Generational Differences in Dimensions of Work Values of Indonesian Permanent Employees

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ABSTRACT

One of the biggest challenges that organizations will face in the coming years will be the generation diversity in the workplace. A mismatch of an employee's work values to the organization's can lead to dissatisfaction, decreased in commitment, and increased in turnover intention. Therefore, this study was conducted to enrich our awareness of generational differences between generational groups of employees. A total of 239 Indonesian permanent employees completed an online questionnaire comprised 23 items on a five-point Likert scale. Gen X (21 per cent) was defined as those born between 1965-1979, Gen Y (42 per cent) were born 1980-1994, Gen Z (37 per cent) were born 1995 to 2012. From the results of this study, we conclude that there are significant differences between Gen X, Y, and Z employees work values. Gen Z employees had higher extrinsic, intrinsic, social, and leisure work values than Gen X. Moreover, Gen Y employees had higher leisure work values than Gen X. However, some limitations should be concerned for future research.

Keywords: *Generational differences, work values, Gen X, Gen Y, Gen Z, permanent employees.*

1. BACKGROUND

One of the biggest challenges that organizations will face in the coming years will be the generation diversity in the workplace that companies are experiencing for the first time [1]. In particular, retired Baby Boomers employees will be replaced by Gen X, Gen Y, and Gen Z employees with different work values [2].

A mismatch of an employee's work values to the organizations can lead to dissatisfaction, decreased in commitment, and increased in turnover intention [3, 4]. For example, Gen Y values autonomy to get work done while Gen X still values the importance of supervision [2, 5] Another example is that Gen Z wants meaningful and impactful work, while Gen X and Gen Y pay more attention to the compensations they can get first [6, 7].

Indonesia is a country with a population of more than two hundred and sixty million people (ranking fourth in the world) with the number of Gen X, Gen Y, and Gen Z reaching more than 75 percent [8, 9]. Therefore, this study was conducted to enrich our awareness of generational differences in Indonesia. Thus, organizations can apply the results of this study to reduce conflict between generational groups in the workplace, thereby increasing workplace collegiality, job satisfaction, and talent retention [7]

2. LITERATURE REVIEW

2.1. Generation Cohorts

Generations are groups of individuals born in the same year span who experience a similar cultural context and in turn create a new culture, instead of being shaped by the prevailing culture [10].

There are two theoretical perspectives that are commonly used in social research related to generation: (1) the social forces perspective and (2) the cohort perspective. The social forces perspective refers to the theory that says a generation is born from people who have experienced the same historical experience, both in terms of the social and economic environment that changed values, lifestyles, skills in dealing with life, to new styles of organization [11]. Based on this theory, all

events and social contexts faced by a group of individuals in their development period become the basic potential for the birth of a way or attitude in living daily life. This theory also does not deny the existence of aging and maturation processes and seeks to compressively see how the effects of events at a time affect the growth of a group of individuals with the same birth year, which can form a new identity at the age of seventeen to twenty-five years [12].

Meanwhile, based on cohort perspective, a generation is a group of individuals with the same birth year who have relatively similar attitudes or behaviors that are meaningful, which can be observed and can be measured by the average score of the variables [11]. Generation based on cohort is used in this study to describe empirically the generation that is descriptively considered ambiguous.

This study uses the cohort perspective. However, generational year spans are not an exact science and there is no agreed-upon formula for determining those years [13]. Thus, this study uses the latest study in categorizing these years. In this study, Gen X born between 1965 1979 [7]. In this span of years financial insecurity, family relationships, and social relationships, rapid change, great diversity, and lack of strong traditions [14]. Gen Y born between 1980-1994 [7]. In that span of years, Gen Y entered the labor market, which was full of turmoil with the global financial crisis in 2007-2008 [2]. The emergence of the gig economy (such as freelance, part-time, flexible work, etc.) as well as technological advances have forced them to be technologically literate and creative [2]. Gen Z born between 1995-2012 [7]. Gen Z grew up in a time of economic uncertainty since the Great Depression. Gen Z desperately wants financial and job security [15].

2.2. Generation X (Gen X)

Gen X tends to have individualistic traits [14]. They are also very affected by the rampant layoffs in the 1980s and 1990s, so they tend to be cynical and less trusting of people they just met [14].

Gen X grew up during the AIDS epidemic, economic uncertainty, and the fall of the Soviet Union [6]. They have a much higher chance of losing their jobs and witnessing divorce than previous generations [6]. Members of this group are considered individualistic and less committed to the organization where they work and tend to move around jobs to increase their self-worth and see work-life balance as very important [6].

The work values most associated with Gen X are "technology literate", "learn quickly", "seek work/life balance", "accept diversity", and "love informality" [6].

2.3. Generation Y (Gen Y)

Gen Y grew up during the information and communication technology boom, especially the internet.

This makes them more tech-savvy, quick to find new things, and easier to learn something [6]. However, the widespread use of social media during the growth period of Gen Y makes them tend to have narcissistic traits that have an impact on high self-assessment, feel entitled, and enjoy luxury [16].

Negatively, Gen Y is usually presented as disloyal workers who are constantly looking for better opportunities, and compensation [17]. They are ambitious, always looking for opportunities to contribute quickly and want their opinions to be heard. They also always question authority [17].

Positively, Gen Y is seen as creative and skilled at multitasking, technologically savvy, and very socially fast. They are always looking for training and development opportunities to improve their skills. Gen Y values flexibility at work and prioritizes lifestyle and hobbies over work [17].

2.4. Generation Z (Gen Z)

Gen Z is seen as the first generation to be truly born in the digital age and globalization [15]. Gen Z is a generation that highly values family values [15]. They are very confident, very optimistic, imaginative, and think more laterally than other generations [15].

Gen Z is a generation that since birth has been "close" to various kinds of digital technology [15, 18]. This makes this generation very comfortable collecting and referencing multiple sources of information with an integrated online and offline experience [18]. McKinsey calls Gen Z the "True Gen" because their research found that Gen Z always looks for the "truth" (truth) in solving a problem, avoids "labelling", respects individual expression, and places great emphasis on dialog and analysis [18].

Gen Z employees expect to see the impact of work reflecting their interest in meaningful and impactful work [7]. They also want to move up the ladder quickly in their careers, the fun factor in working, and the lifestyle that makes working together to take advantage of their free time [19]. Gen Z likes work that pays attention to the values of environmentally friendly practices and sustainable development [19].

2.5. Work Values

Values determine fundamentally what a person believes are right or wrong [14]. Then, values are rooted in needs and therefore provide the basic principles for one's goals [20]. Meanwhile, values are similar to needs in their capacity to generate, direct, and maintain a behavior [20]. If needs are innate, then values are acquired through cognition and experience [20]. Also, values are a step closer to action than needs, because values are the basis for a person to take action [20].

Therefore, work values can be said as something that someone believes are right or wrong in the scope of work

[6, 14]. Furthermore, work values affect what a person wants from the workplace, such as the amount of wages, freedom at work, and working conditions [21]. Work values also influence behavior, attitudes, decision-making, and the way a person solves problems at work [6].

2.6. Dimensions of Work Values

The dimensions of work values include extrinsic, intrinsic, altruistic, leisure, and social work values [6]. Extrinsic work values are work values that focus on the consequences or results of work in the form of tangible rewards from the organization for employees, such as income, opportunities to attend training, and promotions [6, 7]. Besides, intrinsic work values are work values that focus on the intangible rewards obtained during doing work that reflect the inherent interest in the work, learning potential, and opportunities to show creativity [6, 7].

Moreover, altruistic work values refer to the desire to help others and contribute to society [6, 7]. In addition, leisure work values refer to opportunities for leisure, Vacation, time for other things, slower pace [6, 7]. Last, social work values relate to the employee's need to be connected and have deep relationships with co-workers [6, 7].

Previous studies have found contradictory evidence. In some study Gen X rates extrinsic work values more than Gen Y [2, 6]. Meanwhile, in a study, Gen Y has higher extrinsic work values than Gen X [22].

In a study, Gen X rates intrinsic work values higher than Gen Y [6]. Meanwhile, in a study, Gen X rates intrinsic work values less than Gen Y [2].

Gen Y is seen as socially active and prefers informality at work [17, 23]. In a study, Gen Y rates social work values higher than Gen X [2]. However, in other studies, Gen Y rates social work values less than Gen X [2].

In a study, Gen Y values leisure work values more than Gen X [6]. But in other studies, Gen X also valued work that had a work-life balance as very important [2]s. Accordingly, we propose the following:

Ha. There will be significant differences between the work values of Gen Z and older generations employees in Indonesia.

3. METHOD

This study was conducted in 2020 using Google Form online questionnaire shared via social media like Whatsapp, Telegram, Instagram, Twitter, and Facebook. Using nonprobability purposive sampling technique, this study was able to collect 239 permanent employee participants from various organizations with a composition of 20.9% of Gen X, 41.8% of Gen Y, and 37.2% of Gen Z.

Work values were measured using instruments adapted from Twenge, Campbell, Lance, and Hoffman [6]. The instrument consisted of five work values dimensions (extrinsic, intrinsic, altruistic, social, and leisure) that comprised of 23 items on a five-point Likert scale. This instrument was chosen because it had been tested on more than 15,000 samples in previous studies. As can be seen from Table 2, the Cronbach's α scores for the five work values dimensions ranged between 0.68 and 0.90.

4. RESULT AND DISCUSSION

As can be seen Table. 3, significant differences were found between Gen X, Y, and Z employees work values. Gen Z employees had higher extrinsic, intrinsic, social, and leisure work values than Gen X employees. Moreover, Gen Y employees had higher leisure work values than Gen X employees. Hence, *Ha* is supported.

Based on descriptive analysis, contrary to the claim that Gen X is more individualist than previous generations [14], Table. 3 from this study shows that Gen X places the altruistic work values as most important. The results of this study are in line with previous studies which found that Gen Z value leisure time at work as less important as this value was ranked last in this study [7]. The results of this study are also in line with the argument that claim Gen Y embraces leisure work values more than Gen X [6].

Also, we can see Gen Z gave more importance to intrinsic work values than the other four work values dimensions in Table. 3. This result is in line with previous studies which found Gen Z desire meaningful and impactful work the most [7].

Surprisingly, in Table. 3 Gen Y also placed intrinsic work values as the most important. The result contradicted some of the previous studies that found Gen Y did not value intrinsic work values more than extrinsic work values [2, 6, 22].

5. CONCLUSION

From the results of this study, we conclude that Gen Z employees have higher expectations than Gen X employees for material compensation, intangible rewards, to be connected and have deep relationships with co-workers, and leisure at work. Also, Gen Y employees have higher expectations than Gen X employees for leisure at work.

However, this study has limitation. This research was conducted in one time. So, it cannot refute the arguments that claim the work values of the younger generation will be the same as that of the older generation as they get older [6]. Therefore, future studies should be designed by longitudinal methods to further support these study findings.

Table 1. Participants demographic information

	Frequency	Percent (%)
Generation		
Gen X	50	20.9
Gen Y	100	41.8
Gen Z	89	37.2
Gender		
Male	122	51.0
Female	117	49.0
Education Level		
High school graduate	17	7.1
Diploma	24	10.0
Bachelor's, Graduate, and Ph.D degree	198	82.8
Tenure		
< 1 year		
1-3 years	30	12.6
> 3-5 years	110	46.0
> 5-10 years	27	11.3
> 10 years	40	16.7
Industry	32	13.4
Retail		
Service	27	11.3
Manufacture	106	44.4
Government/NGO	27	11.3
	79	33.1

Table 2. Descriptive statistics for the study variables

Work Values	N of items	Mean	SD	Cronbach's α
Extrinsic work values	5	3.83	3.835	0.833
Intrinsic work values	7	4.29	5.245	0.937
Altruistic work values	2	4.27	1.636	0.820
Leisure work values	3	3.50	2.520	0.685
Social work values	6	4.11	4.439	0.898

Table 3. Means and standard deviations of employees work values

Variable/Dimensions	Gen X		Gen Y		Gen Z		p diff
	Mean	SD	Mean	SD	Mean	SD	
Work Values	3.72	0.844	4.01	0.629	4.14	0.441	0.001
Extrinsic work values	3.60[a]	0.936	3.82[a]	0.738	3.96[b]	0.666	0.028
Intrinsic work values	4.02[a]	1.051	4.30[a]	0.709	4.42[b]	0.528	0.009
Altruistic work values	4.21	1.065	4.24	0.809	4.34	0.660	0.608
Leisure work values	2.85[a]	0.858	3.61[b]	0.790	3.75[b]	0.693	0.000
Social work values	3.91[a]	1.017	4.11[a]	0.705	4.24[b]	0.553	0.044

Notes: Within each row, means with different superscripts are significantly different at $p < 0.05$

AUTHORS' CONTRIBUTIONS

Muhammad Rafiki was contributed in data collection and drafting the article. Furthermore, Yanki Hartijasti was contributed in data analysis and interpretation.

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