A Comparative Study of Work Values between Generation X and Generation Y

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Abstract

This study examined the factors that influenced an average Canadian business student to accept their first job. Results were also compared over two different generations (Generation X and Generation Y) to determine any difference of work values as times changed. The four work value categories measured were instrumental, prestige, social/altruistic, and cognitive. Data was collected from 150 individuals who were administered the questionnaire through e-mail and social media outlets. The findings showed no statistically significant difference between generations in terms of work values measured. Although there was no generational difference, there is a significant difference between genders. Females were shown to prefer more social/altruistic work values in the workplace when compared to males. Limitations include time and sample size and are discussed further within the study.

Introduction

One of the most pressing and significant challenges facing Canada involves the labor force and its aging population (Burke and Ng, 2006). With such a large proportion of the
workforce facing retirement, comes an opportunity for a new generation of graduates to seek and obtain meaningful employment. Generation Y graduates are currently entering the workforce, bringing with them unique values and expectations that employers have not had experience hiring and managing (Ng and Gossett, 2009). With a tightening labor market and the demand for skilled labor these Generation Y graduates will have the concession of choosing which employer best suits them. However, this was not the case when the preceding generation, Generation X, was graduating and entering the labor force. Gen Xers grew up with financial, family, and societal insecurity; rapid change; great diversity; and a lack of solid traditions. This led to a sense of individualism and collectivism (Jurkiewicz and Brown, 1998). However, when it comes to the workforce in present day, Generation X brings well-honed, practical approaches to problem solving (Kupperschmidt, 2000). They are also defined as technically competent, comfortable with diversity, change, multi-tasking, and competition (Kupperschmidt, 2000). This study hopes to provide clarity into the changes, or lack thereof between Generation Y business graduates and Generation X business graduates upon entering the workforce after graduation, in terms of what factors affected how they chose their first occupation.

Generation Y

Generation Y is different than the generations that preceded it; they are a unique cohort. They are numerous, affluent, educated, and ethnically diverse. They possess a new focus on teamwork, achievement, modesty and good conduct (Howe, Strauss, 2000). There is disagreement as to the time period that defines Generation Y. The start of the generation can range from 1977-1980 depending on the source (Twenge, Campbell, Hoffman, and Lance, 2010). However, for the purpose of studying a working population we will define Generation Y as anyone born between the years of 1980 and 1994. This generation of Millennial, born between
1980 and 1994 have grown up in an era characterized by globalization, rapid technological advancement and increasing diversity (Burke and NG, 2006). They, as a generation, are moving into the workforce and expect fulfillment and meaning in their work (Twenge and Campbell, 2008) they also wish for reward through income growth and recognition of their contribution (Treuren and Anderson, 2010). Millennials have been noted to possess "unwavering confidence" and they believe they possess the talent and intellect to achieve their goals and are acutely focused on their own success (Stuart and Lyons, 2008).

Generation X

Generation X can be classified as the cohort of individuals born between the years of 1960-1979. These are individuals who have experiences such world events as the fall of the Soviet Union, the HIV/AIDS epidemic, and economic uncertainty involving a business world that went haywire with corporate downsizing and massive layoffs. They also watched their parents get laid off early in their careers and have grown to expect and embrace change. As a result of these experiences, members of this cohort are purported to be independent and less committed to their employing organization and likely to job hop to increase marketability and to see work-life balance as extremely important (Beutell & Wittig-Berman, 2008; Glass, 2007). The workplace traits most associated with GenX were "tech savvy," "learn quickly," "seek work-life balance," "embrace diversity," and "like informality" (Society of Human Research Management, 2004). These are some of the traits that Gen Xers bring with them to the workforce and influence the way they go about doing their job. Also, these traits help to shed light onto what factors Generation X graduates took into consideration when selecting an employer after graduation. Knowing what makes individuals in both these generations tick, helps to better understand what influenced them to accept their first occupation.
As much literature as there is on the work values of Generation Y, and how they put these values to use while in the workforce; there has been a minimal amount of research done regarding how these values influence our generation when it comes to selecting a job upon graduating. With such a large amount of Generation Y students graduating and entering the workforce, we feel that understanding how these individuals choose which organizations to work for can benefit employers in that they can better understand how to appeal to high-quality recruits. Also, understanding what values affect a graduates' decision to accept a job offer can provide clarity for organizations struggling to recruit the right employees. With the amount of Generation X individuals already in the workforce and mentoring the younger generation, we looked to compare how the values have changed, or remained constant, in terms of selecting an occupation directly out of university. Understanding the differences and similarities between Generation X and Generation Y graduates can help to predict what values graduates of the next generation may potentially hold important in the future when it comes to their first occupation after graduation. Knowing where these values have come from, and knowing where they stand today, can help to give organizations an upper hand in understanding the next generation and what values they will consider important in an employer.

**Literature Review**

After reviewing literature it suggests that there is a confounding difference and similarities between Generation X and Generation Y in regards to demographics, work values, individual values, working environment, compensation and life style. In this article we build on the present literature on both generation x and y with a survey sample to document their career expectations. This article will define the priorities each of these generations put on career expectations and choices. This research will be comparing and contrasting the priorities and
expectation Generation x has against Generation y. The objective of this research is to contribute and add valuable insight to past research on expectations between the two generations.

Lifestyle

Literature suggests that having a balanced life in terms of work and personal life is a fundamental value in both generation Y and generation X. This need for work life balance is an important factor in individual’s job choice decisions. (Twenge, Campbell, Hoffman, Lance 2010) Generation Y individuals tend to have higher levels of education and because of this they are more likely to negotiate their work terms all throughout their careers. (Ng, Schueitzer, Lyons. 2010) Generation Y individuals are less likely to want to work overtime and more likely to agree with the statement “work is just making a living.” Family influences on generation Y has interesting implications on their lifestyle values. In terms of a work life balance, Generation Y would be less willing to make sacrifices for the sake of their jobs because of their parents’ experiences of making great sacrifices for their work with no direct or immediate benefits. (Loughlin, Barling. 2001) Generation Y workers also may not value progressing into leadership positions because they much more value non work activities and achieving a more desirable balance between these activities and work. (Maccoby, 1995; Zemke et al., 2000).

Work values

Generation Y has shown to value leisure time much more than Generation X. Leading companies such as Google, Ebay, KPMG offer employee’s relaxation and leisure activates to cater to these preferences. Such leisure activities noted are onsite massages and laundry facilities, rooms for meditation, or options such as five weeks of paid time during first year of employment. Some companies try to align with these preferences by offering employees the opportunity to volunteer to help others during work hours. Other programs might include the
opportunity to emphasize the social good behind the company’s product or mission. (100 Best, 2008).

In a study conducted to measure generational differences in work values, it was observed that young people valued more than two weeks of vacation and a job they could work slowly at much more than Generation X. Generation Y and X were both observed to value extrinsic rewards similarly but Y was less likely to value an intrinsically rewarding job compared with Generation X. Altruism in the workplace appeared to remain consistent throughout both generations.

Family influences on young workers gives insight to generational changes in work values. Children's understanding of work and employment is influenced by their parents' employment and economic situation (Dickinson & Emler, 1992). Also, there seems to be strong evidence that children's perceptions of parental work attitudes and experiences greatly influence the development of their own work beliefs and attitudes. (Barling, Dupre, & Hepburn, 1998) During the 1980s and 1990s, many young workers saw their parents and others around them 'rightsized', 'downsized', or otherwise dismissed from their jobs by companies who no longer required their labour. These young workers' work attitudes and behaviour are now said to convey this sense of betrayal (Zemke et al., 2000). Because of the experiences of their parents, they are said to be skeptical, unimpressed by authority, and self-reliant in their orientation towards work (e.g. Jurkiewicz, 2000).

Demographics

In terms of demographics, preference differences between gender has been noted in previous literature. When observing the preferences of generation Y, there is not a substantial difference between genders. The only preference that is significant is a tendency to value job interaction and travel as well as work relationships more so than males. (Chew, Teo. 1993)
When we shift our focus to generation X, we see that graduates that entered the workforce in the past displayed much more variation between gender. It was described that female graduates in generation X placed less importance on preferences related to long term career objectives and advancement and a more importance on work environment. (Manhardt, 1972) A change in preferences could be explained by the change in the responsibilities females play in the workplace and at home. This change also could be attributed to possible former expectations of eventually leaving work making career goals irrelevant. (Manhardt, 1972) Interestingly, while women are becoming less tolerant of family undermining their career possibilities, men are becoming less tolerant of work separating them from their families (Maccoby, 1995).

**Compensation**

Compensation can be defined as salary, pay (variable or fixed) and benefits. In past research shows that generation x was more focused on extrinsic rewards. Generation X was found to have high, unrealistic expectations for their starting salary when they join the workforce out of university this could be cause for concern for organizations. (Burke, 1991) During this time there was a rapid inflation of living expenses. (Howe & Strauss, 2000) The emphasis on high initial pay expectation for the GenMe generation decreases the closer they get to graduating. (Ng, Schweitze, & Lyons, 2010) The popular belief is that GenMe believe that there is more to life than a big salary, therefore having less value for extrinsic rewards. The Millenial generation believes that taking a less than ideal job will help find a career in the long run. (Ng, Schweitze, & Lyons, 2010) More research in the industry shows that both GenX and GenY seek higher education and this makes it necessary for dual-income households. This increases the demand and desire for extrinsic rewards. (Twenge, Campbell, Hoffman, & Lance, 2010) Money is no longer enough to keep the millennial satisfied. The millennial are constantly looking for an organization with a mission and core values that go beyond making money. (Yang & Guy, 2006)
GenMe want to live more meaningful lives and they want their lives to be more purposeful. They will value intrinsic rewards more than extrinsic rewards. (Yang & Guy, 2006) Throughout the years there have been a number of different studies proving many different ideas when it comes to compensation.

Individual values

Generation Y are always looking for the perfect environment where they can learn marketable skills and gather experience that will guide them to a successful future (Cogin, 2012). Generation X has been found to place high value on intrinsic job motivation and rewards such as challenging work and self-efficacy (Burke, 1991). The GenMe generation needs to work for those companies that will have similar patterns between their own individual values and that of the organization. (Chatman, 1989) The attributes of the company must be aligned to their own personal characteristics. (Cable and Judge, 1994, 1996; Chatman, 1989, 1991; Tom, 1971.) Gen X-ers are reported to ask, 'WIIFM, What's in it for me?'. Additionally, this cohort is said to want to work toward their own goals concurrently with the organization's goals. Newer employees were generally found to be less loyal to the company and more 'me' oriented. They wanted to be promoted more quickly than their older counterparts; were less likely to feel that work was an important part of one's life; and according to their responses, would be more likely to quit work if they won a large amount of money. (Smola, Sutton.)

Work Environment

The leading companies in the industry offer comforts such as work-life balance, relaxation and leisure activities. (Twenge, Campbell, Hoffman, & Lance, 2010) GenMe have grown up in a time of social prosperity. The social aspect has become so important in the lives of the Generations Y’s that they have grown up in an era where they are frequently
assigned to groups and presentations. (found from lowe on Solutions for retaining generation y employees in the workplace) how do you do a citation that you find from another article? Gen Y’s need a positive work climate where the focus is on similarities between co-workers rather than the focus being on individuals differences (Cogin, 2012) GenMe valued social interactions at work significantly less than GenX . (Twenge, Campbell, Hoffman, & Lance, 2010) The findings show that GenMe show less value for interactions at work and a decreased need to obtain social rewards and would prefer to devote their leisure time to social activities outside work relationships. (Twenge, Campbell, Hoffman, & Lance, 2010) The opportunities that technology provides are endless and shows this generation is better suited to maintain a connection with friends and family outside work. (Twenge, Campbell, Hoffman, & Lance, 2010)Generational differences in work values can also affect the perceived fit of employees with the organization. Organizational climates often reflect the values and goals of founding members or organizational leaders; at the moment, these leaders are primarily Boomers. Research shows that if employees entering hold values that are different from those employees entering than those of the leaders GenMe employees may experience person-organization misfit. These organization misfits will yield more negative attitudes toward work, decreased performance, and greater likelihood of turnover. (twinge, Campbell, Hoffman, Lance)

**Hypotheses**

1. Generation Y will display little to no difference between gender preferences. In generation X, women will value social interaction and working relationships more so than men.

2. In Generation X and Y, women do not value career advancement or display as much ambition for advancement as men in the workforce.
3. Compensation will influence Generation X more than Generation Y in selecting their first job.

Methodology

Participants: Data was collected from 198 individuals from an online survey. 48 were omitted due to not being able to meet generational or educational requirements, which left 150 respondents. All 150 respondents had attended a Canadian post secondary institution studying business. Out of these respondents, 109 were female (72.67%) and 41 (27.33%) were male. Also, 58 (38.67%) were part of Generation X born between 1964-1979 and 92 (61.33%) were part of Generation Y born between 1980-1994.

Measures: Survey consisted of a series of questions based on a Likert scale. These questions determined what respondents considered when making choices about accepting a job. If respondents strongly considered a question then they would issue a 5 while if they strongly did not consider a question they would issue a 1.

Work values were measured by five questions. For all five questions, the respondents were asked to indicate to what degree they would consider factors of these questions when choosing their first job. For the first question, respondents were asked if doing work that makes a helpful contribution to society that makes a difference was to them. The second question asked respondents to indicate how important doing work that involved creativity and original thought
was to them. Respondents were then asked to indicate the importance of having the opportunity to continuously learn and develop new knowledge. The fourth question then asked respondents how important having the opportunity for advancement in their career was to them. Finally, respondents were asked to indicate the importance of having a job where recognition is given for a job well done.

*Individual values* were measured by eight questions in the survey. First, respondents were asked if it was important to have authority to organize and direct the work of others. Second, they were asked how important it was to them to have the freedom to make decisions about how they do their work and spend their time. Third, respondents were asked how important it was to them to do work that makes a significant impact on the organization. Next they were asked of the importance of doing work that is intellectually stimulating, and the importance of doing work that they find interesting, exciting and engaging. They were then asked how important it was to them to do work that is consistent with their moral values, and how important working on tasks and projects that challenge their abilities were to them. Finally, respondents were asked to indicate the importance of having the ability to influence organizational outcomes.

*Working Environment* was measured by eight questions in the survey. First, respondents were asked if it was important to have management provide helpful feedback. Second, they were asked of the importance of working with co-workers who you could form friendships with. Third, respondents were asked the importance of working in a fun and lively environment. Next respondents were asked of the importance of supportive and technically competent supervisors, variety in ones work, proper information access, and social interaction.
Compensation was measured by a set of three questions. First, respondents were asked the importance of having benefits that meet personal needs. Second, the respondents were asked about the importance of job security. Last, respondents were asked about the importance of a high-paying salary.

Lifestyle was measured by two questions. First, respondents were asked the importance of work hours that are convenient for them. Second, respondents were asked how important it was to have a work/life balance in their life.

Procedure: In this study, we conducted a number of analyses to determine whether the dependent variables in the study were affected by generation and gender, the independent variables. To summarize the results of the tests used to analyze the data, means, standard deviations and correlations between variables were used. It is important to note that any mean that has common subscripts are not statistically different, and that if one mean has a subscript of $\alpha$ and another with $\beta$ then they are significantly different. For the dependent variables; cognitive, instrumental, social-altruistic and prestige, Pearson Correlations were used to determine the strength of relationship between two variables. The correlation ranged from -1 to +1. For the set of 27 work value items, a multivariate analysis of variance (MANOVA) was conducted with the set of work value items as the dependent variables and gender and generation as the independent variables. A conservative significance cut off of $P < 0.05$ was used, as it indicated that the correlations would be accurate in $95\%$ of random samples of our sample size.

Results

After 204 full respondents were entered and recorded, participants inadequate for the terms of the study were filtered out using the control variables age and educational status. A
A sample of 150 participants was tallied, showing a 61.7%-38.3% split between generations Y vs. generation X, respectively. Of the total sample, 73.2% were female, with a 71.9% female group of Gen X’s and 73.9% female Gen Y’s.

The statistical differences in preferences between the measured focus groups were not significant as calculated by the principle researcher. The findings conclusively showed that between the four models (instrumental, cognitive, social-altruistic and prestige,) neither generation showed a statistically significant preference for a particular category over the other.

Further analysis showed a significant difference in gender preference for the social altruistic model. Females rated the social-altruistic model with a mean Likert scale systematic score of 4.14, or 0.31 points higher than the mean average score of males.

Correlations between individual models were calculated at the 95% confidence level. The results indicated five weak (<0.4) positive correlations between generational preferences for contribution to society, continuous learning, opportunity for advancement, recognition, and co-workers. The results are as follows:

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<thead>
<tr>
<th>Correlations</th>
<th>Contribution to Society</th>
<th>Continous Learning</th>
<th>Opportunity for Advancement</th>
<th>Recognition</th>
<th>Co-workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation</td>
<td>Pearson Correlation ( r )</td>
<td>.171*</td>
<td>.177*</td>
<td>.179*</td>
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No significant negative correlations were found between generations at the 95% confidence level, suggesting that generation X’s and Y’s share strikingly similar work values.

**Discussion**

The overall goal of the research conducted was an attempt to clarify any possible changes that may have occurred in preferences relating to job acceptance of recently graduated business
students between generation X and Y. The study hypothesized three potential outcomes relating to gender preferences within a generation and between generations as well as compensation. The first and second include the notion that Generation Y will display minimal difference between genders, while Generation X will reveal significant differences because of social influences present in that are no longer the case. The third hypothesis put forth that it could be likely that compensation was a variable that influenced generation X more than generation Y because of certain experiences observed that affected Generation X. We used four categories in our study -- instrumental, cognitive, social-altruistic and prestige in order to accurately measure the variables put forth from the available research already undertaken on the subject. These four categories included further breakdown in order to be quite specific to incorporate accurate questions reflective of the broad interest of the category. The results of the study produced did not identify any differences of the four categories between generations which dismissed our initial hypothesis that social factors present exclusively in generation X or Y would have an impact on preferences. It was hypothesized that career advancement for example would be more valued in males in generation X than females because of the different role females played in society relative to today as well as compensation being valued more so by generation X than generation Y because of Y’s perspective of parents experiences of work. This was proved not to be the case with our research, but rather illuminating a significant difference between genders, across both generations. This difference between genders observed across both generations pertained to the social altruistic model, specifically to females. It was observed that females tend to value things pertaining to the workplace such as social interaction, fun, moral values and importance of work relationships much more than males. Although there were multiple positive correlations between generations pertaining to recognition, advancement etc, the study maintains that these were
deemed too weak and supports the notion that both generation X and Y bear quite similar preferences regarding the workplace but rather gender preferences posed only a significant difference relating to social altruistic distinction among females.
Limitations and Directions for Future Research

After conducting the survey and interpreting the results, we found there were certain limitations to our study. There are changes that could have been made that would have enhanced the validity of our results; enhancing our overall study considerably. The main limitation we found was that our sample population was largely focused on one main region; Southwestern Ontario. Namely: Guelph, Mississauga, Waterloo-Kitchener, and Brampton. The study’s results would have benefited from having a larger sample, from a wider range of individuals across all of Canada. Although the sample represents our target population, we could have had more valid and significant results, had we been able to recruit participants from a larger region. Another limitation that should be noted was the amount of time allotted to the study. The study took place over the course of only three months. Due to the nature of the course, this limitation was out of our hands. However; with more time there may have been different results. Also, with more time devoted to this study there was possibility for the study to be more comparative if it was preformed longitudinally over the course of several years.

These limitations can be taken into consideration for future research on the subject of comparing Generational work values. As for the direction future potential research can take to improve our study and solidify the conclusions we have drawn about the similarities between Generation X and Y’s work values; one could implement a longitudinal study (as stated above) to find out if years from now these values have changed, or in fact remained the same. This would be one way to improve upon present research; however, expanding the study in the future to include more participants from all over Canada would help to validate the results we have found. This could potentially lead to uncovering other similarities and differences between generations.
Another avenue that could be explored in future research is how the factors that influenced a business graduate to accept their first occupation have become relevant to their lives during the course of their career. For example, in hindsight, was accepting a job primarily due to the compensation it offered a good career choice? Did this choice provide you with the satisfaction in your job you had hoped for? Using the factors influencing business graduates that we studied in this research, future researchers could evaluate how important these factors turned out to be, years into an individual’s career.

**Conclusion**

The main objective of this study was to investigate the similarities between Generation X and Generation Y with respects to career expectations. Focusing on the six factors from the review of literature (demographics, compensation, lifestyle, work values, individual values, work-life balance) the proposed three hypotheses were tested using the results from the four categories measured in the survey (instrumental, cognitive, social altruistic and prestige.)

This study focused on gathering information from both generations in order to describe the priorities these two generations have set forth when deciding what is important to them for their first jobs. Our findings support that there is no difference between generations.

Both Generations found compensation as extremely important. These generations found that receiving competitive pay was vital to them accepting their first job. GenX and GenY both see that having a good working environment was important to their success. These generations will be more likely to accept a job if they have an encouraging and supportive supervisors. Similarly it is important to both generations to have friendly and competent co-workers. Career advancement is an important factor these generations consider when accepting their first jobs this could because they have high expectations in making a highly competitive salary. These two
generations have been put into group settings through out school they will most likely work. Work-life balance is important to both generations because they work really hard and will require time away from work. Generation Y has seen Generation X work their lives away and they will not fall victim to the same mistake both these generations view time away from work as their sanctuary. These generations feel that authority, impact, influence and creativity was the least important influence to whether or not they accept their first job. Both these generations want to go to work, finish what is required and then leave. We can see that the importance of work-life balance is imperative to these Generations successful integration to their first job.
References

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