan or not. The decision to leave could be related to looking for something better. In these cases, leaving does not necessarily imply "job dissatisfaction". However, job dissatisfaction could also lead to turnover.



Consequently, having a high rate of workforce turnover invites companies to pay more attention to their employee retention and to understand what they can do to prevent this high rate and to keep talented employees from leaving. Specifically, retention on valued employees or high skilled is crucial for a company. Since the replacement of knowledgeable skilled employees is not only expensive in financial terms, including the costs of searching and recruiting, followed by orientation and ongoing training (Mitchell et al., 2001).

The concept of employee retention is “the percentage of employees remaining in the organization, high levels of retention are desired in most job groups” (Phillips & Connell, 2004, p. 2). Another definition discovered was that retention is related to “encouraging employees to remain in the organization for a long period of time” (Das & Baruah, 2013, p. 8). Thus, retention is the antithesis of the turnover concept. Another definition found for this concept is the description of companies’ efforts to foster a work environment that meets the demands of the employees, so they stay in their positions in the company (Irshad & Afridi, 2007). To accomplish this, the literature has identified factors that have an impact on retention. Cloutier et al. (2015) cite elements such as standard communication, organisational mission, vision and values, employee diversity and inclusion, training, and development. Additional elements were found in the literature such as “career opportunities, work environment, work life balance, organizational justice, and existing leave policy and organization image” (Irshad & Afridi, 2007, p. 308).

(Irshad & Afridi, 2007) claimed that retention has a strong relationship with job satisfaction and job alternatives; and from a practitioner’s perspective is more related to the benefits the employee receives while working. For instance, the benefits could be financial such as bonuses, housing allowances, job assistance. Nevertheless, effective communication and well-defined performance standards are highly valued by employees (Mitchell et al., 2001). Aside from the factors already mentioned, it is imperative for companies to carefully assess other aspects when developing retention policies. For example, the literature suggests that it is worth considering the needs of the employees, the work environment provided, responsibilities, supervision, feeling of fairness and equity, and employee development (Ramlall, 2004).

As a result, managers need to use their creativity to evaluate the worth of millennials and create methods to attract and retain them ( McNally, 2017; Ng and Parry, 2016; Sessoms-

Penny et al., 2022). “Researchers found that human resource management practices in compensation & rewards, job security, training & developments, supervisor support culture, work environment and organization justice can help to reduce absenteeism, employee retention and have a better-quality work” (Irshad & Afridi, 2007, p. 309). Thus, not considering these factors could lead to increased employee turnover.

There are many policies and practices that are relevant to employee retention. However, in this research we will focus on the key factors related to talent management, specifically, those related to the recruitment and onboarding process, managerial and teamwork support, performance and career development, and compensation systems.

### **2.3. Talent Management**

The Talent management concept is considered one of the most important areas of Human Resource Management nowadays (Karumuri & Kore, 2021). As it is considered as a key tool to enhance employee performance and achieve organisational success through competitive advantage (Kumar, 2022; McDonnell et al., 2017). This concept emerged in the 1990s and gained popularity since then (Mathew, 2015).

To explain the talent management concept, it is typical to start by defining the term “talent”. The literature suggests that there may be different approaches to the term “talent”. For instance, the concept of talent has been defined by certain authors as being tied to an individual, while others have connected it to specific personality traits (Latukha et al., 2022). As a result, the approaches used to determine talent are typically divided into two categories: “object and subject” (Latukha et al., 2022, p. 296), referring to talent as characteristics of people and talent as people, respectively. The “object approach” focuses on the individual’s noteworthy qualities. On the other side, the subject approach, which is based on identifying the high performers, is the most popular method. The subject approach has two categories: the exclusive approach, which primarily targets top performers, and the inclusive approach, which focus primarily on all employees. Appendix 2 provides a framework for conceptualising talent in the world of work (Latukha et al., 2022).

Following the theory of talent, different viewpoints have been found regarding the concept of talent management. Despite this, the literature indicates that companies follow the subject approach to implement their practices (Gallardo-Gallardo et al., 2013). In terms

of talent management practices, the exclusive approach focuses on specific employees, who are considered key employees or talented. Commonly, their contribution is greater than the other employees (Painter-Morland et al., 2018). In contrast, the “inclusive approach” considers all employees to be equal, thus the practices and actions are the same for everyone (Gallardo-Gallardo et al., 2013).

Regardless of the approach followed, the talent management concept belongs to the human resource management field and “it is interconnected with all HR practices”(Pasha & Ahmed, 2017, p. 1384). It covers a set of procedures such as planning, recruitment, selection, training, and compensation, and one of its main concerns is to address and enhance the motivation of employees to stay in the job, since they are the organisation’s most precious resources (Collings & Mellahi, 2009).

Pasha & Ahmed (2017) indicates that the process of talent management consists of eight steps. These steps are illustrated in Figure 2. The relationship of these steps is cyclical rather than lineal (Pandita & Ray, 2018).

*Figure 2: Talent Management Process.*



*Source: Pasha & Ahmed (2017)*

According to Pasha and Ahmed (2017), the talent management process is aligned with the organisation's business plan of the company from the outset. For instance, the first step of “workforce planning” (1) deals with establishing the plans for the employees for the year.

Then, comes the recruiting process (2), which is all the processes involved in hiring people. The following step, the onboarding (3), is the organisation's provision of appropriate training to the people hired, with the aim of integrating the employees into the company and its activities. The fourth step is more related to evaluating and measuring employees, which is the performance management (4), this step is also aligned with the company's business plan. For some authors, the step of training and performance support (5) is "the most important and critical function" (Pasha and Ahmed, 2017, p. 1385), because in this step all the activities related to the transfer of knowledge and the development of employees are implemented and developed. The following one is succession planning (6), which is based on the movement of current employees to new roles inside the company. The compensation and benefits (7), which is aligned with step 4, as it involves a compensation plan based on the evaluation of the employees. The final step is to confirm which positions and skills remain essential to the business to develop a new workforce plan.

Additionally, broader meanings discovered in the literature define the talent management concept as the implementation of a coordinated set of measures to make sure a firm attracts, retrain, and develops the talented individuals a company will need for future success (Karumuri & Kore, 2021).

Therefore, to retain the key employees, organisations should focus on talent management strategies (Glaister et al., 2017). The practices considered for this study are recruitment and onboarding, managerial and teamwork support, performance and career development and compensation systems, which are related to the TM process as well. Pasha and Ahmed (2017); Kumar (2021) support that these practices reduce the employee turnover and therefore enhance the retention of the employees.

Recruitment and onboarding process: This is the first step in talent management process and it is crucial to design a good process "to hire the best talent" (Irshad & Afridi, 2007). The initial step of attracting people should be clear. The organisation should have a clear job description about the duties and responsibilities, as well as the benefits the future employee would receive. A transparent employee value proposition (EVP), enhances the ability to recruit and retain talent (Pandita & Ray, 2018). Also, it should be a smooth recruitment process. Induction programmes are also important in this part, as they help to settle the employee into the company and

clarify his or her duties. It is important for employees to have a clear job description and career path within the organisation to remain more satisfied and loyal to their employer (Rue et al., 2015).

- Managerial and teamwork support: Considers the team and supervisor's support, both relationships play an important role in employee retention (Kumar, 2022). "According to Walker (2001, as cited in Das & Baruah, 2013, p. 11), "recognition from bosses, team members, coworkers and customer enhance loyalty". It is imperative that employees not only receive recognition but also feel supported by their team and supervisor when facing challenges and proposing new projects.

This support encourages employees to stay with the organisation (Kumar, 2022). To retain employees, effective communication between parties is crucial. Providing feedback and knowledge sharing are the most effective methods to achieve this goal. These practices offer employees invaluable insights into the areas they need to work on to improve their job performance (Pandita & Ray, 2018; Younas & Waseem Bari, 2020).

- Performance & Career development: refers to appraisal policy (evaluation and performance), career options (promotion and opportunity for growth) and development strategies (Kumar, 2022). An appraisal policy is an opportunity to review performance, work content, and training needs. Also, the career options offered by the organisation to the employees is a relevant factor that influences the employee's intention to stay (Das & Baruah, 2013).

In summary, the aim of these practices is to enhance employee capabilities and experience by evaluating them, providing them with training and giving them opportunities to develop the employee's career (Pasha & Ahmed, 2017). According to studies, these practices are positively associated with job commitment and satisfaction, which results in employee retention (Das & Baruah, 2013).

- Compensation systems: "A compensation system is an encouragement design whereby the contribution of employees is returned. An effective compensation system can stimulate employees to work harder and thus increase productivity (Lin, 2000)" (Lai, 2011, p. 10719). Thus, competitive compensation systems are influential in employee motivation and behaviour and are extensively used to keep employees (Kumar, 2022).

### **2.3.1. Talent management and employee retention:**

Using the social exchange theory, which gives an understanding of the link between the effectiveness of TM and employee retention (Khoreva et al., 2017), based on the idea that a cost-benefit analysis process fosters a bond between two people and may generate positive attitudes in employees. In this case, employees are expected to be loyal and stay longer in exchange for better treatment through the policies of an organisation. Therefore an enduring relationship remains (Khoreva et al., 2017). Supporting this idea, Collings and Mellahi (2009) argue that TM practices provide an arena for high-potential employees to reciprocate because these practices may influence how employees perceive and react to the organisational signals, in other words, to the TM practices.

According to Kumar (2022), employee turnover, and retention could be measured by considering the following factors: job satisfaction, employee commitment, job security, and recognition of the employee. Nevertheless, to accomplish these factors in a positive way, practices need to be implemented and followed by the organisation.

TM practices enhance the retention rate by promoting employee engagement, as “employee engagement leads to fewer instances of attrition and absenteeism”, according to Swathi (2014, as cited in Pandita & Ray, 2018, p. 193). Moreover, these practices aim to develop and nurture the potential of employees, will also “keep the current workers for a long time and attract highly skilled workers to the organisations” (Karumuri & Kore, 2021, p. 34).

Besides increasing the retention, according to some authors, effective talent management could bring positive effects on operations and financial areas for the companies (Hughes & Rog, 2008). This can lead to better outcomes in general for both parties involved.

In sum, it is crucial for companies to offer adequate opportunities to their employees. And this can be done through talent management practices. As previously mentioned, the concept of talent management covers various aspects of human resources. While it is widely accepted and practiced in modern organisations, further research is needed to determine its impact and the potential outcomes of implementing such practices (Gajda, 2022). Therefore, the goal of this study is to focus on the effect of TM practices on employee retention and to determine which of them are more effective in achieving this goal.

### 3. Methodology

The review of the literature in Chapter Two identified attributes and characteristics of Millennials in their personal lives and work environments. The expectations of this generation were also identified in relation to organisations, work, and the management practices as primary topics. The analysis identified gaps that call for further research to gain a better understanding of the problems associated with retention of the generation under study in the workplace.

This research followed a qualitative approach to better capture people's subjective experiences and interpretations of the world (Pinto, 2018). Therefore, this study and its research questions support the choice of a qualitative method as it studies phenomena, people, perceptions, and opinions about practices and retention in the work environment.

Chapter Three focuses on the research methodology and the design of the study. The method chosen was a qualitative study, the data is gathered through semi-structured interviews with the aim of exploring the issues in-depth and analysing the impressions, viewpoints, and experiences of the participants in their work environment.

In this study, the millennial generation's birth range is between 1980 and 1999. It is worth to mention that the interviewees are described as highly skilled labour millennials, with a bachelor's and/or master's degree in engineering. Besides this, these people have at least one year of work experience in their fields. The interviews were conducted with eight different active employees, working in Portugal. Furthermore, the companies of the interviewees include both Portuguese and international companies operating in Portugal.

Prior to the interview, all participants were informed that this interview was for academic purposes only. Additionally, they were asked for their consent to have the interview audio-recorded. All participants agreed to be recorded.

*Appendix 3 – Interview guide* shows the script of the interview guide. This document was divided into four parts, which were aligned with the research topic. Besides the thirty-four questions in the interview script, and as it was a semi-structured interview some other questions surged during the interviews, which in turn encouraged insightful answers. One

interview was done in person and the other seven were done digitally. These seven interviews were done by video call through Microsoft Teams. The data source was collected by listening to the recordings of the interviews, followed by the transcription of them to a Word document and then into an Excel spreadsheet. All interviewees were contacted by personal message, as each participant was individually selected for this study. Of the eight participants, three of them were known by the interviewer and the other five were references from acquaintances. Also, it is relevant to mention that the interviews were conducted in private places, so the external noise would not affect the quality of the data.

The longest interview lasted fifty-six minutes and the shortest thirty-four minutes. On average, each interview lasted about forty-six minutes. Of the eight interviewees, five participants chose to be interviewed in Portuguese since they felt more comfortable in their mother tongue. Of the remaining participants, two chose to be interviewed in English and one in Spanish. To standardise the data, all interviews were translated into English.

As mentioned above, the interview guide is divided into four parts. The first part is designed to gain insight into the interviewee's professional background. This section includes seven questions relating to the employee's current position, length of employment with the company, and the daily tasks. The second part of the interview intended to understand the millennial generation, their characteristics, and their expectations regarding the work context. The interviewees were asked about the main characteristics found in the literature regarding millennials in the work environment. The characteristics discussed during the interviews were: technology savvy, feedback and coaching approach, team orientation, flexibility, accountability, meaningful work, and job hopping. These were all related to the working environment. The issue of job expectations was also discussed in this section.

The third part focuses on talent management practices. Specifically, the study aims to address four practices: recruitment and onboarding; teamwork and management support; performance and career development and compensation systems. The questions asked in this section are related to the employee value proposition that the interviewees accepted from their companies, as well as how employers assess employee performance and enhance the development of their capabilities and experience. Also, the section explores the compensation systems offered by these companies.



In the final section, the interviewees were asked about the retention and employment engagement. The questions in this part are related to the topics found in the literature review. The objective is also to understand the impact of HR practices with the expectation of understanding if there is an effect on their turnover intentions. It is worth mentioning that the data was analysed by hand, following the traditional way. The next chapter will present in detail the analysis of the results obtained after conducting the interviews for this research topic.

## 4. Analysis and Results

This section presents the main findings from the interviews, and all the data collected is analysed. As mentioned previously, the data was collected through eight semi-structured individual interviews, which consisted of questions based on the primary and supporting research questions of the study.

First, the characteristics and background of the interviews are presented and then the analysis addresses each of the research questions.

### 4.1. The interviewees and their context

To address the research question, it is relevant to first understand the interviewees' backgrounds. Firstly, they all belong to the millennial generation according to Zemke et al. (2000). All the participants were born in the birth range of 1980 – 1999. In this study, all the participants are between 25 and 29 years old.

Table 4 shows the demographic characteristics of the eight interviewees.

*Table 4: Demographic information of the interviewees.*

| Interviewees | Age | Gender | Years of professional experience | Employment arrangement | Employment position                 |
|--------------|-----|--------|----------------------------------|------------------------|-------------------------------------|
| Interview 1  | 28  | Male   | 4 years                          | Work contract          | Mining engineering                  |
| Interview 2  | 26  | Male   | More than 1 year                 | Work contract          | Junior Software Developer           |
| Interview 3  | 25  | Male   | 3 years                          | Work contract          | Junior Data Engineer                |
| Interview 4  | 25  | Male   | 2 years                          | Work contract          | Continuous improvement engineer     |
| Interview 5  | 29  | Male   | 3 years                          | Internship             | Training Developer                  |
| Interview 6  | 26  | Male   | 2,5 years                        | Work contract          | Technical Field Services Specialist |
| Interview 7  | 27  | Female | 4 years                          | Consultant             | Environmental Consultant            |
| Interview 8  | 25  | Male   | 2,5 years                        | Work contract          | Assistant Lead Engineer             |

It is important to note that all eight participants are Portuguese and hold an Engineering degree. Out of the eight interviewees, seven have obtained a master's degree while only one holds a bachelor's degree. Additionally, the companies involved are not all of Portuguese origin, but rather from France, Spain, Denmark, and Germany. All participants have more than one year of experience and seven of them are working in the engineering area, performing highly complex tasks.

## **4.2. Millennial's characteristics and expectations**

The literature reviewed provides insights into the current research on the of millennials and their expectations of the work environment. The first part of the interview aims to counter whether these characteristics also apply to Portuguese millennials.

Thus, twelve questions from the interview covered the following topics: technology savvy, feedback and coaching, team orientation, flexibility, accountability, and meaningful job and job hopping.

To answer what expectations the individuals, have, it is essential to first figure out what they believe they bring to their workplace. This matter will be addressed in the answers to question 8: What qualities do you believe you bring to your workplace?

From the interviewees' reactions, it seems that they had some difficulty in answering this question. All the participants, however, emphasised the positive characteristics they bring to their jobs. Among the qualities mentioned were good mood, a desire to take on new roles and tasks (challenges), responsibility, analytical and interpretive skills, devotion, and adaptability. Even so, most of the interviewees mentioned and emphasised four traits. These were adaptability, innovation, socialisation, and teamwork.

Interviewee 4 explained the following:

*"(...) I also adapt to all kinds of people, and I think it is very important for this type of work, because I work with people who are very accessible and others who are not so accessible, so I think you have to be patient and that's what I bring to my job, as well as technical knowledge (...)"*

Interview 5: *"(...) I think I can bring innovation, development and empathy, and combine socialisation and teamwork."*

Interviewee 8:

*“(...) In my opinion, analytical capacity, data and interpretation of different variables, leadership capacity, help, capacity for work, dedication and perhaps also adaptation in terms of solving problems for which there is not much experience within the team and trying to get somewhere. (...)”*

Also, in the literature it was found that millennials are characterised by giving meaning to their jobs, this means that they feel they are doing something that is connected to their values, and that their work has a positive impact inside and outside the company. In this case, only one participant chose his current job for this reason. Participant 8 indicated that for him it was a decisive factor and the main reason why he chose to work in that place.

Interviewee 8 indicated:

*“(...) Yes, in this case, my company is the world leader in sustainable energy, all their actions such as the climate fight, the use of renewable energy, bring a lot of meaning to my work and this is why I chose to do first my dissertation and then continue on as an employee with this organisation (...)”*

However, the rest of the participants said that now they feel identified with the values of their companies. They shared some of the reasons why they chose their companies. These factors were good working conditions (mainly salary), the opportunity to gain experience, the project tasks, the business's reputation, flexibility, and commitment to the client. One interviewee mentioned that the company's values did not play a crucial role in his decision to accept the job.

In the case of Interviewee 1, the reason was the intention to leave his previous work:

*“(...) they defended the interests of the company's profit a lot and didn't reward the worker as it should be, so I didn't feel identified with my previous company (...)”*

On the other hand, Interviewee 3, said that most of the actions that his company does, even if they are not related to the core business, motivate him to stay in the company.

*“(...) Even though my company’s core business is not on social or environmental issues, they still promote small actions for the environment. I remember one activity which is recycling plastic bottles. Seeing these ethical practices in my company encouraged me to continue in the company. I didn’t choose this job for being a meaningful job but it is a good reason for me to continue working here (...)”.*

#### **4.2.1. Flexibility**

The following questions attempt to address the concept of flexibility, which was frequently brought up in the interviews. In this case, the term flexibility wants to address two topics, which are time and tasks. For instance, organising working hours and projects, correspondingly.

Regarding the working hours and workplace, of the eight participants, three participants indicated that they do not have remote work in their company. The reason why they do not have this practice is that their work, according to them, does not fit into the “remote work”. Of these three interviewees, two of them would like to have some days of home office or at least a hybrid way of work. Besides not having a home office option, Interviewee 4 mentioned that his work is still very flexible. The participant mentioned the following:

*“(...) They are flexible in my work, if you come in at 8, 8:30 nothing happens, there is no problem as long as you meet your objectives, if there is something missing for the day, I can do it at night (...)”.*

On the other hand, the other participants indicated that they have a lot of flexibility, in terms of time, because of the home office practice (hybrid or full). Most of them mentioned that they only have to go to the offices only a certain number of days per month. For instance, one participant indicated that he only had to go eight days per month, and that he can distribute these days as he prefers. Although some of them still need to comply with the 40 hours per week, others do not have to stick to the schedule (e.g., they have to be at the computer from 8 to 5 pm). Interviewees mentioned that unless they have an important meeting, they can manage their time as long as they meet their obligations and goals.

The answers suggest that having time flexibility has a beneficial effect on life. The interviewees noted that this mainly resulted in having more time for leisure pursuits and an overall improvement in their quality of life. For example, this included being able to save time on commuting and spend it on things they enjoy instead. Additionally, some interviewees mentioned being able to relax in comfortable areas of their home during the lunch or break periods.

Regarding the flexibility of tasks, seven participants mentioned that they do not have the opportunity to choose the projects in which they participate. Some of them mentioned that they could say to their superiors if they prefer a subject, but still, this does not define the project and the tasks they could perform. Of the 8 participants only one said that he works on what he really wants to, citing a work colleague as an example.

Interviewee 2: *“(...) There is a colleague who is working still in the same project because he wants to, the company gives you this kind of freedom (...)”*.

It is important to mention that the eight participants reported rarely exceeding the required time. Only in specific and urgent situations, the participants choose to stay to finish their activities.

#### **4.2.2. Constant feedback and relationships at work**

The literature emphasized another important feature that millennials expect from their superiors, which is constant feedback. But first, it is relevant to know how the relationship is with the superiors. Question # 14 addresses this matter.

Question 14: How is the relationship with your superiors (managers)? How close are you to your supervisor? Can you talk to him/her as equals when you need to discuss some technical problems?

Of the eight participants, only one said that it is a hierarchical treatment. The other participants mentioned that the relationship with their superiors is a horizontal treatment; however, but always with respect and cordiality. The participants mentioned that they have a lot of communication with them and even a good relationship, based on informal communication.

Interviewee 2: *“(...) on my first day, my boss told me don’t treat with the formal you “voce”, just “tu” please (...)”*

Interviewee 8 said: *“(...) In this case, I'm very close, it's not a family relationship, but he was my supervisor in the thesis, he's almost like a father at least in the company, and we have a very close relationship in that aspect (...)”*.

The only interviewee who claimed that the treatment was vertical since it was an "old-style Portuguese company" was interviewee 1. Interviewee 1 indicated that he had seen a situation where vertical treatment was shown.

Interviewee 1: *“(...) It's a relationship of respect, sometimes I've seen an aggressive communication, my boss talks to other people in an aggressive manner , that's because it is an old Portuguese company (...)”*.

Regarding the second portion of question 14, seven interviewees claimed they could discuss any complexity in any project with their superiors without worrying about being rejected or being fired from their jobs. Participants also trust their superiors and feel free to discuss any matter with them. This was supported by the interviewees' responses.

Interviewee 2 said: *“(...) I can talk freely with them without fear of being fired, mutual respect, and a lot of communication (...)”*

Interviewee 5 said: *“(...) and If I have to say something new, I talk with him, basically, I have to talk to him every day, mm (...) it's like an informal relationship (...)”*.

According to the interviews, the participants have an informal relationship with their superiors and some even show a close relationship with them. Based on this, the interviewees were asked whether their supervisors used to give them feedback and whether it was what they expected.

Only four of the participants receive formal feedback. This occurs once a year and as a part of the performance evaluation. Also, they stated that frequent, honest, and constructive criticism is what they value most. The remaining participants do not receive formal feedback, but they would like to.

For instance, Interviewee 2 indicated that feedback is a missing practice in his company, and it is something that he is interested in having it. According to interviewee 3, he receives formal feedback once a year as part of a holistic evaluation, but he would like to receive it more frequently. For instance, he said that it would be better to receive it for large and complex projects so he would know where to concentrate and do his duties more effectively. Only one person received no feedback at all (Interviewee 7). She stated that she only got feedback on her work when her contract was being renewed, and even then, she felt it was insufficient. On the other hand, Interviewee 8 stated that his employer offers both feedback and a personal growth plan.

Additionally, the literature suggests that working in teams is crucial for millennials. Questions 16 refers to this matter, with all participants stating that they enjoy working with more people and that they see themselves as team players. The reasons for supporting this behaviour were: it is easier to complete tasks in a group, it is funnier (social component), and it is helpful for self-improvement because of the advice you could receive from others. Only one participant brought up the potential difficulties of working with others, such as a lack of organisation and the fact of not being able to finish projects on time.

The following question aims to understand what millennials expect from their work in return for their services. All participants concur that obtaining training is crucial. They want to keep learning more about the topics and the field they are interested in.

Interviewee 2:

*“(...) I would say that is not only just offering conferences, it would be better for both sides, I mean companies and employees, that companies hear what the employees want to be trained on... I don't think it has to be imposed, it could be something that the employee wants and is interested in (...)”.*

Another participant mentioned that he would like to continue with competence development practices in his work because he wants to be able to face any challenge with the knowledge and skills gained from the trainings, studies and workshops promoted by his company.



Interviewee 8:

*“(...) currently, at the age of 25 years old, I am starting my career (...) I am very interested in developing my skills; with the company’s help, I would like to develop a solid position in my field (...) and to be able to face any challenge (...)”.*

Besides training, other elements were highlighted by the participants. Work-life balance, the environment at work, financial incentives, promotion plans, and most crucially, ongoing feedback were the factors.

After describing some of the aspects that these millennials expect from their companies, they confirm that the existence of these practices could have a positive impact on their commitment and motivation at work. The fact that employees will feel more valued by the organisation is one of the reasons emphasized by them. Interviewees 1,5 and 8 expressed that they would be more engaged with their employers in case they received these benefits.

Interviewee 5: *“(...) All conditions, whether financial or professional, make me a motivated person, and make me want to improve and give the best of myself (...)”.*

Interviewee 8: *“(...) Yes, without a doubt, I will become more dedicated, the company is betting on you, and trying to retain the talent (...)”.*

Instead, interviewee 4 mentioned that these elements are considered as extras.

#### **4.2.3. Motivation**

Except for one individual, all the other participants feel motivated since they receive what they are expecting from their employers. For instance, the participants have meaningful jobs, reasonable average wages, education in a variety of disciplines, flexibility in time and tasks, and they find their work stimulating and challenging.

The participant with a low motivation is Interviewee 6, also he seems to not be sure about his motivation. First, he gave one number, then another. He seemed not convinced

about the punctuation he had given. Also, he commented that he was more appreciative of other benefits the business could provide rather than the conditions of the job already offered.

Interviewee 6: “(...) *mmmm* (...) *Yes... it can be... from 1-5... a 3???, I don't know, I value other things more* (...)”.

### **4.3. Talent management practices**

The following questions were asked to find out more about the practices used by the companies. Also, to see the effect that these practices have on the retention of the employees.

#### **4.3.1. Recruitment and onboarding process**

##### **4.3.1.1. Employee value preposition**

To do this, it was first investigated how the companies presented the value proposition to the interviewees and whether this was in line with the duties and advantages they had to perform and achieve. Also, it was inquired about the companies' policies on training, knowledge sharing, and the onboarding process for joining the company.

Question 20 address the value proposition, “do you think that your company is being clear about the EVP (employee value proposition)?”

Nearly all the interviewees agreed that each company's employee value offer was clear. Some of them (interviewees 1 and 3) said that it influenced their decision to accept the job because the companies provided a lot of information during the recruitment process. For instance, interviewee 3 mentioned that the company was clear about the position, conditions, tasks, and career development. Interviewee 6 acknowledged that the business had been open with him, but he had not anticipated the nature of the employment. However, participant 6 expressed that it was the lack of knowledge and not being familiar with the area of the job that made him feel this way.

The EVP themes on salary (percentage increase, variable, or fixed) were unclear for interviewee 7.

Interviewee 8 stated that not all benefits are disclosed to employees by the business. He also said that, based on his experience, he performed more work than required by the contract. Interviewee 8: *“(...) It's ok, the tasks we have to do, yes, the contract, the contractual tasks don't represent the totality of what I have done (...)”*. Overall, the companies were clear about their employee value proposition.

#### 4.3.1.2. Employee Ongoing process

Only one interviewee mentioned that there was no “ongoing process”, this was Interviewee 1, however, he mentioned that he believed there was no “ongoing process” because of the position he held. Also, the other participants indicated that this process is of great importance for them because it will help them to develop their activities. One of the participants (Interviewee 5) mentioned that it was too much information for a period of two weeks (in terms of training) but in the end it was worth it. Also, the participants indicated that the period of ongoing is on average one month, also there is a training program if there is a need to develop new projects.

Interview 8 mentioned that in the past, the lack of a defined ongoing process in his company was the main reason why the new hires gave up and left their jobs. He mentioned that these people felt demotivated in the sense that they did not feel any kind of support in this initial step of integrating to their new duties.

#### 4.3.2. Managerial and teamwork support

##### 4.3.2.1. Relationships in the work environment

In the previous section of this chapter, it was revealed that the relationship between the participants and their superiors and colleagues is positive. Also, communication is well-established and effective between the employees (interviewees) and their superiors and colleagues. This practice of constant communication has been reported to be highly motivating for the employees, according to their testimonies.

Also, working as a team is essential for participants as it fosters social interaction, increases enjoyment, and enables them to accomplish more collectively than individually. For them, working in teams is to accomplish a shared objective through a unified effort of the members.

It was noted that due to the hybrid work model, some of the participants commented that it is important for them to take part in integration activities, particularly those who have not had the opportunity to meet their colleagues in person due to working remotely.

#### 4.3.2.2. Knowledge sharing

Regarding knowledge sharing, the results of having this kind of practice are divided 50/50. Four participants have this kind of practice in their companies, and the other four do not.

However, among those who have this practice, only two of them have a formal meeting every week. The rest have informal meetings, and these meetings are more addressed to cover the status of their tasks, like a “follow-up meeting”. It is worth mentioning that the majority highlights the complexity of having a knowledge session every week because of the time it takes. However, they agreed on the importance of having a practice of knowledge sharing sessions. This practice helps to gain more knowledge and to be prepared for new challenges through the experience of others.

Participant 1 mentioned that he has good communication with his colleagues in the administrative department. As their colleagues have been with the company for a longer period of time, they share their knowledge with Participant 1. However, they do not have regular meetings solely for this purpose and instead discuss such matters as needed. Table 5 shows a summary of the findings.

*Table 5: Knowledge sharing sessions.*

| <b>Interviewees</b> | <b>Knowledge sharing</b> | <b>Type of session</b> | <b>Frequency</b>        |
|---------------------|--------------------------|------------------------|-------------------------|
| Interviewee 1       | No                       | ---                    | ---                     |
| Interviewee 2       | Yes                      | Informal               | Not defined             |
| Interviewee 3       | No                       | Follow up meeting      | 1 ,2 times per week     |
| Interviewee 4       | Yes                      | Formal                 | Every day of 10 minutes |
| Interviewee 5       | Yes                      | Formal                 | Once a week             |
| Interviewee 6       | No                       | Follow up meeting      | 2 times per week        |
| Interviewee 7       | No                       | Follow up meeting      | Not defined             |
| Interviewee 8       | Yes                      | Informal               | Every day of 10 minutes |

According to Table 5, the majority of participants hold meetings to follow up the progress of the project, even if they are not specifically for knowledge sharing. The only exception is participant 1. Those who hold these meetings believe that they are helpful because they can share their experiences and receive recommendations from team members and superiors when facing difficulties.

The frequency of these meetings varies, with some participants holding 1-2 meetings per week for follow-up purposes. Knowledge sharing meetings are further divided into informal and formal categories. Informal meetings do not have a set time and tend to be difficult to schedule due to the busy schedules and lack of “free time” of team members.

### 4.3.3. Performance and career development

#### 4.3.3.1. Performance evaluation

Question 21 addresses if there is any periodic evaluation and the frequency of this process for each interviewee. Table 6 presents the results for this question.

*Table 6: Performance evaluation and its frequency.*

| Interviewees  | Periodic evaluation | Frequency   | Description of the process                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------|---------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interviewee 1 | No                  | ---         | ---                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Interviewee 2 | Yes                 | Annual      | The process is called "Periodic Review" and it involves an interview with a superior.                                                                                                                                                                                                                                                                                                                                       |
| Interviewee 3 | Yes                 | Annual      | Towards the end of the year, various objectives are established for different aspects including technical skills such as learning and programming languages, as well as for business and social aspects. Once these objectives are submitted through the system, a meeting is scheduled with the tech leader and project manager to discuss the employee's performance throughout the year in relation to these objectives. |
| Interviewee 4 | Yes                 | Once a year | An evaluation must be carried out to assess the skills and proficiency levels of the employees. The supervisor must provide feedback on areas for improvement, and the Human Resources department must not interfere with the evaluation process.                                                                                                                                                                           |
| Interviewee 5 | Yes                 | Monthly     | A face-to-face meeting with the team leader to identify areas of success and improvement for employees in their task processes.                                                                                                                                                                                                                                                                                             |

| Interviewees  | Periodic evaluation | Frequency | Description of the process                                                                                                                                                                           |
|---------------|---------------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interviewee 6 | Yes                 | Annual    | He is not familiar with the process as this is his first year in the company and he has not had the chance to participate in one yet.                                                                |
| Interviewee 7 | No                  | ---       | ---                                                                                                                                                                                                  |
| Interviewee 8 | Yes                 | Annual    | During a peer evaluation, colleagues and superiors assess an individual's performance based on two main areas: hard skills (competencies) and soft skills (such as leadership and team environment). |

According to the table 6, two out of eight employees are not given regular performance evaluations, but they would like to receive them at least once a year. During the interview, Interviewee 1 mentioned that the mining industry does not usually conduct performance evaluations.

Interviewee 1:

*“(...) No, this typical evaluation is only for new and multi-nationals’ companies, when you talk about geotechnical industry, extraction, pure and hard industry you have not implemented this kind of practices, the evaluation is like day by day (...)”*

Six of the participants undergo an annual evaluation, while only one has it monthly. The participants were asked to describe how this process works in their respective companies. However, some were unable to provide a proper description as they were new employees.

Six of the participants undergo an annual evaluation, while only one has it monthly. The participants were asked to describe how this process works in their respective companies. However, some were unable to provide a proper description as they were new employees.

During the interview, Interviewee 2 stated that the evaluations were less formal. He explained that his supervisor and he had a shorter and less in-depth conversation, which was

more like an interview more than anything else. This process is referred to as a "Performance Review" and is conducted on an annual basis.

The performance evaluation procedure is more formal and is submitted through a system for Interviewees 3, 4, and 8. During the interviews, some of them gave more details about this process.

For Interviewee 3, performance evaluation is conducted by setting objectives that are subsequently evaluated. The employees have a meeting with the team leader and the project manager. This process is carried out through a system, and after the evaluation, rewards are given based on the assessment results. On the other hand, Interviewee 4 undergoes a formal evaluation that involves two departments - human resources and the department where the employee works. A system is also used in this process. Interviewee 8 provided a detailed explanation of their performance evaluation. They mentioned the possibility of earning a reward, but this is subject to the company's financial statements.

Furthermore, it is unanimously agreed by the participants that this mode of assessment is highly advantageous for them. It enables them to obtain valuable feedback from their superiors and occasionally even from their colleagues. Additionally, they firmly believe that this method promotes their personal and professional development, enables them to anticipate future obstacles, and ultimately enhances both employee productivity and organisational performance.

#### 4.3.3.2. Promotion policies

In the interviews, the topic of promotion schemes in companies was thoroughly discussed, revealing that the majority of respondents confirmed the absence of a promotion policy in their respective workplaces. Nevertheless, interviewees numbered 3, 4, and 6 distinctly asserted the existence of a proper promotion policy in their companies.

In the interviews, Interviewee 3 emphasized that it takes several years to move up to a higher position within the company. On the other hand, Interviewee 4 revealed that their organisation offers a variety of programs, including training, leadership, and seminars, that align with their promotion policy. Furthermore, Interviewee 5 spoke very positively about their company's exceptional promotion policy.

Interviewee 5: *“(...) There is a very good promotion policy in place, if I do my job well, it is very likely to result in career progression and increased remuneration, it is an important aspect for me (...)”.*

During the discussion, it was brought out from the participants the reasons for the absence of an established promotion policy in their companies. These reasons included an individual's current high position within the company, the company's size, the absence of a clear procedure for promoting individuals with concrete examples of past promotions, and a focus on salary increases rather than promotions to higher positions.

#### 4.3.3.3. Training

During the interview, participants were asked about their training for the tasks that would be later developed. Out of the eight participants, only two reported not having any training at all. One participant stated that he gains knowledge through day-to-day experiences, which he considers his "own training" (Interviewee 1). Participant 8 mentioned that the existence of a platform with various types of subjects, although they are not mandatory.

As reported by three interviewees (2, 3, and 7), the training appears to be insufficiently rigorous and largely confined to the initial stages (onboarding process). In contrast, two interviewees (5 and 6) highlighted that training is on-going and only provided when confronted with difficulties. Interviewee 4 received intense training that was tailored precisely to the demands of the tasks they were assigned, while also receiving less rigorous training in other areas.

#### 4.3.3.4. Compensation system

When asked about compensation systems, only three participants stated that they lacked one. These systems were tied to the performance evaluation (Interviewee 3) and were dependent on the company's financial performance (Interviewee 3, 6 and 8). Some interviewees stated that their companies did not have a compensation system, but they were satisfied with their salaries, and hence, they deemed it unnecessary to have one. One interviewee reported having a compensation system in their company but stated it did not have a significant impact on employees. Interviewee 4 stated: *“(...) it exists, but it is not like the conditions that should be or expected. The rewards are not very substantial or motivating... they are not prizes*



*that really motivate people (...)*". According to Interviewee 7, a compensation system in place is reflected in her salary. This system involves a fixed amount that increases annually.

*Table 7: Compensation systems.*

| <b>Interviewees</b> | <b>Compensation system</b> |
|---------------------|----------------------------|
| Interviewee 1       | No                         |
| Interviewee 2       | No                         |
| Interviewee 3       | Yes                        |
| Interviewee 4       | Yes                        |
| Interviewee 5       | No                         |
| Interviewee 6       | Yes                        |
| Interviewee 7       | Yes                        |
| Interviewee 8       | Yes                        |

#### **4.3.4. Retention and turnover intention**

During the interview, the importance of the recruitment, onboarding, management, teamwork, performance, career development, and compensation systems in influencing employees' decisions to stay or leave was questioned. In addition, other practices that could boost motivation were also discussed.

*Table 8: Ranking of talent management (TM) practices that affect their intention to stay in their companies.*

| <b>Practices</b>                   | <b>Position</b> | <b>Interviewees</b> |
|------------------------------------|-----------------|---------------------|
| Performance and career development | 1               | 2, 3, 5, 6, 8.      |
| Compensation systems               | 2               | 1, 6, 7             |
| Managerial & teamwork support      | 3               | 1, 4                |
| Others                             | 4               | 4, 7                |
| Recruitment and onboarding process | 5               | 1                   |

Table 8 shows that performance and career development, and compensation systems have the greatest influence on employees' intention to stay, according to the interviewees. To support this election, they mentioned that critical factors include feedback, training, new opportunities, and challenges. They also agreed that if these factors were missing in their current jobs, they would consider leaving. Two interviewees highlighted the importance of managerial and teamwork support, including the presence and leadership of their managers,

to maintain in their job positions. In addition to TM practices, it was noted that incentives such as flexibility, favourable working conditions, and the option of home or hybrid office were deemed important incentives. According to the interviews, managerial support and teamwork was considered important as well. Participant 1 mentioned that he had left his previous jobs due to ineffective leadership and a poor compensation system.

Interviewee 1:

*“(...) I left my first job because I felt missing leadership from the side of my boss, on the other hand, with the previous job I had, I enjoyed working there however I quit because there was no system in place for recognising and rewarding effort (...)”.*

On the other hand, Interviewee 2 highlighted four factors that could potentially increase his turnover intention. These included seeking new experiences abroad (as an opportunity), not receiving enough training (performance and career development), lack of flexibility at work, and feeling undervalued by the company. Interviewee 3 focused on the absence of new challenges during the work and the stop learning new things that fit on the performance and career development. Meanwhile, Interviewee 4 emphasised more the importance of flexibility and the relationship they have with their colleagues and superiors (managerial and teamwork support).

For Interviewee 5, the provision of training opportunities, the offer of being able to grow inside the company and have internal mobility are relevant considerations. He mentioned that his company could implement good working conditions. In the case of Interviewee 6, he mentioned trainings and compensation systems are important for him to stay, this being get rewarded for the work you do. Also, it was suggested from this participant, the promotion of integration activities both within and outside the company, increasing workplace diversity, and providing greater flexibility. Interviewee 7 mentioned that a home-office policy and a performance evaluation policy would influence her decision to stay in the company. For Interviewee 8, performance and career development are the main factors in his considerations of leaving his current job. Until now he has experienced support by receiving trainings of different subjects, he is interested in.

It is important to note that most of the participants are currently motivated in their jobs, as demonstrated by the results from previous questions. However, certain interviewees mentioned issues they would like to see addressed in their organisations. For example, Interviewee 6, who showed lower levels of motivation than other participants, pointed out difficulties with the recruitment and onboarding process. As a new employee, having been there for only a few months, he has found it challenging to locate information to follow formal procedures. He believes that having a specific file with all relevant information would be helpful for him.

Research has conclusively demonstrated that the implementation of these practices enhances employee satisfaction, motivation and in turn, retention rates. Some interviewees confirmed that the existence of these practices would raise their motivation and commitment to their work.

Interviewee 7: *“(...) I think I may be more motivated if I have a hybrid form of work ... also a performance evaluation would help me understand my objectives and areas for improvement more clearly.”*

To analyse employee retention, interviewees were asked several questions about their companies' policies and effectiveness. Table 9 provides a summary of their perceptions.

*Table 9: Workers' assessment of the companies' retention policies.*

| <b>Interviewees</b> | <b>Retention's company</b> | <b>Comments</b>                                                                                                          |
|---------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Interviewee 1       | Yes                        | <i>“Most of the employees are permanent, they have been there a long time (...)”.</i>                                    |
| Interviewee 2       | Yes                        | It exists internal mobility.                                                                                             |
| Interviewee 3       | No                         | <i>“A lot of people left the company; this might be because of the type of contract some employees have (...)”.</i>      |
| Interviewee 4       | No                         | <i>“The retention at my company is not that good, may be because of salaries and the job pressures (...)”.</i>           |
| Interviewee 5       | Yes                        | There is internal mobility.                                                                                              |
| Interviewee 6       | No                         | <i>“I have noticed some people leaving the company during my time here in the past few months (...)”.</i>                |
| Interviewee 7       | Yes                        | <i>“The elder generation, I mean the older people tends to remain, therefore, I do not see a lot of turnover (...)”.</i> |
| Interviewee 8       | No                         | <i>“Nowadays, it is better the retention of employees, however there is still a lot of turnover (...)”.</i>              |

Based on the results of the interviews conducted, it has been found that half of the respondents believe that their companies have implemented employee retention policies. Interviewees 1 and 7 noted that employees tend to stay in their jobs for several years because they work for "old Portuguese companies" where long tenures are common.

Interviewee 1: *"(...) Most people are constant, employees have been there a long time working, while in my previous experiences, there were considerable employees' turnover, mmm... they did not pay well so the people didn't stay (...)"*.

According to Interviewee 7, the increase in young employees is expected to result in a noteworthy increase in the company's turnover rate. This belief is grounded on her previous job experience.

Interviewee 7:

*"(...) The elder generation, I mean the older people tends to stay, resulting in a lack of turnover (...) but now that young people are entering to my job, I anticipate an increase in the turnover rate. I base this on my experience in a previous job, young people left frequently to seek out new opportunities (...)"*.

In the case of interviewees 2 and 5, they do not observe a high number of employees leaving the company. However, for interviewee 5, if employees are leaving, it is usually for other positions within the company, indicating internal mobility rather than employee turnover.

Interviewee 2: *"(...) I am only being there for a year, during which time the company flourished, I didn't see a lot of people leaving, probably not a lot of turnover during my tenure (...)"*.

Interviewee 5:

*"(...) I have noticed some personnel changes occurring within the company. As a trainee, I believe that I am capable of easily fulfilling a different role within the organisation..., I mean have another position inside the company, especially since I have been working there for nearly*

*a year. I understand that the company generally gives preference to those who have already been employed in the company (...)."*

This means that employees switch between different areas within the company. Interviewee 5 viewed this as a positive aspect because it allows employees to learn and discover which area they prefer. The remaining interviewees stated that staff turnover levels differ in their respective companies. The interviewees who reported frequent staff turnover were interviewees 3, 4, 6, and 8. They believe that their companies have a low level of staff retention due to the type of contract, lack of benefits and compensation, and a weak onboarding process.

In the course of the interview, the third participant made a point of highlighting the fact that the company has a considerable number of consulting staff who do not receive the same benefits as other employees. Moreover, the interviewee pointed out that, although their wages may be average for the market, they are less in comparison to what other companies pay for similar positions, which could potentially contribute to the high turnover rate.

In the case of interviewee 4, he expressed that the main reason for turnover in his company is the discrepancy between the low salary and compensation systems and the duties and tasks performed by the employees. Interviewee 6 mentioned that, although the turnover rate is low, a colleague left the company due to the lack of career progression opportunities and promotional policies in place.

On the other hand, Interviewee 8 mentioned that the company has acknowledged this issue of lack of retention and has investigated to identify the primary factor behind it. The company has determined that one of the key reasons for the high turnover rate is due to the inadequate support provided to new employees at the start of their roles.

Interviewee 8: *"(...) The fundamental cause was a weak onboarding plan, people, mainly younger people, felt very unsupported in their initials days and felt very demotivated, consequently, some considered resigning (...)."*

The participant stated that the company is currently taking action to address this issue of high employee turnover, as this issue was resulting in both financial costs and operational issues.

Besides asking about their retention in the company, the interview also inquired about the ease of finding another job.

When asked about the ease of finding a new job, everyone agreed that it would be easily achievable for them. However, some of them are not contemplating a change of job. The reasons they gave related to the simplicity of securing a new job include years of experience, the reputation of their current job, the abundance of job offers in their area, and their own abilities. Only one individual expressed difficulty in finding a new job due to set high expectations. Interviewee 8: “(...) *Honestly, given my expectations, now I think that it would be easier to pursue my goals in a Nordic country, rather than in Portugal (...)*”.

In line with the previous question, the question that follows concerns the advantages and disadvantages of switching jobs, as seen from the perspective of workers who have been interviewed. Table 10 shows the results.

*Table 10: Pros and Cons of changing jobs, from the workers' viewpoint.*

| <b>PROS</b>            | <b>CONS</b>                           |
|------------------------|---------------------------------------|
| Salary                 | Adaptability                          |
| Type of work           | Risk of not enjoying the new position |
| Knowledge enhancement  | Not specialization                    |
| Better work conditions | Bad luck                              |
| Different things       |                                       |

In general, the participants expressed more positive aspects than negative ones about switching jobs. They listed the following benefits: improved salary and working conditions, pursuing a career that aligns with their interests, acquiring new skills and experience in a new role, a better work environment, and embracing new professional challenges.

Interviewee 5: “(...) *the main “pro” for me would be to search for something that aligns better with my preferences or presents a new challenge (...)*”.

Interviewee 6: “(...) *for me will be salary improvement, enrichment of knowledge, explore new things like getting out of routine, have the opportunity to work in new industries (...)*”.

Regarding the cons, interviewees brought up concerns about adaptability. They expressed that adjusting to a new job and work environment may take a substantial amount of time.

Interviewee 5: *“I believe that the one of the most difficult things could be the part of adaptation, as an established employee you are accustomed to the company’s procedures and routines. Nevertheless, the adaptation phase is necessary (...)”*.

Additionally, there is a potential risk of not enjoying the new position or not feeling identified with the company. One issue to consider is the challenge of gaining expertise in a specific area due to frequent job and position transitions, which makes it difficult the establishment of a strong connection with a particular company.

#### 4.3.4.1. Career prospects

Lastly, to gauge their career prospects, the following question was asked: “When you think of your future, do you see yourself staying in the same company for a long period of time (leaving only when you have strong reasons to do so), or so you see yourself willing to have different experiences and moving out regularly (no need to have a strong reason to leave; willing to have a different experience is enough?)”

During the interviews, many participants expressed that they do not envision a long-term future with their current companies or in their current positions. They expressed a desire to obtain more knowledge and experience. Additionally, they mostly agreed that they would consider leaving their jobs for a different experience, such as working abroad or for better working conditions. All interviewees cited a desire for professional development and the opportunity to enhance their capabilities as strong reasons for seeking out new experiences abroad or elsewhere. All participants unanimously agreed that leaving their companies would only be for a better opportunity, not simply for monetary gain. As per the Unfolding model, this could be a long-term objective, even if they face job dissatisfaction or a new prospect presents itself. For instance, a participant expressed a willingness to work abroad despite the possibility of earning less, citing the experience as valuable both personally and professionally. Interviewee 6 appears disengaged as he stated that he does not require strong reasons to leave the company. He mentioned that he would immediately accept an offer to move out of Portugal.

Out of all the participants, only two expressed a strong sense of connection with their companies. They considered themselves to be highly engaged with their organisations, as they pretend to stay there for the long-term.

However, they would like to explore other subsidiaries within their company as they genuinely enjoy their job and workplace. One of the interviewees, number 8, stated the following:

*“(...) I would like to stay in my company, because I feel that they are betting for me by supporting me with my PHD program, this is why I see myself for a long period of time or at least until the program finishes, but if a good opportunity arises like in another country, I think I may consider leaving. However always with the same company since I created a bond already with them (...).”*

Interviewee 4, in his case, he also commented that he would like to have a different experience but with the same group or company, for instance in a different place.

*“(...) something that I would like to experience is working 3 months in a row in another company of the group or in the same company but in a different location, I think it would be enriching for my career to have an experience of this type (...).”*

Overall, all the participants expressed a desire to work abroad. They mentioned Denmark, Germany, and Australia as potential destinations. The participants' level of engagement with their respective companies varies, and it could be argued that the talent management practices have a considerable impact on it.



## 5. Conclusions

The literature suggests that millennials are known for frequently changing jobs, which can create challenges for companies, both in terms of expenses and time. To address this issue, this study focuses on the Portuguese millennial generation and examines how talent management practices impact their intention to remain with a company. In other words, how effective these practices are in promoting the retention of the workforce. Eight graduated engineers with at least one year work experience were interviewed.

This study explored three aspects that appear to be relevant to the retention of educated millennials in the active Portuguese workforce. First, their characteristics and how they perceive themselves in the work environment and their expectations of their companies. Secondly, the main factors that could foster the millennials' turnover intentions and the main factors that could promote their retention. Lastly, it emphasises the significance and effectiveness of talent management in retaining talent, focusing on four practices related to the talent management process.

The study found that the traits of the interviewed millennials were consistent with those found in the existing literature, but four specific characteristics were repeatedly mentioned by all participants: being able to adapt effectively to different situations and positions, having a desire for new challenges and roles, being innovative for potential situations that may arise, and being team oriented. The literature suggests that most millennials work for a purpose and seek meaningful jobs, but the study found that only one participant considered the meaning of a job when accepting employment. This finding contradicts previous research on the millennial generation and suggests that the participants may not prioritise the meaning of work as a decisive factor in choosing, however, it could impact on the decision of remaining in a job.

Following the interviewees' perspective, their expectations are in line with the aspects mentioned in the literature on capabilities enhancement, performance evaluations (receiving regular feedback from their superiors) and project diversity and challenges. Therefore, the main factors that could foster millennials' turnover intention include lack of challenge, limited learning opportunities, weak leadership, unfair compensation systems and inflexibility in terms of work-life balance and projects.

Also, the study concludes that training, career development, supervisor and teamwork support, compensation systems, and flexibility are the primary factors that promote retention among the interviewees. Respondents found training and career development as the most important motivational factor leading to retention. Compensation also plays a crucial role in employee motivation and satisfaction, which also leads to employee retention. Supervisor and teamwork support, leadership, and relationships with superiors and colleagues, also play an important role in the employees' decision to stay in their current jobs.

This study examines four practices that are related to talent management and that can improve employee retention. Considering the factors mentioned above, it is concluded that performance and career development practices are critical for engaging and retaining employees. In line with the literature, this study found that the interviewees are keen on to enhance their skills through the programmes and facilities offered by the organisations, to face any challenges that may arise. The majority of respondents concur that offering these types of incentives serves as a motivator stay with their respective companies and creates a bond because they feel that companies are betting on them. During the interviews, participants emphasised the importance of receiving performance evaluations, particularly for more complex projects. Many expressed a desire for more feedback from their supervisors. Interestingly, the interviewees suggested that companies with these practices were more likely to be international organisations than Portuguese ones. Compensation, managerial, and teamwork support are also important to Portuguese millennials. They highlighted the importance of feeling rewarded for their work and how demotivating the lack of this can be. Also, they identified regular communication, meetings, mentoring, and knowledge sharing as crucial to their satisfaction and engagement. The impact of the recruitment and induction process on job acceptance is significant, whereas this has little relevance to job tenure, according to some of the respondents' perceptions. The onboarding process seems more critical than the recruitment process, in terms of job tenure.

It is worth noting that an employee's decision to leave the company may also be influenced by a variety of factors ("the unfolding model paths"), and that the organisation's efforts may not always be well received by everyone.

However, implementing talent management practices has a proven positive impact on staff retention by increasing employee motivation and satisfaction, as confirmed by this

qualitative research. Therefore, it is crucial these practices are implemented correctly and that employees are aware of them.

In sum, regarding the first research question (What is the role of the perceived talent management practices on the retention of highly skilled labour millennials?), the role of the perceived talent management practices seems to have a positive and significant impact on the retention of highly skilled millennials. By implementing effective TM practices, companies can create a bond with their employees and show them that they are valued. As a result, employees feel more motivated to reciprocate these efforts and remain with the company for the long term (social exchange theory). Therefore, these practices help to keep employees motivated and engaged, contributing to their overall satisfaction with the company.

The second research question aimed to identify what practices of talent management are being used and how effective they are in promoting the employee retention. The findings suggest that the most common practices in companies are compensation systems and managerial and teamwork support. However, the most effective practice for employee retention is the competency development, which involves performance and career growth. During the interviews, employees expressed an interest in receiving regular feedback on their projects and a desire to learn new skills and take on new challenges. Providing training opportunities and a clear career path can help to keep employees engaged and committed to their companies for the long term. It is also important to note that while monetary conditions are important, training and career development opportunities are just as important.

The third research question seeks to identify what the main factors are that might foster the millennials' turnover intention and what management can do, from the millennial's viewpoint, to encourage them willing to leave their current positions. The research found that the key factors were the lack of challenges, insufficient learning opportunities, poor leadership, unfair compensation systems, and an inflexible approach to work-life balance and tasks management.

The fourth research question sought to identify the main factors that might promote the retention of millennials, and what management can do, from the millennial's perspective, to convince them to stay in their current positions. The study found that the main factors that contribute to retention include training and skill development, promotion opportunities,

clear career paths, a challenging work environment, effective leadership, and fair compensation.

In sum, this study suggests that the impact of talent management strategies has a remarkable effect on the intention to stay of the employees. Proper implementation of these practices benefits both, employees, and employers, resulting in mutual gains.

## **5.1. Limitations and future research**

The main limitation of the study is that it only focuses on a small group of people belonging to this generation, specifically eight millennials. Despite this, valuable insights have been gained that provide a better understanding of the reasons why these employees might stay or leave their employers, which can be used in future quantitative research to evaluate their importance across generations. However, this limitation is at the same time an opportunity for future quantitative studies to explore talent management strategies and retention.

Another limitation of this study is that it solely focuses on the perspective of the millennial generation employees. It would be beneficial to include the viewpoint of the employer to enhance the knowledge on this topic.

Although all the participants have studied engineering, each one specialises in a different area of the field. This is beneficial as it brings diverse perspectives to the current study. However, it would also be valuable to have participants specialising in other professional areas.

In addition, it is important to extend the study to include the upcoming generation that is just starting to enter the workforce. Understanding the differences between Generation Z and Millennials is crucial to figure out how managers can motivate and retain the new generation. It is also important for managers to create policies that address the needs of all generations over time and promote unity among them.

Overall, this study provides a strong basis for further research into the impact of TM practices on employee retention rates among the Portuguese millennial generation. It is

crucial for HR managers to prioritise investment in policies that increase employee engagement. In this way, employees will be less inclined to constantly seek new job opportunities and more likely to remain committed to the organisation.

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## 7. Appendix

### a. Appendix 1: Generation differences in the work environment

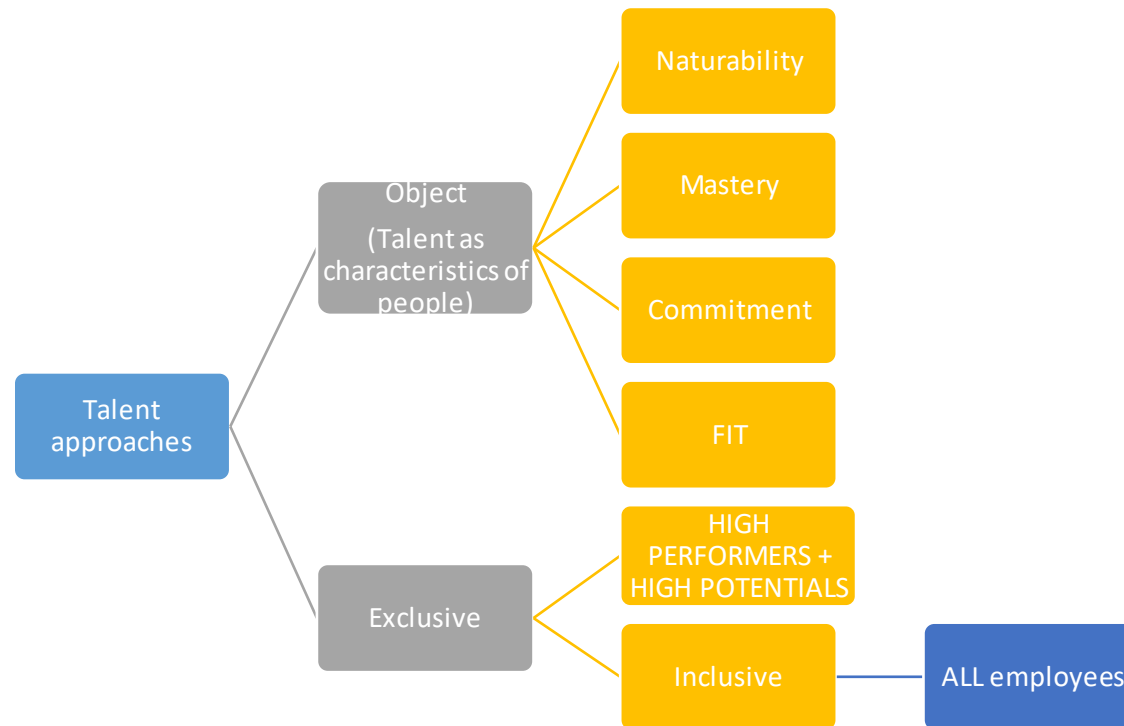
| Papers                                                                                           | Baby Boomers                                                                                                                                                                                                                                                                                                                                                                                                | Generation X                                                                                                                                                                                                                                                                                                                                                                                                | Generation Y                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Generational differences in workplace behaviour<br>(Becton et al., 2014)                         | <ul style="list-style-type: none"> <li>- Achievement oriented.</li> <li>- Independent, in control of their own destinies.</li> <li>- Respectful of authority, loyal and attached to organizations, diligent on the job.</li> <li>- Higher in self-reliance, hard work, work centrality than younger generations.</li> </ul>                                                                                 | <ul style="list-style-type: none"> <li>- Individualistic, distrustful of corporations, lacking in loyalty.</li> <li>- Balancing their work and lives.</li> <li>- Financially self-reliant and entrepreneurial risk takers.</li> </ul>                                                                                                                                                                       | <ul style="list-style-type: none"> <li>- High-tech generation.</li> <li>- Racially and ethnically diverse of the 4 generations.</li> <li>- Distrustful of organizations.</li> <li>- Meaningful work.</li> <li>- Family as a key of happiness.</li> </ul>                                                                                                                                                                                                                                                         |
| Understanding and managing generational differences in the workplace<br>(Kapoor & Solomon, 2011) | <ul style="list-style-type: none"> <li>- Live to work.</li> <li>- Authority and hierarchy in the workplace</li> <li>- Have difficulty learning new tricks.</li> <li>- Resistant to change and have trouble multitasking.</li> <li>- Loyal employees.</li> <li>- Goal-oriented.</li> <li>- Competitive.</li> <li>- Seeking promotion from working long hours.</li> <li>- Hierarchical structures.</li> </ul> | <ul style="list-style-type: none"> <li>- Self-reliant, independent, skeptical of authority.</li> <li>- Prefer working alone to working in teams and can lack interpersonal skills.</li> <li>- Good at multitasking.</li> <li>- Balancing work life with personal life in the company.</li> <li>- On balancing their lives, both personally and professionally and view employment as a contract.</li> </ul> | <ul style="list-style-type: none"> <li>- Embrace technology.</li> <li>- Very comfortable with change</li> <li>- Via social networking, text messaging.</li> <li>- Expect: instant feedback and acknowledgement.</li> <li>- Teamwork and follow directions however with some flexibility.</li> <li>- Meaning in their work (great importance) to make the world a better place.</li> <li>- Mentors (professional development)</li> <li>- Multitask</li> <li>- Balance flexibility – work life balance.</li> </ul> |

| Papers                                                                               | Baby Boomers                                                                                          | Generation X                                                                                                                                                                 | Generation Y                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The impact of generational differences on the workplace</p> <p>(Haynes, 2011)</p> | <ul style="list-style-type: none"> <li>- Work in teams</li> <li>- Communication in person.</li> </ul> | <ul style="list-style-type: none"> <li>- Self- reliant want to do thing on their own.</li> <li>- See everyone as equal.</li> <li>- Less likely to stick at rules.</li> </ul> | <ul style="list-style-type: none"> <li>- Participative approach.</li> <li>- Achieve a balance between work and family life.</li> <li>- High expectations of work and are goal and achievement orientated.</li> <li>- Use of technology to be connected.</li> <li>- Ability of multi-tasking.</li> </ul> |



| Papers                                                                                                 | Baby Boomers | Generation X                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Generation Y                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Managing different generations in the workplace</p> <p>(Macovei &amp; Martinescu-Bădălan, 2022)</p> | ---          | <ul style="list-style-type: none"> <li>- Smart, resourceful, pragmatic, and skeptical and use their careers as a springboard to higher social positions.</li> <li>- 1st concerned with work/life balance.</li> <li>- Autonomous, confident, independent in the workplace</li> <li>- They do what they asked to do.</li> <li>- Punctuality.</li> <li>- Communication: indirectly by phone and email</li> <li>- Speak openly, constructive feedback.</li> <li>- (continuous)</li> <li>- Less loyal to companies</li> <li>- Leader needs to be credible, trustworthy, visionary.</li> </ul> | <ul style="list-style-type: none"> <li>- Impact on the companies/organizations.</li> <li>- Like to work in teams.</li> <li>- Communicate openly and frequently.</li> <li>- Are used to diversity and are therefore more socially tolerant than previous generations.</li> <li>- Meaningful jobs – involved in decision making.</li> <li>- Risky people.</li> <li>- Mistakes for them is took as learning opportunities.</li> <li>- Technology (first generation using it)</li> <li>- Social media platforms.</li> <li>- Needs management to provide them with explicit direction and instruction and prompt feedback.</li> <li>- Short working time and multitasking thanks to technology.</li> <li>- Communication: text messages, email, speed response.</li> <li>- Proactive and innovative.</li> <li>- Work-life balance is also important.</li> <li>- Transparency (inclusive management style)</li> </ul> |

**b. Appendix 2: Talent approaches**



*Source: Gallardo-Gallardo et al. (2013)*

## c.      **Appendix 3: Interview Guide**

### **Introduction**

This interview takes place within the scope of the master's dissertation in Management at University of Porto (Faculty of Economics). Its main objective is to understand the relationship between talent management practices on the retention of highly skilled labour millennials.

This interview will be completely anonymous and confidential, and the results will serve only for academic purpose and for the writing of the dissertation in question. (Emphasize that the interview will be used exclusively in the context of university)

Obtain consent for audio recording.

1. Do you consent to this interview being recorded?

Clarify any questions the interviewed partner may have.

2. Do you have any questions before we start the interview?

### Context: Warm up and Professional context

1. What is your name?
2. How old are you?
3. What have you studied?
4. How many employment positions have you had before?
5. Where do you work?
6. How long have you been there?
7. Which is your position? Kindly describe your current job position.

### Millennial generation: Characteristics and expectations

***Key words: Technology savvy, feedback/coaching, team oriented, flexibility, accountability-meaningful job, job hopping.***

8. What qualities do you believe you bring to your workplace?

- a) Accountability – Meaningful job

9. Did you choose your current work because you consider it a meaningful job for you? (Meaningful job is a job that contributes to others, have an impact on the society, environment, etc)
10. Do you feel identified with the values of the companies or companies you have worked with?

b) Flexibility:

11. Do you feel that you can flexibly arrange your working hours and free time?
  - o If yes/no, to what extent is this noticeable?  
For instance, just working the hours requested per day/week?

12. Do you/ can you work remotely?
  - O If yes/no, what is the impact on your personal life?

In terms of projects and tasks...

13. Do you have the opportunity to choose the tasks you want to perform? Can you choose the projects you are involved in?

c) Constant feedback, coaching, team:

14. How is the relationship with your superiors (managers)? How close are you to your supervisor? Can you talk to him/her as equals when you need to discuss some technical problems?
15. In terms of feedback, what do you prefer and expect?
16. Do you consider yourself a team-player?
  - a. If yes or no, why do/don't you prefer to work in teams if it is the case?

d) Expectations from the work and work environment:

17. What do you expect to receive from the organisation(s) you work for in exchange for your service?
18. Does this impact on your job?
19. To what extent you feel motivated to work for your current employer?

Talent management practices:

***Key works: Employee value proposition, Enhance employee capabilities and experience, employee engagement, enduring relationship.***

- a) Recruitment and onboarding process: Employee value proposition:

20. Do you think that your company has being clear about the EVP (employee value proposition)?

Def: An employee value proposition (EVP) is the unique set of benefits that an employee receives in return for the skills, capabilities, and experience they bring to a company.

b) Managerial and teamwork support, Performance and career development, compensation systems: Enhance employee capabilities and experience.

21. Is there any periodic evaluation of your performance? In what way? (What is the process, what is evaluated, what is the result, etc.?)

22. Do you feel there is a promotion policy? In what way?

23. About training, do you feel that there is intensive and specialized training on the tasks that will later be developed by the employee?

24. How is the knowledge sharing in your company? do you think there is a good communication between supervisors and supervised?

25. How do you feel about the compensation system in your company? How it works? Are there any status updates?)

#### Retention – Employment engagement

26. Have elements like these impacted your decision to stay or leave an organisation or position? if not, which elements could impact your intention to leave?

27. What could the company do to raise your motivation? If you could choose one issue you would like to see changing in the organization, what would that be?

28. How ease would it be for you to find another job?

29. How do you evaluate your company's retention? What do you think makes it exist? What is company doing to retain the people? How effective is that policy?

30. Did employer practices impact your decision to leave or accept a position?

31. Are there many people leaving the company?

32. What do you see as pros and cons of changing jobs, from the workers' viewpoint?

33. When you think of your future, do you see yourself staying in the same company for a long period of time (leaving only when you have strong reasons to do so), or so you see yourself willing to have different experiences and moving out regularly (no need to have a strong reason to leave; willing to have a different experience is enough)

Closing Phase:

Important additions from the interview partner

34. Are there any aspects you would like to elaborate on or add?

Thank you for the interview.