

Generational Differences at Work: Do they Matter?

John Benson¹ and Michelle Brown²

1 University of South Australia

2 The University of Melbourne

INTRODUCTION

Much research into the world of work has assumed that the basic principles of work and the resultant relationships are stable over time. Yet there is increasing evidence that generational differences exist among workers and that the changing characteristics of the workforce can explain some of the important changes that have taken place over the past decade in worker attitudes and expectations. Surprisingly, however, little systematic research has been undertaken to test these generalizations. Our paper seeks to fill this vacuum by addressing the question as to whether there are differences between generations in their attitudes to work. It does this by exploring job satisfaction, commitment, and the willingness to quit of the two groups of workers; the baby boomers and the Generation X.

THE LITERATURE

The Australian workforce is predominantly made up of two generations of workers; the baby boomers (Boomers) and Generation X (GenXers). While there are differences among researchers and commentators as to the precise birth years which define these generations (Smola and Sutton 2002) there has emerged some consensus, particularly concerning the birth years of Boomers. In this study Boomers will be categorized as those born from 1946 to 1964 while GenXers as those born from 1965 to 1976. Within the workplace Boomers therefore occupy more senior positions either in terms of managerial rank or the knowledge base they have built up over the years. GenXers are, of course, much younger and are generally more technologically savvy compared to their Boomer counterparts as they have grown up with a variety of electronic gadgetry and the internet for much of their lives. They are now beginning to enter the ranks of senior management, although with Boomers staying at work longer some GenXers may feel promotional and advancement opportunities are somewhat restricted.

Boomers are often said to value teamwork and group discussions, view work from a process-oriented perspective, believe that achievement comes after 'paying dues', value company commitment and loyalty, believe in sacrifice in order to achieve success, and seek long-term employment. In contrast, GenXers are portrayed as valuing autonomy and independence, view work from an action-orientated perspective, do not believe in 'paying dues', do not have long-term loyalty to the company, believe in balancing work-life objectives, and are reluctant to take on leadership roles (Jorgensen 2003). These views raise an important question, namely if such differences exist then why might this be so? A variety of writers have linked these attitudes and views to the way the different groups of workers were raised, the prevailing attitudes of the time and the significant events they have witnessed. For example, Smola and Sutton (2002: 364-365), in discussing American workers, point out that Boomers were 'profoundly affected by the Vietnam War, the civil rights riots, the class of the Kennedy's, the Kennedy and King assassinations, Watergate, the sexual revolution and Woodstock'. These significant events, according to these researchers, have moulded Boomer views on authority and institutions, as well as impacting on work values such as 'consensus building, mentoring and effecting change'. GenXers, on the other hand, 'grew up with financial, family and societal insecurity; rapid change; great diversity; and a lack of solid traditions'. This has led to individualism dominating collectivism (see also Sirias, Karp and Brotherton, 2007), a reliance on small groups and teams, a craving for

mentors, a desire for a stable family life, and a cynical and untrusting world view. As a consequence GenXers bring to the workplace a different set of needs and skills to the Boomers including, the need for instant feedback, practical approaches to problem solving, strong technical skills, as well as being comfortable with diversity, change and competition.

The literature has generally found that differences in attitudes and outlook between Boomers and GenXers do exist and that these differences have implications for work. For example, Arsenault (2004) found significant differences between Boomers and GenXers on the basis of honesty, caring, determination and ambition. In that study Boomers were higher on honesty and caring whilst GenXers were higher on determination and ambition. In contrast, Jurkiewicz (2000: 64) in a study of public employees found 'a lack of similarity between what respondents report wanting from their job and the commonly held assumptions about what they want'. Nevertheless, while Jurkiewicz (2000) found many similarities between the generational groups it was also the case that important differences were found with Boomers valuing the 'chance to learn new things' and 'freedom from pressures to conform both on and off the job' whilst GenXers valued 'freedom from supervision'.

The findings of a variety of studies suggest the need for managers to take into account the generational diversity that exists within the workplace. But do these different generation groups fundamentally differ or they are simply at different stages of their lives and careers? This issue was addressed by Smola and Sutton (2002) when they sought to answer the questions whether an individual's work values was influenced more by generational experiences and whether these values would change over time with maturity. On the basis of their research they concluded that the results suggested that work values are more influenced by generational experiences than by age and maturation. Whilst this question is far from resolved from a human resource management perspective it does appear to be the case that significant differences do exist between Boomers and GenXers and that these differences will need to be taken into account by management.

What then are the implications of these differences for management? The term 'generational differences' imply some level of shared traditions and culture by a group of people that is different than that of other generations and that will lead to differences in behaviour (Arsenault, 2004). As a consequence, the challenge for management is to develop appropriate workplace policies that take into account these differences while at the same time not alienating other groups of workers. For individual managers the challenge is to develop a management style that recognises the differences and allow various generational groups to function effectively. Some of the differences the literature suggests should be considered include different compensation packages and training programs (Daboval 1998), the bringing together of different generations through teams (Beaver and Hutchings 2005), the reshaping of teams to allow for more individualism (Sirias, Karp and Brotherton 2007), developing opportunities for co-operative relationships (McGuire, By and Hutchings 2007), fostering a climate of respect for both groups (Appelbaum, Serena, and Shapiro 2005), and targeted recruitment, training and rewards (Jurkiewicz 2000). On the other hand, a number of writers also point to the need for caution as many myths prevail in this area (Appelbaum, Serena, and Shapiro 2005), that HR policies based on the premise that Boomers and GenXers are different may be ineffective as they are essentially the same as the generation that preceded them (Jurkiewicz 2000) and that whilst work value differences do exist these work values also change as workers grow older (Smola and Sutton 2002).

Fundamental to the managerial interest in generational differences is that such differences impact on key work attitudes such as job satisfaction and organizational commitment. These attitudes are important as it has long been argued that workers are more likely to remain with an organization and increase work effort where workers are satisfied with their job and where management adopt

strategies that enhance commitment (Walton 1985). Notwithstanding debates over the meaning of commitment and the adequacy of existing measures, a substantial body of research shows that commitment is related to lower turnover, lower absenteeism, higher motivation and involvement, higher job performance, acceptance of change, organizational citizen behaviour, and ethical corporate values (see Benson 2006). A similar set of relationships have been found for job satisfaction (see Kinicki *et al.* 2002).

What then is meant by job satisfaction and commitment? Job satisfaction is commonly defined as the 'extent to which employees like their work' (Agho, Price and Mueller 1993: 1007). While the concept of satisfaction is multi-faceted, for example, satisfaction with pay, working conditions or promotional prospects (Falkenburg and Schyns 2007), Porter and Steers (1973) argued that job satisfaction reflected the degree to which general expectations concerning the job were met. The term organisational commitment most frequently refers to 'the strength of an individual's identification with and involvement in a particular organization' (Porter *et al.* 1974: 604). Commitment can be characterised by three factors: a belief in and an acceptance of the organizations' goals and values; a willingness to exert considerable effort; and a desire to maintain organizational membership (Porter *et al.* 1974: 604). To accommodate this last aspect a distinction has been made between an employees' identification with and involvement in an organization (attitudinal commitment) and an employee's desire to maintain organizational membership (behavioural commitment).

Whilst there has been a considerable amount of research conducted on job satisfaction and commitment there has been little attempt to explore whether generational differences can explain differences in these variables. Part of the reason for this is that most of the assumptions concerning generational differences have been the product of anecdotal evidence and have not been based on rigorous empirical research (Shields and Shields 2003). This has meant that there has been little attempt (see Wallace, 2006 for an exception), to systematically explore the impact of generational differences on work attitudes and behaviour. This gap in the research leads to the two research questions that are the focus of this paper. First, do GenXers have the same level of commitment and job satisfaction as Boomers? and second, what factors contribute to the level of commitment and job satisfaction of both types of workers?

RESEARCH HYPOTHESES AND EXPLANATORY MODEL

Research Hypotheses

The literature suggests that one of the most obvious generational differences between Boomers and GenXers can be seen in the role of work in their lives (Kennedy 2003). Whereas Boomers are often defined by their careers, GenXers view work as just a job and want freedom and autonomy (CUNA 2004). While the evidence of the impact of these differences is somewhat mixed it does suggest that Boomers will have higher job satisfaction and organizational commitment and a lower willingness to quit than their GenXer counterparts. It is thus hypothesised that:

Hypothesis 1a: Boomers will have higher job satisfaction than GenXers.

Hypothesis 1b: Boomers will have higher commitment than GenXers.

Hypothesis 1c: Boomers will have lower willingness to quit than GenXers.

If differences between Boomers and GenXers on these variables are found can they be attributed to the process of aging (maturity) or are they impacted upon by different factors for the different generations? While work values change as worker's mature, Smola and Sutton (2002: 379) found that 'instead of becoming more responsible and supportive of the company and one's job, the

pattern suggests that the employees sampled developed a less idealized view of work'. This suggests that some important differences in the antecedents for satisfaction, commitment and willingness to quit exist. While the literature has established many of the factors influencing job satisfaction (see Kinicki *et al.* 2002) and organisational commitment (Morris *et al.* 1993; Mottaz 1988) it has not considered whether these factors are more applicable to particular generational groups. Given the central importance of work to Boomers then it is likely that organisational and work factors will be important factors influencing the job satisfaction and organisational commitment of Boomers when compared to GenXers. It is therefore hypothesised that:

Hypothesis 2a: Organisational and work factors will be more important antecedents of job satisfaction for Boomers than for GenXers.

Hypothesis 2b: Organisational and work factors will be more important antecedents of organisational commitment for Boomers than for GenXers.

Hypothesis 2c: Organisational and work factors will be more important antecedents of willingness to quit for Boomers than for GenXers.

The Explanatory Model

A model, based on the literature, was developed to test the impact of generational differences on job satisfaction (JS), organizational commitment (OC) and willingness to quit (WQ). The literature suggests that the antecedents of the three dependent variables can be broken into three categories: personal characteristics (PC), organisational variables (OV) and work factors (WF).

$$(JS, OC, WQ) = f(OV, WF, PC)$$

Personal characteristics will be used as controls in this research. Based on the literature the following variables were included in the model.

OV: job security, pay level satisfaction, satisfaction with benefits, promotional opportunity and resource adequacy.

WF: role ambiguity, role conflict, co-worker and supervisor support.

PC: education, union membership, negative affectivity and job motivation.

METHODOLOGY AND MODELS

Setting and Subjects

The setting for this study was a large Australian public sector, scientific research organization (PSR). PSR's primary roles are to carry out scientific research, to assist Australian industry, and to encourage and facilitate the application and use of scientific research. At the time of the research PSR employed 6,957 employees at over 50 sites covering a range of occupations including tradespersons, technicians, clerical staff, and managerial and scientific research workers. Nearly half the workforce of PSR was unionised by a single union and union coverage extended to employees in all salary classifications up to and including mid-level corporate employees. All employees in our study worked under a standard negotiated enterprise agreement and so all employees worked under the same rules, conditions and human resource policies, thus reducing a possible source of bias in our results. PSR management and union officials provided strong support for the research project. A questionnaire was mailed to each employee's work address and returned directly to the researchers. The survey achieved an overall response rate of 47.9 per

cent (N=3,335). The sample was representative of the union and non-union population by gender and location (t-test, $p < .05$). After allowing for missing values the effective sample size, for the research reported in this paper, was 2,776.

Measures

(a) Boomers and GenXers

Boomers were categorized as those born from 1946 to 1964 while GenXers as those born from 1965 to 1976 (Roberts and Manolis 2000: 481).

(b) Job Satisfaction, Commitment and Willingness to Quit

Job satisfaction was measured by six items from Price and Mueller (1981). Scale scores were calculated by averaging the responses to the items which were presented on a five-point scale. The reliability coefficient (Cronbach 1951) was .89. The nine-item version of Porter's organisational commitment scale (Porter *et al.* 1974; Mowday *et al.* 1979) was used to measure attitudinal commitment. This scale was used because of its reliability and validity (Mowday *et al.* 1979), and its widespread use and acceptance (Morris *et al.* 1993). Willingness to quit was measured by two additional items taken from Porter's index (Porter *et al.* 1974; Mowday *et al.* 1979). Factor analysis was performed on the eleven items with a clear division occurring between the attitudinal commitment and willingness to quit items. Scale scores were calculated by averaging the responses to the items which were again presented on a five-point scale. The reliability coefficient was .86 for commitment and .68 for willingness to quit.

(c) Independent and Control Variables

Two of these variables were single-item questions relating to education and union membership. The remaining eleven variables were modifications of established scales and included negative affectivity (Watson *et al.* 1987), job motivation (Kanungo 1982), job security (Oldman *et al.* 1986), pay level satisfaction (Heneman and Schwab 1985), satisfaction with benefits (Heneman and Schwab 1985), promotional opportunities (Price and Mueller 1981), resource inadequacy (Iverson 1992), role ambiguity (Rizzo *et al.* 1970), role conflict (Kahn *et al.* 1964), co-worker support (House 1981), and supervisor support (House 1981). In this study the reliability of the scales (Cronbach 1951) ranged from .66 for satisfaction with benefits to .90 for supervisor support.

Statistical Analysis and Model Estimation

The three propositions contained in hypothesis 1 will be evaluated by a combination of t-tests and ordinary least squares (OLS) regression with the age classification outlined above being used to categorise the data into two groups; Boomers and GenXers. The latter technique will allow for the control of a number of possible explanatory variables that may explain the difference between the two groups of workers. The testing of the three propositions contained in hypothesis 2 will also use the OLS technique. The possibility of multicollinearity rendering the estimates unreliable appeared low. First, the problem of common method variance was addressed by ensuring that any inflating of the relationships was minimised by using positive and negative worded items in each scale. To further examine this issue a variance inflation test (vif) was run for all models. In all cases the mean vif was below 1.4; substantially below the level at which problems can occur (Chatterjee, Hadi and Price 2000). Second, the correlations between all variables in the model are relatively small and are well below the .80 figure at which multicollinearity may be considered a problem (Studenmund and Cassidy 1987).

RESULTS

The first set of hypotheses was that Boomers would have higher job satisfaction (Hypothesis 1a) and commitment (Hypothesis 1b) and a lower willingness to quit (Hypothesis 1c) than would GenXers. This proved to be the case (t-test, $p < .01$) for hypotheses 1a and 1c while hypothesis 1b was marginally supported (t-test, $p < .10$). After controlling for the 13 independent variables these hypotheses were all supported ($p < .01$). The second set of hypotheses postulated that organisational and work factors would be more important antecedents of satisfaction (Hypothesis 2a), commitment (Hypothesis 2b) and willingness to quit (Hypothesis 2c) for Boomer than for GenXers. While several organisational and work factors were common predictors for all three dependent variables for both groups of workers there were several important differences. For job satisfaction, job security and co-worker support was important to Boomers but not for GenXers. Similarly, for commitment, job security, adequate resources and clear roles were important to Boomers while co-worker support was important to GenXers. Finally, for willingness to quit, adequate resources and supervisor support was important to Boomers, while a lack of co-worker support was related to a higher willingness to quit of GenXers. As a greater number of organisational and work factors were significant predictors for Boomers for each of the dependent variables Hypotheses 2a, 2b, 2c were accepted, although the model explained higher levels of variance in the dependent variables for GenXers.

Boomers and GenXers were also found to have some significant differences in the personal antecedents of satisfaction, commitment and willingness to quit. Education, negative affectivity and job motivation were important predictors of the three dependent variables for Boomers while for GenXers this was only the case for job motivation. There were some important predictors for GenXers: education was important for commitment and negative affectivity important for satisfaction. Union membership was only important to Boomers, and this was only in relation to willingness to quit. Finally, given that there may be significant variation between members of each group (Wallace 2006: 149) we tested this within each of the three models for each generation by including age as a control variable in each model. All previous significant variables remained significant, although in each case age also became a significant predictor of the dependent variables. This provides support for Wallace's (2006) contention.

DISCUSSION AND CONCLUSION

This paper explored the relationship between two generations of workers (Boomers and GenXers) and their job satisfaction, commitment to, and willingness to quit, their organisation. Boomers were found to be significantly more satisfied with their job, have higher commitment to their organisation and be less likely to quit than were GenXers. Organisational and work factors were found to be more important predictors of the dependent variables for Boomers than they were for GenXers.

These findings have implications for the management of the two groups of workers, and the way in which Boomer managers relate to their GenXer subordinates. First, for Boomers job security and resources were important. While this may be a product of age, particularly with respect to job security, it does suggest that by paying more attention to these antecedents it may enhance Boomer's satisfaction and commitment and, in the case of resources, their willingness to stay with the organisation. Second, GenXers, despite common perceptions held about this group of workers, value the support of their co-workers (see also Wallace 2006) and their supervisors. As a consequence teams and other group behaviour may be useful in maintaining and improving GenXer's satisfaction and commitment as well as their likelihood of staying with the organisation.

Third, pay level satisfaction and role conflict were important to both groups of workers but only in regard to willingness to quit.

The findings of this study also have implications for management theory. An organisation's workforce is not homogeneous and is clearly made up of a range of groups, including different generations. These generational differences have been shown to matter in this study and theorists must attempt to integrate a generational component into models of people management. The ability to understand and fit policies to the workforce that can accommodate the diversity that exists will increasingly be important in a global competitive environment. But of equal importance is the ability to understand how work and people interact, and the ability to make predictions about the way workers may respond to these interactions. The pressure for revised models of people management will increase as the generational diversity that exists in the workforce becomes increasingly complex with the arrival of Generation Y and the unwillingness (due to incentives to stay at work) or inability (due to the global financial crisis) of the Boomers to retire.

Research is now required in four areas to test and extend the findings of this study. First, the key attributes of the various generations, with a particular emphasis on their work values and beliefs, must be more clearly defined. Second, longitudinal studies are now required as this will not only allow changes in work values and beliefs of the various generations to be explored (Smola and Sutton 2002) but also would allow for stronger casual inferences to be made about the relationships between variables (Wallace 2006). Third, the ability to generalize from this and earlier research is limited and so future research will need to examine generational cohorts in a variety of settings where there exists a range of work cultures, HR systems and employment practices. Finally, the model developed in this paper, explained substantial amounts of variance in satisfaction, commitment and willingness to quit for GenXers but lower amounts of variance in these variables for Boomers. As such, research will need to consider the inclusion of other possible variables that may increase the explanatory power of the model for Boomers.

SELECTED REFERENCES

- Agho, A., Price, J. and Mueller, C. (1993), 'Determinants of Employee Job Satisfaction: An Empirical test of a Casual Model', *Human Relations*, 46 (8): 1007 – 1027.
- Appelbaum, S., Serena, M. and Shapiro, B. (2005), 'Generation "X" and the Boomers: An Analysis of Realities and Myths', *Management Research News*, 28 (1): 1-33.
- Arsenault, P. (2004), 'Validating Generational Differences: A Legitimate Diversity and Leadership Issue', *The Leadership and Organization Development Journal*, 25 (2): 124-141.
- Benson, J. (2006) 'Outsourcing for a Competitive Advantage: The Human Resource Dimensions', in *Global Outsourcing Strategies: An International Reference on Effective Outsourcing Relationships*, ed. by P. Barrar and R. Gervais, Gower Publishing, London, pp. 127-137.
- Beaver, G. and Hutchings, K. (2005), 'Training and Developing an Age Diverse Workforce in SMEs: The Need for a Strategic Approach', *Education and Training*, 47 (8/9): 592- 604.
- Chatterjee, S., Hadi, A. and Price, B. (2000), *Regression Analysis by Example*. 3rd Ed. New York: John Wiley and Sons.
- Cronbach, L. (1951), 'Coefficient Alpha and the Internal Structure of Tests', *Psychometrika*, 16 (3): 297-334.
- CUNA (2004), 'Managing Different Generations at Work', *Point for Credit Union Research and Advice*, Credit Union National Association.
- Daboval, J. (1998), 'A Comparison Between Baby Boomers and Generation X Employees' Bases and Foci of Commitment', PhD, Nova SouthEastern University, Fort Lauderdale, FL.
- Falkenburg, K. and Schyns, B. (2007), 'Work Satisfaction, Organizational commitment and Withdrawal Behaviours', *Management Research News*, 30 (10): 708-723.
- Heneman, H. and Schwab, D. (1985), Pay Satisfaction: Its Multidimensional Nature and Measurement. *International Journal of Psychology*, 20, 129-141.

- House, J. (1981), *Work Stress and Social Support*. Reading, MA: Addison-Wesley.
- Iverson, R. (1992), Employee Intent to Stay: An Empirical Test of a Revision of the Price and Mueller Model, PhD, University of Iowa.
- Jorgensen, B. (2003), 'Baby Boomers, Generation X and Generation Y: Policy Implications for Defence Forces in the Modern Era', *Foresight*, 5 (4): 41-49.
- Jurkiewicz, C. (2000), 'Generation X and the Public Employee', *Public Personnel Management*, 29 (1): 55-74.
- Kahn, R., Wolfe, D., Quinn, R., Snoek, J. and Rosenthal, R. (1964), *Organizational Stress: Studies in Role Conflict and Ambiguity*. New York: John Wiley.
- Kanungo, R. (1982), 'Measurement of Job and Work Involvement', *Journal of Applied Psychology*, 67 (3): 341-351.
- Kennedy, M. (2003), 'Managing Different Generations Requires New Skills, Insightful Leadership', *Physician Executive*, 29: 20-23.
- Kinicki, A., McKee-Ryan, F., Schriesheim, C. and Carson, K. (2002), 'Assessing the Construct Validity of the Job Descriptive Index: A Review and Meta-analysis', *Journal of Applied Psychology*, 87(1): 14-32.
- McGuire, D., By, R. and Hutchings, K. (2007), 'Towards a Model of Human Resource Solutions for Achieving Intergenerational Interaction in Organisations', *Journal of European Industrial Training*, 31 (8): 592-608.
- Morris, T., Lydka, H. and O'Creevy, M. (1993), 'Can Commitment be Managed: A Longitudinal Analysis of Employee Commitment and Human Resource Policies', *Human Resource Management Journal*, 3 (3): 21-42.
- Mottaz, C. (1988), 'Determinants of Organizational Commitment', *Human Relations*, 41 (6): 467-482.
- Mowday, R., Steers, R. and Porter, L. (1979), 'The Measurement of Organizational Commitment', *Journal of Vocational Behavior* 14 (2): 224-247.
- Oldman, G., Kulik, C., Stepina, L. and Ambrose, M. (1986), Relations between Situational Factors and the Comparative Referents used by Employees. *Academy of Management Journal*, 29, 599-608.
- Porter, L. and Steers, R. (1973), 'Organizational, Work and Personal Factors in Employee Turnover and Absenteeism', *Psychological Bulletin*, 80 (2): 151-176.
- Porter, L., Steers, R., Mowday, R. and Boulian, P. (1974), 'Organizational Commitment, Job Satisfaction, and Turnover among Psychiatric Technicians', *Journal of Applied Psychology*, 59 (5): 603-609.
- Price, J. & Mueller, C. (1981), *Professional Turnover: The Case of Nurses*. New York: SP Medical and Scientific.
- Rizzo, J., House, R. & Lirtzman, S. (1970), 'Role Conflict and Ambiguity in Complex Organizations'. *Administrative Science Quarterly*, 15: 150-63.
- Roberts, J. and Manolis, C. (2000), 'Baby Boomers and Busters: An Exploratory Investigation of Attitudes towards Marketing, Advertising and Consumerism', *Journal of Consumer Marketing*, 17 (6): 481-499.
- Shields, M. and Shields, M. (2003), 'Working with Generation X Physicians', *Physician Executive*, 29: 14-18.
- Sirias, D., Karp, H. and Brotherton, T. (2007), 'Comparing the Levels of Individualism/ Collectivism between Baby Boomers and Generation X: Implications for Teamwork', *Management Research News*, 30 (10): 749-761.
- Smola, K. and Sutton, C. (2002), 'Generational Differences: Revisiting Generational Work Values for the New Millennium', *Journal of Organizational Behaviour*, 23 (4): 363-382.
- Studenmund, A. and Cassidy, H. (1987), *Using Econometrics: A Practical Guide*. Boston: Little, Brown and Company.
- Wallace, J. (2006), 'Work Commitment in the Legal Profession: A Study of Baby Boomers and Generation Xers', *International Journal of the Legal Profession*, 13 (2): 137-151.
- Walton, R. (1985), 'From Control to Commitment in the Workplace', *Harvard Business Review*, 6 (3): 60-66.
- Watson, D., Pennebaker, J. and Folger, R. (1987), 'Beyond Negative Affectivity: Measuring Stress and Satisfaction in the Workplace'. *Journal of Organizational Behavior Management*, 8: 141-57.