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Effects of Workplace Environment on Recruitment and Retention

Gino Ciarimboli

The University of Akron, gjc23@zips.uakron.edu

Madison Frericks

The University of Akron, mvf9@zips.uakron.edu

Tyler Riemenschneider

The University of Akron, tdr42@zips.uakron.edu

Michael O'Neill

The University of Akron, mjo37@zips.uakron.edu

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Team TBA

Michael O'Neill, Gino Ciarimboli, Madison Frericks, and Tyler Riemenschneider

Spring 2017

Primary Research Paper

University of Akron

Table of Contents

Introduction	3
Method of Research	3
Script of Focus Group #1	5
Script of Focus Group #2	6
Research Findings	
Focus Group #1	7
Focus Group #2	9
Opportunities for Improved Performance at Smucker's	13
Recommendations	
Magnitude and Scope of Justifications	14
General Work Environment	16
Individual Workspace	17
Health and Wellness	18

Introduction

The J.M. Smuckers company is a processed and packaged goods industry located in Orrville, Ohio. With nearly 7,000 employees, Smuckers wants to continue building their company and bringing in top young talent. With that goal in mind, the J.M. Smucker company wants help to attract recent college graduates to work for them. In order to have a better understanding of the wants of college graduates, they tasked students at the University of Akron's Williams Honors College to discover what attracts college graduates to a certain company.

Through secondary research our group has found that the physical environment is an important attribute that attracts college students. With this in mind, the focus group dialogue was designed to learn more about the the feelings of the college students.

Method of Research

The chosen method of research was focus grouping. While focus groups may not provide the quantitative data of a survey or other methods of research, it does have its own merits. For one, focus groups are much less structured than typical surveys, which allow participants to expound on points they feel are important, rather than a direct 1:1 relationship between question and answer. Some of our findings were not factors we had considered before embarking on our primary research. Had we chosen another avenue of research, we may not have gotten the same answers. Additionally,

focus groups allow researchers to find out why a participant gave a certain answer. The ability to have a discussion gives participants the opportunity to explain their perspective.

When conducting our focus groups, we wanted to gain a holistic perspective on the work environment. To accomplish the goal, there were two focus groups that were conducted: the first was comprised of interviews of Smucker's employees during our visit to Orrville, and the second was a focus group of University of Akron students at the College of Business.

The interviews of Smucker's employees was carried out in three distinct phases. The first group we talked to was made up of recent college graduates who had just begun their careers at Smucker's. This group would be the most similar to the demographic our project is centered around. The second group consisted of workers who had recently started at Smucker's, but were in the middle of their careers. We wanted to talk to this group figure out what made them switch companies mid-career. The third group was a corporate recruiter, who gave us insight on what Smucker's emphasizes during their recruiting and hiring process.

The focus group hosted at the College of Business Administration resembled a more traditional focus group. All six students were involved in one singular discussion, where our team would open with questions or other prompts, and we allowed the participants to not only reply to us, but to each other as well. Five of the six students were Business majors, while the sixth was a Math major. All of the participants were either juniors or seniors. The selection of upperclassmen for the focus group was

intentional, because we wanted students who were closest to graduating, and thus, closest to beginning their careers. Juniors and Seniors were also more likely to have had internship experience than Freshmen and Sophomores, which was another benefit of the demographic.

Between the two focus groups, we heard perspectives of both men and women, as well as both professionals and students (some with previous work experience, some without). Disciplines included finance, accounting, marketing, revenue growth, business analysis, and corporate recruiting.

Below are the scripts for each of the two focus groups. These scripts were used to give each discussion a loose structure. This allowed enough control to keep discussions on-topic, while giving participants the freedom to share their thoughts candidly.

Script of Focus Group #1

Greetings! We would like to introduce our teams- we have been given the opportunity to work on a project with the JM Smucker Company. The goal of this project is to give the company a better understanding of the factors that college graduates value when they look for a place of work. Thank you for taking the time out of your work day to help us achieve our goal and your willingness to help our group succeed in this project.

- 1. How long has it been since you joined Smucker's as an employee?*
- 2. What department do you work in?*
- 3. What are 3 things that stood out to you about the Smucker experience/facility that made you choose the J M Smucker Co. as your place of work?*
 - a. Physical Environment?*
- 4. What is your favorite thing about working here? (technology, facilities, culture, the friendships you made?)*
- 5. Can you speak to the culture of this company a bit? (Likes, dislikes)*
- 6. Have you had any other work experience or internships? If so, can you compare some of the qualities/factors that differed between your previous experience and your experience at Smucker?*

Script of Focus Group #2

Hello everyone. Thank you for taking the time to participate in our focus group. Today's group will last approximately one hour. The purpose of this group is to gather your opinions on the topic of companies work areas. Your participation in this group is strictly voluntary and you may withdraw your participation at any time during the group.

As part of the process the groups are also being audio recorded. The tapes will be summarized as part of the project report. No one will be identified in the tapes and they will be used for research purposes only. The original copy of the tape will remain with the client and will be destroyed at the end of the project.

Some of my group members are present and will be taking notes as well as adding some of their own questions.

Ideally, I will hear from each of you evenly. Please be honest and give as much detail as possible when answering and discussing. The more we know, the better! We may ask you to write down answers, so there is a paper and pen in front of you.

So let's get started.

- **Introduction Questions**

- Name, major,
 - What past internship experiences do you have? Describe.
 - Do you job lined up after graduation? Where?

- **Broad Questions**

- What was some physical attributes that attracted you in your past experience?
 - Describe.
- 2 things about **the office** you liked and disliked
 - Refer only to the office itself; not company "perks"
 - I.E. - special meeting rooms, cafeteria, beer fridge, etc...
- Ideal desk
 - Where is it located?
 - How do you use it? Does it have lots of drawers, a specific function, etc...
 - How big is it?

- *Would you prefer your own office, a closed-off cubicle, or an open layout? (Show 3 pictures of various office layout styles)*
- *What is one attribute that you did not think that you needed before the internship but now would want everywhere you work?*
 - *Installation of it?*
- *What is one attribute that you had at a previous workplace but felt you didn't need or utilise?*
- **Narrow Questions**
 - *What physical attribute(s) would sway your decision to choose one company over the other?*
 - *What physical attribute(s) do you require a company to have to consider working there?*
 - *Are there any physical attributes that would leave an unfavourable impression on you? (i.e. a "deal-breaker")*
- **Closing**
 - *Thank you all again for taking the time to attend this focus group. Your feedback will help us tremendously with recommendations for our client. Please let us know your top two (2) preferences for the gift card you would like to receive. You will receive your gift card within 7-14 business days.*

Research Findings

Focus Group #1-Smucker's Interviews

When asked what stood out to them during their time at Smucker's so far, nearly every participant had the same answer: the culture. One participant in the recent graduates group said that the Smucker's "unique" in how they treat people, mentioning that "every employee makes a difference." Participants remarked on how friendly and polite everyone is to each other, and everyone's perspective is able to be heard at meetings.

Participants in the Smucker's groups also mentioned that employees treat each other with equal respect, regardless of status within the company. Upper-level management is more than comfortable having friendly conversations with their

subordinates, and vice versa. One recent graduate hire told us, "Mark Smucker stood in front of my desk and told a joke, and I laughed awkwardly even though I wasn't part of the conversation, and he looked over and smiled at me."

Another part of the culture includes how the company values their employees. One employee had said that Smucker's has an "Investment in People." He explained that the company assisted him with getting his MBA, and said that the goal is to create "lifers" at Smucker's. A participant in the mid-career compared Smucker's to his previous place of employment. The company he worked at prior to Smucker's treated employees as if they were "lucky to work here." On the other hand, he explained that Smucker's "wants you to succeed" and "gives you all the resources to be successful." The difference was so stark that, "Smucker's is the only place I've seriously staying until I retire, and I've thought this since day 2."

This mindset of valuing the employee was present throughout our Smucker's groups. Participants mentioned how much of Smucker's business is relationship-based, and remarked that the company never makes you choose between doing the right thing and getting ahead in your career. They also mentioned that horizontal movement and cross-departmental changes were encouraged, with one participant saying the company supports "fluidity." This idea of a fluid workplace translated to the physical work environment, with one mid-career hire saying that it was okay to get up from your desk and work from somewhere else on campus, such as one of the various informal spaces.

When asked about the favorite part of the actual physical work environment, the participants in the Smucker's groups provided a variety of answers. The "cube" set-up of

desks (4 desks facing each other with low-walls) was mentioned as something that made communication much easier. Smucker's encourages employees to "walk down the row to talk to your teammate", so clustering those who often work together was another way to ensure communication and collaboration. A participant from the marketing department liked the open floor plan for the department, and told us that even her manager has moved their desk out of their office and into the general work area. She said that this has kept the team and their superior on the same page, while fostering the Smucker's culture in a new way.

Another thing that was frequently mentioned was the "huddle rooms." Huddle rooms are small rooms that are used for impromptu meetings among teammates. Smucker's employees said that these rooms have been a convenient way to regroup and have "15 minute meetings" without reserving an entire conference room.

Employee wellness also was an emphasized point with the Smucker's groups. Quite a few participants pointed out that they liked the stand-up desks the company has available, and the fitness center was obviously a major talking point. Many of the recent graduate hires work out during their lunch breaks, and a mid-career hire said that the fitness center was a "huge factor" in deciding to work for Smucker's.

Among other things mentioned include: the fireplace area and other casual work settings on campus, the modern feel of campus, and the "amazing" food in the cafeteria.

Focus Group #2-University of Akron Students

For our second focus group, we chose to ask University of Akron students different questions about what kind of work environment they are/were looking for when choosing a job once they graduate. We gathered 6 students in a range of majors who were willing to participate. Following the script above, we were able to draw many conclusions about what exactly these millennials are looking for in work environment.

From this focus group, we were able to determine several key findings. First of all, when we asked the participants to discuss the advantages and disadvantages of the five different office styles. The different office layouts are: open-office, low-wall cubicle, high-wall cubicle, and private offices. We had also asked the participants how they felt about huddle rooms as well, given the overwhelming feedback we had received from the Smucker's focus groups. The most popular layout among the group was the low-wall cubicle. This was mainly because they wanted the freedom to collaborate and socialize with coworkers, but they also wanted their own space where they can avoid distractions when necessary. The low-wall cubicles provide the best compromise for both sides of the spectrum; the enclosures around the desk mark off clear, specific work areas for each person, but the waist-level walls encourage communication amongst co-workers.

While the low-wall cubicles were the most popular, we did notice a trend with the students' preferences. Majors who would work in more analytical departments preferred more privacy and a higher degree of "separation" from others. They wanted a separate workspace, with available spaces to work with groups if need (such as huddle rooms). Meanwhile, "mid-spectrum" majors, such as Accounting, gravitated towards the low-wall

cubicles mentioned above. They explained that they wanted to be able to communicate and collaborate with their co-workers quickly while also having their own space to work. Finally, collaborative-heavy departments, including marketing students, favored the layouts that featured low degrees of separation. They wanted more open layouts to be able to work with their teammates on a regular basis. As mentioned above, the low-wall cubicles was the “top choice” because it represented a happy medium between all of the options.

As far as huddle rooms were concerned, we saw a similar reaction to the Smucker’s groups. Most of the Akron students said that they either utilized huddle rooms at previous internships, had wished the internships had huddle rooms, or that they’ve never heard of a huddle room but definitely liked the concept. Between the two groups, huddle rooms appears to be a major factor within the physical work environment that potential hires are looking for.

Next, we were able to determine the ideal desk. Each participant was able to describe their “perfect desk.” From their descriptions, we found several key characteristics that are proving to be necessary in the workspace. First, a large desk, with shelves, double monitors, plenty of power outlets, and a comfortable chair is critical. Next, they believe that the arrangement of the cubicles is important as they want to be placed near their supervisor and the people they will work with most. This kind of intentional placement will help foster and encourage effective teamwork and collaboration among coworkers. Finally, they put a lot of value on the option to customize their workspace and make it their own. Comfort is crucial, and since they will

be spending most of their days at their desk, being comfortable and happy in that environment can play a huge role in someone's decision to work or not work for a specific company.

The last major finding we derived from our second focus group is the amount of importance that millennials place on different amenities that an office might offer. Amenities such as a workout facility, free coffee/tea available, on-site clinic, on-site daycare, basketball court, and modern lounge areas were all discussed in terms of if they believe they would frequently use it, or if it would be a deciding factor in someone choosing to work at a specific office.

Many of the participants voiced that they would feel uncomfortable using gym facilities at the office workout facilities. Much of the apprehension to working out at work included being perceived as "slacking" or feeling discomfort working out alongside their superiors. Despite the initial hesitation, the participants did indicate they would utilize on-site fitness centers if they were offered at a discounted rate or with an incentive to do so. Additionally, many of the participants did say that they do exercise on a regular basis, potentially leaving the door open to use a workout facility, even at work.

Two things that our focus group did not respond well to at all were on-site nurse practitioners and massage chairs. Many of the participants had said that, "if I'm seeing a doctor, I want to see my doctor." They also mentioned the massage chairs were a "waste" and that it contributed to a "lazy" perception of those who utilized them at previous places of employment.

Overall, our second focus group with the six University of Akron students gave us fantastic insights to what a millennial is looking for as far as their physical work environment goes.

Opportunities for Improved Performance at Smucker's

Reviewing the responses of the two focus groups presented three unique opportunities for Smucker's to enhance their recruiting processes and retention capabilities. First, it is clear that college students have a strong desire for an individualized workspace. Throughout the focus groups, it became clear that each participant wanted and needed different functional pieces within their immediate workspace to increase their productivity and comfort at work. Smucker's can improve their employee's performance by embracing a modular desk system that allows employees to select what pieces they want at their desk, thus balancing an individual setup with a cost effective standardized solution.

Second, the focus group identified that an ideal desk wouldn't work well if the total office layout didn't fit their needs as well. Focus group participants noted that the design and structure of the office were equally as important as their desk area, indicating the total workspace should fit their needs in tandem to their individual workspace. Further, it was observed that different business functions desire different office designs and features, i.e. technical functions wanted more privacy, whereas creative functions wanted open layouts and informal spaces. To create an ideal office

environment, Smucker's needs to survey current employees to discover their needs, and customize furniture layouts by business function.

Third, college students carry a fear that others perceive the millennial generation as "lazier" than other generations. When asked about their opinions of selected physical facilities present at Smucker's, many remarked they would not want to use a paid fitness center at work. Students felt uneasy about using the center with their superiors, or being seen by non-users as not working during the day, even if working out on their lunch break. As such, these students felt that the presence of a paid fitness center alone was not an attractive feature when comparing companies for employment. Combating this problem may be solved by incentivizing employees to utilize these capital expenditures, through a comprehensive fitness and wellness program that offers fitness center reimbursements and other fringe benefits.

These opportunities provide a way for Smucker's to position itself strategically as the leader in innovative workspaces and comprehensive employee incentives. By balancing individual and departmental needs with standardized solutions, and offering a complete wellness incentive program, Smucker's can transform these opportunities into recruiting and retention strengths.

Recommendations

Magnitude and Scope of Justifications

Throughout this class, we integrated concepts from, *Ten Types of Innovation: The Discipline of Building Breakthroughs*. *Ten Types* focuses on the strategies and

overarching ideas that successful companies have utilized when pushing the envelopes in their respective industries. We find these concepts useful when framing our recommendations as innovative, and being able to provide context to our recommendations can be useful to a company such as Smucker's.

In term of magnitude, there are three distinct levels of innovation described in *Ten Types*: Core, Adjacent, and Transformational. "Core" is considered the least-intensive form of progress, while "Transformational" is a more drastic change to a company.

We can derive from our research that Smucker's is already doing very well with regards to the physical work environment. Whether it is the facilities, amenities, workplace configuration, or the culture resulting from these attributes, our research has shown that Smucker's is already able to have recruiting success due to their physical work environment. As a result, our recommendations are made at a Core level (as opposed to a Transformational level), meaning the changes proposed are aimed at improving at existing competencies. Smucker's has a great foundation in place. Rather than completely discard what is already working, the company should continue to build upon this foundation. There is no need for a major shakeup is the company is already relatively successful in using the physical work environment as a recruiting tool. Instead, the recommendations found in this paper focus on maximizing the value Smucker's can derive from this recruiting tool. Thus, the improvements discussed in this paper will be incremental in nature, in an attempt to build upon what is already working.

As for the scope of our recommendations, we decided the best area of focus would be the company's structure. Structure is one of the ten types of innovation discussed in *Ten Types*, and involves how a company can reconfigure its existing assets and talents to maximize performance. In our case, the proposed changes involve structuring the work environment to not only boost productivity and innovation, but to also improve factors emphasized in the recruiting process.

General Work Environment

This section discusses the different aspects of an office including the size of the cubicles, addition of huddle rooms, and the position of the bosses desk. The responses from both focus groups, the Smuckers focus group and the University of Akron, have been taken into account and the following points were made.

During the second focus group, the participants were shown several different pictures of workstations and gave their feedback on what was attractive of each picture. While there were different opinions with some of the styles, a central theme appeared. The students valued a private space where they can personalize their space but have the ability to collaborate with their team members whenever they needed to. There was a difference in opinion between the technical majors, such as accounting, and the more creative majors, such as marketing. The technical majors wanted more privacy and were not that enthused with

Some of the students talked about how it would be nice to have a manager sitting outside of the office so that communication can be flowing better than if the

manager was in an office away from them. This practice helps the communication between managers and teams increase and create a open culture.

Office spaces can be designed to increase collaboration and promote discussions. For some business functions, this is very important. These teams would like to have a lot of huddle rooms and an open cubicle layout. More space for team collaboration will benefit the team with the sharing ideas and discussion of projects. Other areas want to have an option for seclusion so that they can focus on individual assignments without being interrupted or distracted.

The findings from the focus group drew the conclusion was that office space is dependent on your team or position. This area to area difference means that Smuckers should optimize the space depending on what business function they are trying to layout. Specific arrangements of the desks and height of the cubicles can be discussed within the department to further customize the department's area.

Individual Workspace (Desk)

The second recommendation is derived from our second focus group with the University of Akron students and it involves the most intimate part of the office: the desk. When we asked our focus group to describe to us their ideal desk, they gave us some key characteristics from which we derived our second recommendation.

We recommend that Smucker's takes steps to add value to the workplace by incorporating the following characteristics into the standard desk environment that new hires would receive. First, a large desk is perfect for workers to spread out and store all of their belongings. Compared to a small desk where they may feel uncomfortable and

cramped, a large, L-shaped desk is a perfect workspace that encourages productivity. Having plenty of shelves and drawers for storage are important, to help keep a worker's space clean and organized. We also suggest that workers are situated near their supervisors and their teams/the people they work with most frequently. This will encourage effective communication, and cut down on unnecessary and distracting movement around the office as employees congregate around others desk to discuss work related projects.

Since most employees use their own laptops and tablets as another tool for work, the desks should have plenty of charging ports and outlets to keep their operations running smoothly without interruptions from power failure. Up-to-date technology and dual monitors are also a vital part of the desk space as it shows commitment to their employees, but it also gives them the tools they need to do the best job possible. In this technology-era, it has become standard to have efficient computers; millennials now expect dual monitors, so we encourage Smucker's to install another computer monitor on each desk to account for these heightened expectations.

Finally, installing features at each cubicle that allow or customization and decoration can make a huge impact on someone's decision to choose one employer over another. Through our research, we found that workers sometimes consider the office as a "second home," and they want to feel comfortable and at-home at their desks. Cork boards for pinning pictures of friends and family, or dry-erase boards for personal reminders and notes from co-workers can make turn a "cookie cutter" desk into a personal expression of comfort and style.

Health and Wellness

Our final recommendation involves continued development aimed at employee health and wellness. It should be noted that Smucker's has already made substantial progress in the area, investing in a full-sized basketball court as well as an employee fitness center. Smucker's should continue building on this success by implementing a health and wellness program.

What would such a program consist of? To start, each employee should set some sort of wellness goal, such as weight loss or lower cholesterol. Then, employees could work on their own (or with the assistance of the company) to reach the designated goal. If the goal is reached, the company provides a tangible goal, which would serve as an incentive to reach their goal.

Here's an example of a wellness program: Smucker's offers each employee the opportunity to join a new wellness program. Participants will have the opportunity to purchase a FitBit as part of the program, and sets a goal (i.e. lose 20 pounds over the next 3 months). Smucker's could offer discounted membership rates at its in-house fitness center to encourage participants to exercise, and all of their activity is tracked using the FitBit. If a participant reaches their goal, Smucker's reimburses the employee for the price of the FitBit. Smucker's could even set up varying tiers of goals, with the harder-to-achieve goals gaining larger incentives.

Admittedly, our primary research yielded some mixed results as far as workplace wellness goes. Several of the participants in the on-campus focus group indicated that they wouldn't use a fitness center at work. Some participants noted that they would feel

self-conscious working out with their co-workers, or felt that they would be judged for not “working at work.” Others simply felt a desire to keep their spare time separate from the workplace, and said that they’d rather have some sort of gym fee reimbursement.

Despite these somewhat negative responses, there was plenty of positive feedback between both focus groups. Many of the recent graduate hires at Smucker’s noted that they frequently use the fitness center or basketball court at work. One recent grad said that playing basketball on their lunch break was, “my favorite part of the day,” while another remarked that they enjoyed the ability to “take time for yourself” by using the fitness center at work. This sentiment was evident in the mid-career hires as well. One mid-career hire told us that the gym was a “huge factor” in deciding to come to Smucker’s, while the other mid-career hires expressed similar opinions. The corporate recruiter from Smucker’s also stressed how the company emphasizes the Orrville campus facilities (including the fitness center) when recruiting new talent.

The anxiety about working out with upper-level executives was also lacking from the Smucker’s focus groups. When describing the culture at Smucker’s, one recent graduate told us she thought it was cool that, “Richard Smucker was on the elliptical behind me.” Even the on-campus focus group, despite not being receptive of a fitness center at work, indicated a desire for stand-up desks, along with other health initiatives in the workplace.

One reason to implement a wellness program (such as the one described above) is that it could be used to convince new hires to utilize the fitness center that Smucker’s has already invested resources in. A program incentivizing exercise, combined with a

discounted membership rate, could new hires to take advantage of the fitness center. From our research, we can tell the participants who had already worked (either at Smucker's or elsewhere) were much more comfortable working out at their place of employment. The participants who weren't receptive of a on-site fitness center may just need to try it out for themselves before overcoming their perceptions of it, and a wellness program could be the perfect system to do just that.

The wellness program could also be further leverage the fitness center as a recruiting tool. While some potential hires may not see the fitness center alone as a key reason to join the Smucker's team, an extensive commitment to health and wellness could convince them otherwise. An incentive-based program combined with a discounted, on-site workout facility may prove to be much more enticing to recent college graduates than the status quo. Almost every participant in the University of Akron focus group said that they would use an on-site fitness center if there was some sort of incentive to do so, such as a discounted membership rate.

Another reason to consider an employee wellness program is the potential cost savings for the company. Studies have shown that a company's healthcare costs decrease by \$3.27 for every \$1 spent on wellness, and costs due to absent workers fall \$2.37 for every \$1 spent on wellness (CSD Staff, 2014). Given the current uncertain health insurance environment, being able to reduce costs in that area could prove to be enormously beneficial.

Past data suggests that incentives would encourage participation in the program. Millennials are very health-conscious, with 46% want as much data on their

health as possible, while 64% say that cash or other incentives would be enough to motivate them to work out (CSD Staff, 2014).

All-in-all, a wellness program would provide several benefits for Smucker's. It would encourage new hires to utilize the fitness center and basketball court that they company has already invested in, while providing a system that improves employees' health while also reducing healthcare costs for the company. In addition, it could further bolster the fitness center as a recruiting tool to potential employees who may otherwise not see the center as a significant factor.

Team TBA

Michael O'Neill, Gino Ciarimboli, Madison Frericks, and Tyler Riemenschneider

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Secondary Research Paper

The University of Akron

Introduction

Millennials, the generation defined as those born between 1982 and 2000 (Huyler, Pierre, Ding, Norelus, 2015), are becoming the largest generation in the workforce, and are projected to be 46% of the workforce in 2020 (Brack, 2012). This plays a key determinant in why more companies are changing their environment to attract and keep Millennial workers (Fry, 2015). The J.M. Smucker Co. (Smucker's) has come to our class to research how to attract Millennials to their company. Smucker's would like to know what is important to recent college graduates from a work environment perspective. The quickly growing company wants to adapt to an environment where the college graduates feel productive and enjoy coming to work. Team TBA has decided to approach the problem by looking at four aspects: the work environment Millennials work the best in, how Millennials are motivated in the workplace, what Smucker's is currently doing to attract new grads, and how other companies are implementing their work environment.

We intend to use our knowledge about what Millennials look for, how to recruit them, and how other companies are successfully recruiting and retaining a Millennial workforce to conduct original primary research on the topic at hand. The primary research paired with this secondary research will be the basis of our recommendations for the J.M. Smucker Company.

The Ideal Millennial Work Environment

IdealPaint, a company that supplies desks and furniture for businesses, released a Functional Workplace Survey which has findings for greater team collaboration and how the right office design can heighten collaboration and productivity for workers. The survey found four key trends that are currently coming into the workplace (Ideal, 2016). The first finding is that the traditional office design remains common and includes a mix of cubicles and closed offices. These designs do not have the critical open office design as a mean to increase collaboration and innovation. According to the survey, 34% of respondents say that they are still working in a traditional office environment.

The second finding was that employees desire a more collaborative work environment. Employees today want workspaces that can adapt to what they need it to be, whether that be increased collaboration or privacy. The third finding is that work/life balance remains a challenge but employees are hopeful for the future. Fifty-seven percent of the respondents have said that they are required to be available after standard working hours. The fourth finding is that Millennials desire more modern work environments but do not want to take any of their work home with them. To Millennials work is work and it should be kept that way. They do not want to have to work on/complete any of their projects at home after hours.

A contrary report from Harvard Business Review states that the difference of what Millennials and other generations want their work environment to be like is actually quite miniscule (Pfau, 2016). A 2015 national study showed that there are six important traits in a potential employer that an employee looks at. These traits include

ethics, environmental practices, work-life balance, profitability, diversity, and reputation. Millennials and older generations all agree that these traits are all very important for a potential employer to have. As these universal values factor into the recruitment process, Millennials now make decisions about employment opportunities that go beyond just the salary. They desire to find a work environment that satisfies them emotionally, socially, and physically.

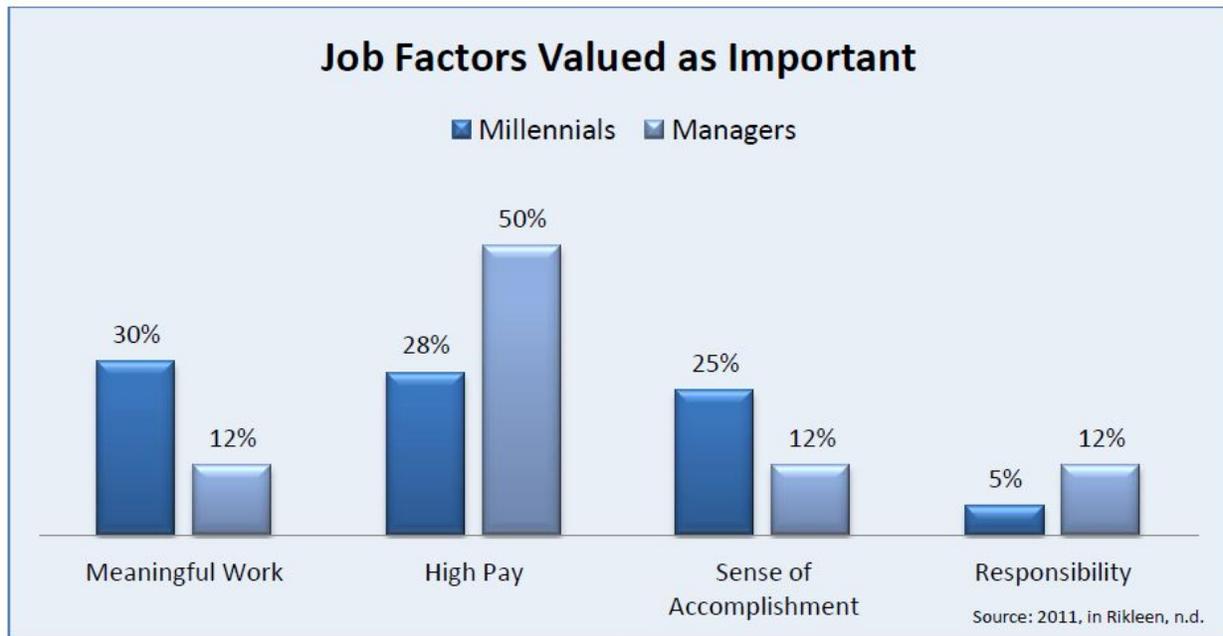
Millennials continue to expand their reach in the professional world, with the youngest working generation making up about 36% of the 2014 workforce (Brack, 2012). This number is expected to grow to an estimated 46% in 2020 (Brack, 2012) and an exorbitant 75% of the workforce by 2025 (Johnson, 2012). Any company who is unable to adapt to the needs of this proportion of potential employees will surely fall behind their competition, at least in terms of hiring quality talent.

If this wasn't reason enough to begin tailoring the work environment to young professionals, it appears that the ability to retain Millennials will prove a more difficult task than other generations. Fifty-seven percent of Millennials are not likely to stay with their current employer for the remainder of their career, compared to 36% for Generation X and 16% for Baby Boomers (Bannon, Ford, Meltzer, 2011). While part of this is due to the amount of time left in each generation's respective work life, the importance of company loyalty may be waning. Generational desires differ among these groups, with Generation X individuals wanting financial stability and a steady career track, whereas Millennials view an ideal work and personal life balance as a key to success (Greatwood, 2015). Millennials are further willing to change their careers or try

something different if they find their current employer or work environment doesn't fit their needs. One employee engagement study study showed that Millennials remain in a job role for two years on average, whereas their Generation X counterparts typically remain in a job role for four to five years (Greatwood, 2015). Researchers have clearly demonstrated that retention of young employees requires a commitment to ensuring they're challenged daily and valued for their contributions to the business.

Millennial Priorities

Both the priorities and how these priorities are viewed have changed from previous generations. Compensation isn't widely regarded as the biggest factor in a Millennial's career choice. Fifty-two percent of Millennials say good parenting is their life's top priority, compared to just 15% who value a high-paying career the most (Bannon, 2011). Along the same lines, 73% of Millennials list "family" as one of their top priorities, compared to 67% of Generation X and 45% of Baby Boomers (Tolbize, 2008). Additionally, 60% of young professionals would rather be paid \$40,000 doing something they enjoyed than be paid \$100,000 for boring work (Johnson, 2015). Along the same lines, there are differences between the job values Millennials and their managers view as important factors (Brack 2012). The results are as follows:



The largest gap between the two groups is in terms of how they value “high pay”, with only 28% of Millennials viewing it as important, as compared to 50% of their managerial counterparts.

Just because compensation isn’t the #1 priority for Millennials, doesn’t mean it isn’t important. A 2015 Mercer study found that while base compensation was less important to Millennials than older generations, it was still a major consideration in evaluating an employer’s offer. This is partially due to the fact that college graduates now leave school with an average of \$20,000 in student loan debt, and many are concerned about their ability to pay this debt off in a timely manner (Brack, 2012). Further, flexible schedules and the opportunity to make a difference were significantly more important to Millennials than other generations (Mercer, 2015). This important

factor demonstrates how the traditional “one-size-fits-all” approach cannot meet the needs of today’s multi-generational workforce.

Millennials also view a need for personal growth and important, interesting work roles that satisfy their need for immediate, momentary satisfaction (Reuteman, 2015). When looking at the reasoning behind why this need isn’t prominent in earlier generations, Reuteman argues the need for challenging work stems from the idea that Millennial workers were brought up in a culture where sudden, inexplicable, and deadly events occurred without warning, such as terrorist attacks and school shootings (Reuteman, 2015). Recognizing this need for his workforce, Dan Epstein, CEO of an insurance outsourcing company in New York, restructured the promotional levels at his firm to fulfill his Millennial workers’ need for growth and development. Rather than offer infrequent promotions with large increases in pay, he offers frequent promotions with much smaller pay increases. Ultimately, the same result is achieved in terms of total payroll, but his employees feel they’re moving forward within their careers and that the company truly values their inputs. (Reuteman, 2015)

The Need for Flexibility

Another significant trend is the need for a flexible work schedule. Sixty-six percent of Millennials expect a work schedule made up of regular hours, but with some flexibility (Bannon, 2011). While this may prompt the often-used criticism that Millennials are “lazy”, as 1 in 6 Millennials say they’ve faced a negative consequence in exchange for a more flexible schedule, the request for flexibility actually results from increased responsibility (Fondas, 2015). According to an EY report, approximately 50%

of managers now work more than 40 hours per week on a regular basis, and 2 out of every 5 say they've seen their hours increase in the past 5 years (EY, 2015). Further asserting this claim, Millennials reported they worked just as many hours as Generation X individuals did when they were between 18 and 22 years of age (Deal, Altman, Rogelberg, 2010). The authors further claimed that Millennials worked more than individuals from the Baby Boomer generation at the same relevant age range. With young professionals stepping into managerial roles at about the same time as they start having children, between ages 25 and 29, Millennials are feeling pressure from both their work and home lives (Fondas, 2015). The aforementioned EY report backs up this claim, with half of those surveyed saying increased work responsibility has caused conflicts, and 44% saying that conflicts arise from home life (EY, 2015).

While home and work responsibilities colliding with each other is not a new issue, Millennials have lost an important safety net that other generations have previously enjoyed at a greater frequency: stay-at-home moms and dads. According to the Harvard Business Review, 78% of young professionals have a spouse who also works full-time, compared to 73% for Generation X and 47% for Baby Boomers (Fondas, 2015).

Technology and the Work-Life Balance

Millennials are the generation that has grown up in the technology age, so it makes sense that they are the ones who have fully embraced technological advances. Pew Research estimates that 75% of Millennials use social media, 62% connect to the internet via laptop or handheld devices, and 83% have their cell phones with them at all times (Bannon, 2011). Comparatively, Pew Research estimates only 50% of Gen X uses

social media, only 48% connects to the internet wirelessly, and only 68% always have their cell phones with them. (Keeter & Taylor, 2010). Similarly, 70% of Millennials say that technology has made their lives easier, and 90% of them check their phone before getting out of bed in the morning (Johnson, 2015).

Meagan Johnson, a generational expert, says that this constant presence of technology has blurred the lines of what constitutes work and social life for younger workers. Johnson has named this blending of work and play the Technology Equilibrium, or TEQ. TEQ fits right into the idea of increasing work flexibility, because Millennials aren't seeing a need to distinguish work tasks from social interactions. A similar trend is the fact that Millennials are increasingly viewing work as something you "do", as opposed to a physical location that you have to go to (Fondas, 2015).

Factors of a Great Work Environment

In an extensive study on the factors of an office that contribute to strong culture and productivity of an office space, considered great by both managers and employees, seven concrete characteristics of an effective office design were defined (Bacevice, Burow, and Triebner, 2016).

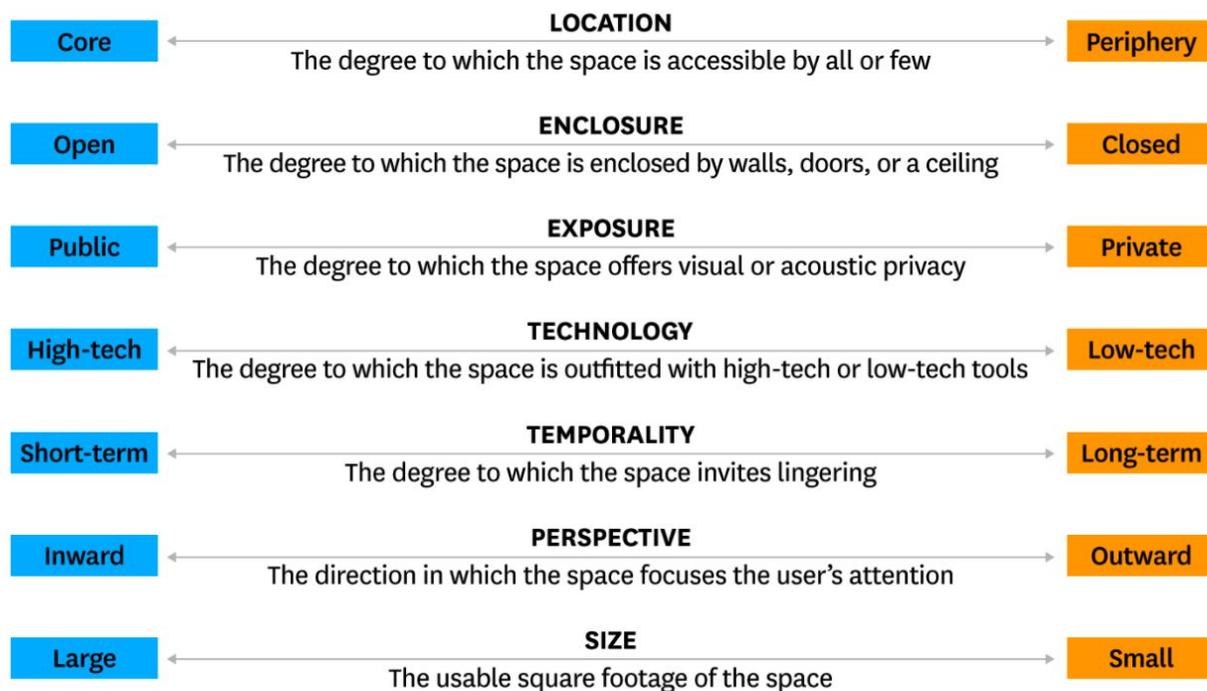
First, collaboration and quiet are considered opposite ends of the same continuum. If an office puts too much emphasis on collaboration, that type of work environment can be destructive for those who need a quiet, individual space to complete their work efficiently. On the other hand, many millennial employees today value the opportunity for teamwork and the "water cooler effect." Depending on the

values of the company, the office design should strike a balance between these two (Bacevice, Burow, and Triebner, 2016).

The Collaboration to Quiet continuum is considered to be one of the most important attributes to the effectiveness of an office space. The need for balance between these qualities paved the way for a seven attribute index to help other offices better define great office design. These attributes include: location, enclosure, exposure, technology, temporality, perspective, and size (Bacevice, Burow, and Triebner, 2016). The relationship between the Collaboration to Quiet continuum and these seven attributes is explained by the graph below:

7 Attributes of Workspaces

Use this continuum to identify your company's desired way of working before embarking on an office design project.



If used correctly, office designers should ask themselves how their current office operates in perspective to these attributes. This analysis of the current culture and workings of an office should help a designer determine which side of the Collaboration to Quiet continuum their design should lean, thus creating an effective work environment for the already existing office culture and needs.

Additional Factors to Consider

Two other factors that were mentioned with respect to young professionals were social responsibility and a healthy lifestyle (Bannon, 2011). An estimated 88% of Millennials seek socially responsible employers, and 86% of Millennials said they would be willing to leave a company whose social values didn't align with theirs (Bannon, 2011). In terms of health, 46% of Millennials indicated they want as much quantitative data on their health as possible (CSD Staff, 2014).

In order to achieve these desired qualities in a workspace, it could be suggested that a company makes their values well known throughout the company. Smucker's, for example, emphasizes placing their *Basic Beliefs* of quality, people, ethics, growth, and independence at the forefront of their every day operations. These values should also be very visible in the physical work environment and in the attitudes and actions of the upper management. Based on the statistics mentioned above, this tactic should also prove to be very useful when it comes to recruiting and retaining Millennial employees.

Primary Research Opportunities

Aside from secondary research, we intend to utilize different primary research methods to define what it is that Millennials are looking for in an ideal workplace environment.

During the corporate site visit, observation and direct inquiry will be performed to gauge an understanding of the methods currently present in the corporate environment at Smucker's headquarters, and obtain knowledge of the items and features necessary to create an environment conducive to talent retention. *Observation*, as defined by the RAND Institute, consists of data collection where the researcher does not participate in an interaction, whereas an interview is defined as typically a one-on-one interaction between the respondent and researcher meant to obtain information on a specific subject or topic (Harrell & Bradley, 2009). Interviews will be performed in a group setting, with employees of all career levels to obtain the viewpoints of a multi-generational workforce. By obtaining the viewpoints of middle level management personnel, as well as entry-level associates and recruiters, the perceptions of necessities within the workplace can be developed into a generational spectrum, allowing cost-effective and high return-on-investment commonalities and complements to be easily visualised.

Subsequent to the site visit, focus groups will be created to obtain the viewpoints of three distinct groups of individuals: students without internship or cooperative education experiences, students with the aforementioned experiences, and current industry professionals who have obtained their undergraduate degrees within the previous three years. Focus groups carry the documented advantage of a depth of

information typically not obtainable through a traditional surveying method (Harrell & Bradley, 2009). Participation within the focus groups will be incentivized to encourage full participation by selected individuals. A previous study performed at six universities in Hungary noted that participation in a survey and focus group increased from approximately 10% without an incentive to over 65% when respondents were given a small gift up-front and conditional incentives for completing the survey (Balajti, Daragó, Ádány, Kósa, 2010).

There are three common ways to conduct focus groups: in-person focus groups (the traditional method), hosting an online discussion board where participants submit typed responses, and webcam or Skype-style focus groups, where participants interact via webcams. Research has shown the in-person method to produce the most meaningful responses. The in-person focus group led to more interaction, producing 74 interactions between responders, compared to 24 interactions in the discussion board and just 3 interactions in the webcam group (Ingram & Steger, 2015). The study also included analysis of the breadth and depth of answers from each of groups, using computer word analysis, judges, and marketing professionals' opinions to determine the quality of answers to prompts. The in-person (3.38 "substantive" answers per respondent) and discussion board (3.54 per respondent) produced higher-quality answers than the webcam group (2.17 per respondent) (Ingram & Steger, 2015). Additionally, the in-person group had a higher words per respondent and a higher number of times spoken per respondent than the other two groups (Ingram & Steger, 2015).

Taking this into account, along with other factors such as feasibility, convenience, and preference of the group, we are planning on conducting our focus group in-person. At this time, we feel like it will produce the most useful results in order to move forward with the project. Moving forward, other options will be researched and another option may be explored if the group decides it is a better alternative.

Millennials are also looking for a “campus-like” environment, featuring multiple buildings and have specific spaces for formal meetings, collaborative efforts, employee perks, and so on (Payton, 2015). Google and Facebook are two companies frequently referenced when younger individuals describe their ideal work environment (Payton, 2015).

Loosening up a company’s social media rules can also go a long way with Millennials. One in five companies currently block Facebook, and 33% of Millennials would favor social media freedom over an increase in salary (Johnson, 2015). Allowing workers to quickly check their Twitter or Facebook feeds can help them unstress and refresh their minds. Research is now indicating that employees that are allowed access to social media can actually be *more* productive than not having access (Johnson, 2015).

Ensuring your company has the most up-to-date technology in the workplace can also be used as a selling point when recruiting young talent, given the emphasis placed on technology by Millennials. Of course, the technology has to be reliable, and 70% of enterprises say that providing more mobile support is one of their top priorities within the next 12 months (Landa, 2016).

Companies can also incorporate social media into their internal operations, setting up a constant stream of information and providing more frequent feedback to employees. Ninety percent of companies already use social media for hiring processes, with 70% reporting favorable outcomes as a result (Johnson, 2015), so maintaining a similar infrastructure to retain young talent is a highly recommended procedure.

Finally, introducing some sort of health initiatives can help make a company a desirable destination for college graduates. Something as simple as having a designated “workout break” or incentivizing a healthier lifestyle could be used as a recruiting tool. Sixty-four percent of workers say that cash or some sort of tangible incentive would motivate them to work out, and 36% say this would be sufficient enough to reach a designated goal (CSD Staff, 2014). Some companies have begun to offer FitBits to employees to help encourage a healthy approach to their lifestyles (Johnson, 2015). Relating back to the demand for a campus-style setup, having a workout facility on-site could be a great way to distinguish yourself from competing firms. “Treadmill desks” and exercise balls for chairs may also be used in a similar manner for recruitment.

While this may sound expensive, there is data that supports making such investments. A business’s medical costs fall \$3.27 for every dollar spent on wellness, and costs due to absent workers falls by \$2.37 for every dollar spent (CSD, 2014).

Conclusion

Nearly every source mentioned work schedule flexibility and collaboration as important factors for recruiting and retaining Millennials. With that in mind, designing

workspaces that induce informal interactions, with the ability to have employees at all career levels share input, would be the most beneficial in attracting young professionals. Low-wall cubicles or having designated open spaces would be a great first step towards this. Additionally, implementing a full-spectrum wellness program, coupled with employee incentives, may produce a cost-effective retention and talent acquisition tool that can be easily scaled and deployed.

Part of what motivates Millennials and the important factors in determining their place of employment is different than older generations, however some commonalities remain. The concept of work-life balance is still important, but these traditionally distinct concepts are becoming increasingly intertwined as time progresses. The youngest working generation further places an importance on flexibility, personal health, and collaboration that historically was suppressed. Keeping this in mind, companies must adjust their physical work environment to reflect these needs if they want to be able to recruit and retain Millennial employees. With this research in mind, our primary research will be aimed at seeking how physical environments affect an individual's willingness to accept employment at a company, as well as retain their current position.

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